



84th Meeting of the Bureau of the IUCN Council

By conference call on 1 May 2020 from 10 AM to 3 PM UTC
and resumed by conference call on 11 May and 19 May 2020

Agenda

<p>Item 1: President's opening remarks and approval of the agenda</p>
<p>Item 2: Impact of Covid-19 on conservation and IUCN's relevance</p> <ul style="list-style-type: none"> • <i>Discussion taking into account reflections received from Council members on how IUCN becomes more relevant and a true global leader post the Covid-19 pandemic (cf. President's message to Council members, 3 April 2020), followed by any actions which the Bureau may consider appropriate. See also the pages "Covid-19 resources" on IUCN's website, collecting IUCN resources related to the COVID-19 pandemic, and the relationship between nature and human health.</i>
<p>Item 3: Impact of postponing the 2020 Congress to 7-15 January 2021</p> <ul style="list-style-type: none"> • <i>Results of the CPC meetings of 20 and 28 April 2020 (recommendations will be transmitted in written format if available prior to the meeting)</i> • <i>Letter from the National Committee of Costa Rica (copy attached as Annex 1) and other stakeholders on the postponement of the 2020 Congress</i> • <i>Letter from the Election Officer to the IUCN President dated 27 April 2020 on the impact of postponing Congress on the nominations and elections process (copy attached as Annex 2)</i> • <i>Letter from the Election Officer to the IUCN President dated 23 March 2020 with a notification regarding a provision of her Terms of Reference (copy distributed by the President to the Bureau on 30 April 2020)</i>
<p>Item 4: Update on the financial situation</p> <ul style="list-style-type: none"> • <i>Update from the Acting Director General</i> • <i>Results of FAC's meeting of 29 April 2020 (recommendations will be transmitted in written format if available prior to the meeting)</i>
<p>Item 5: Date / agenda of the next Bureau meeting(s)</p>
<p>Item 6: Report of the DG Search Committee (<i>in camera</i>)</p>
<p>Item 7: Any other items</p>



San José, Costa Rica, abril 22 del 2020.

**Consejo
Dirección General
Unidad de Miembros
UICN**

El 8 de abril 2020, la Unión Internacional para la Conservación (UICN) publicó una declaración sobre la pandemia de COVID-19 mediante la cual expresa su solidaridad con la población mundial y reflexiona acerca de la relación entre el ser humano y la naturaleza y de como debemos de adaptarnos para seguir trabajando en un ambiente dinámico y cambiante donde la pandemia no solamente plantea nuevos retos, sino abre un panorama para conducir las actividades de forma diferente. Más específicamente, la declaración de la UICN nos llama a analizar “cómo podemos reducir nuestra huella en el mundo natural al continuar usando las herramientas que estamos utilizando actualmente” y a “establecer objetivos para volar y viajar menos, e informar de nuestros avances de manera transparente”.

Pocos días antes, el 3 de abril 2020, la Dirección General y la Presidencia de la UICN comunicaron el aplazamiento del Congreso Mundial de Conservación de la UICN (CMC-UICN) hasta el 7 de enero 2021.

El Comité Nacional de Miembros de Costa Rica de la UICN celebra esta necesaria decisión, pero lamenta que ésta haya demorado tanto tiempo, cuando claramente la pandemia estaba cobrando miles de vidas y haciendo inviable la celebración de un evento masivo como el CMC-UICN para junio 2020. Mientras otros congresos nacionales, regionales y globales se empezaron a cancelar desde inicios de marzo 2020, la UICN permanecía silenciosa sobre la posible cancelación de nuestro congreso global. La falta de comunicación genera incertidumbre.



La declaración de la UICN sobre la pandemia de COVID-19 es inspiradora y nos reta a reinventarnos en una perspectiva post-COVID-19. Muchas organizaciones que están sufriendo los cambios sociales, económicos y organizacionales generados por la crisis mundial actual, están reaccionando de forma creativa y positiva para continuar trabajando. Creemos que la UICN, en seguimiento a su propio llamado, hubiera podido diseñar una solución creativa y propositiva para avanzar con la agenda global de la conservación y desarrollo sostenible, y a la vez contribuir con los esfuerzos de reducción de nuestra huella. Sin embargo, la única decisión que hemos conocido hasta el momento ha sido el cambio de fechas de nuestro congreso hasta enero 2021, fecha que, en el contexto actual, aún parece poco viable. Nuestro Comité Nacional percibe que la UICN aún no se ha ajustado a los retos de cambio que la situación actual requiere para enfrentar la aguda crisis económica, social y ecológica.

Nos parece que una alternativa más acorde con los principios enunciados en la declaración de la UICN, hubieran podido consistir en acciones diferentes y novedosas, tales como:

1. Desarrollar la Asamblea General de Miembros de la UICN de forma virtual en junio 2020 con el fin de mantener la agenda del máximo órgano de la UICN para que se puedan adoptar las mociones necesarias para avanzar las agendas de conservación globales, así como llevar a cabo el proceso de elecciones de candidato(a)s a la Presidencia, Tesorería, Concejo y Comisiones para renovar el liderazgo de la organización en el tiempo acordado.
2. Considerar llevar a cabo el Foro de forma virtual en junio 2020, o como alternativa en enero 2021 para, en este caso, permitir la interacción en persona.

Por un lado, las cuotas de inscripción de las personas inscritas al CMC-UICN podrían ser suficientes para desarrollar plenarias y otros eventos por medio de retransmisión en directo, mientras el ahorro de recursos financieros por la cancelación de un evento presencial (seguridad, catering, salones, salarios, contratistas, etc.) podría ser muy importante.

Por otra parte, evitar que 10.000 personas o más viajen a Francia desde 160 países y pasen 2 o más semanas en el país contribuiría a reducir nuestra huella y utilizar los fondos disponibles para abrir el espacio y permitir una mayor participación de miembros y personas interesadas. Estos mismos fondos podrían eventualmente ser utilizados para garantizar el apoyo tecnológico y de conectividad necesarios a los miembros de la Asamblea General que lo podrían requerir.



No hay duda de que el aislamiento y distanciamiento social constituya la mejor forma de enfrentar la pandemia del COVID-19. Además, existe un grado elevado de incertidumbre sobre la garantía de seguridad sanitaria de una decena de miles de personas en el CMC-UICN en enero 2021 en Francia. Para esta fecha, no se prevé que haya una vacuna disponible contra el COVID-19, y es posible que se tenga que posponerse nuevamente.

Conscientes de los retos logísticos y de comunicación, creemos firmemente que la UICN está en toda la capacidad para diseñar nuevas formas y medios para seguir trabajando y contribuyendo al logro de los objetivos del Programa de la UICN, y solicitamos del liderazgo de la Unión que se analicen las alternativas aquí formuladas.

Atentamente,

COMITÉ NACIONAL DE MIEMBROS DE COSTA RICA DE LA UICN

San José, Costa Rica, April 22, 2020

Council
Director General
Membership Unit
IUCN

On April 8 2020, the International Union for Conservation of Nature (IUCN) released a statement on the COVID-19 pandemic through which it expresses its solidarity with the worldwide population and reflects on the relationship between human beings and nature and how we must adapt to continue working in a dynamic and changing environment where the pandemic not only poses new challenges, but also opens a panorama to lead the activities differently. More specifically, the IUCN statement calls us to discuss “how we can reduce our footprint in the natural world by continuing to use tools that we are currently using” and to “set goals for flying and traveling less, and report our progress in a transparent way”.

A few days before, on April 3, 2020, the Director General and President announced the postponement of the IUCN World Conservation Congress (WCC-IUCN) until January 7, 2021.

The IUCN National Committee of Costa Rican Members welcomes this necessary decision, but regrets that it took so long, when clearly the pandemic was taking thousands of lives and making the celebration of a massive event like the WCC-UICN unfeasible for June 2020. While other national, regional and global congresses began to be cancelled from early March 2020, IUCN remained silent on the possible cancellation of our global congress. Lack of communication creates uncertainty.

The IUCN statement on the COVID-19 pandemic is inspiring and challenges us to reinvent ourselves in a post-COVID-19 perspective. Many organisations that are suffering the social, economic and organisational changes generated by the current world crisis, they are reacting creatively and positively to continue working. We believe that the IUCN, in pursuit of its own call, could have designed a creative and proposal to advance the global agenda of conservation and sustainable development, and to instead contribute to efforts to reduce our footprint. However, the only decision that we have known so far has been the change of dates of our congress until January 2021, a date that, in the current context, still seems impractical. Our National Committee perceives that IUCN has not yet adjusted to the challenges of change that the current situation requires to face the acute economic, social and ecological crisis. It seems to us that an alternative more in line with the principles set forth in the declaration of IUCN could have consisted of different and innovative actions, such as:

1. Virtual IUCN Members General Assembly in June 2020 in order to maintain the agenda of the highest body of IUCN so that they can adopt the motions necessary to advance global conservation agendas as well how to carry out the election process of candidates for the Presidency, Treasury, Council and Commissions to renew the leadership of the organisation over time agreed.
2. Consider holding the Forum virtually in June 2020, or as an alternative in January 2021 to, in this case, allow in-person interaction.

On the one hand, the registration fees of those registered with the WCC-IUCN could be enough to develop plenaries and other events through live broadcast, while saving financial

resources by cancelling a face-to-face event (security, catering, salons, salaries, contractors, etc.) could be very important.

On the other hand, prevent 10,000 people or more from travelling to France from 160 countries and spending 2 or more weeks in the country would help reduce our footprint and use available funds to open the space and allow a greater participation of members and interested people. These same funds could eventually be used to guarantee technological support and connectivity necessary to the members of the General Assembly that may require it.

There is no doubt that social isolation and distancing is the best way to face the COVID-19 pandemic. Furthermore, there is a high degree of uncertainty about guaranteeing the health security of tens of thousands of people at the WCC-IUCN in January 2021 in France. At this time, no vaccine is anticipated to be available against the COVID-19, and may have to be postponed again.

Aware of the logistical and communication challenges, we firmly believe that IUCN is in all the ability to design new ways and means to continue working and contributing to the achievement of the objectives of the IUCN Program, and we ask the Union leadership to discuss the alternatives formulated here.

Sincerely,

IUCN NATIONAL COMMITTEE OF MEMBERS OF COSTA RICA

27 April 2020

Dear Mr. President,

In my role as Election Officer, I write to advise you and the Congress Preparatory Committee (CPC) of my analysis and recommendations regarding certain election process matters related to the postponement of the World Conservation Congress (WCC) in Marseille, France, rescheduled for 7-15 January 2021. In developing these recommendations, I have consulted with the Election Team -- Luc De Wever, Michelle Kimeu, Alejandro Iza – and IUCN Legal Adviser Sandrine Friedli Cela.

As background, I refer you to our email correspondence about the potential extension of the Regional Councillor nomination deadline (December 2019, see attachments); my report to Council dated 11 March 2020, which included a detailed report on the final list of all candidates validated for President, Treasurer, Commission Chair, and Regional Councillor; and my email of 18 March 2020, validating the candidacy of John Robinson for President, pursuant to Article 27 and Regulation 32.

This letter addresses five issues. These issues have also been addressed in the 20 April 2020 Legal Opinion by Ms. Friedli Cela and in the matrix entitled “Impact of the new dates of the IUCN Congress 2020 (7-15 January 2021) on Members’ Assembly processes – options paper by Luc De Wever with input from Sandrine Friedli Cela - 14 April 2020.”

1. Elections/Voting – Rescheduled to new dates for Members’ Assembly;
2. Campaign Period – Extended through the Congress;
3. Presidential Elections – Automatic extended date for direct nomination of candidates;
4. Re-opening or extension on deadline for Regional Councillor nominations – options and challenges; and
5. Potential withdrawals of nominated candidates.

Each section below provides my comments, references to the IUCN Statutes and Regulations, and my recommendation.

1. Elections/Voting – Rescheduled to new dates for Members’ Assembly

Comment: IUCN announced on 3 April 2020 that the World Congress has been postponed and rescheduled, but not cancelled. According to the IUCN Statutes and Regulations, the process for election of (i.e. *voting* on) all candidates would not change and would still take place at the World Congress in Marseille on **13-14 January 2021** during the new dates for the Members’ Assembly of **12-15 January 2021**.

References:

Article 27 - “The President, the Treasurer and the Chairs of the Commissions shall be elected **by the World Congress** on the nomination of the Council.” (Emphasis added.)

Article 28 – “The Regional Councillors shall be elected **by the World Congress** in accordance with Article 39 and the Regulations [36-40].” (Emphasis added.)

*Recommendation: That the Secretariat communicate (along with other decisions regarding the postponed Congress) to all candidates and to all IUCN Members that the voting for elections will take place during the Congress on **13-14 January 2021** during the Members’ Assembly.*

This is a straightforward adjustment of dates clearly required by the statutes/regulations.

2. Campaign Period – Extended through the Congress

Comment: The rescheduling of the elections to the new Congress dates also means that the campaign period for all candidates would likewise be extended until the Members’ Assembly. As in the past, the specific end date and time would be determined by the Congress Steering Committee.

Reference:

IUCN Council’s Guidance for 2020 Election Candidates (revised 1 July 2019) note 1: “campaigning (a) must be allowed up to a certain date at the Congress venue in order for candidates to have the opportunity to meet with and get known by Members, but (b) must come to a halt at least on the evening – e.g., midnight – of election day, in order to allow for a voting process that is fair, smooth, and free of any activity that is – or may be perceived to be – unfair to other candidates.”

Recommendation: That the Secretariat communicate to all candidates and to all IUCN Members that the campaign period is likewise extended until the Members’ Assembly of the Congress and will end on the specific date and time to be determined by the Steering Committee.

This is a straightforward adjustment of dates clearly required by the statutes/regulations.

3. Presidential Elections – Automatic extended date for direct nomination of candidates

*Comment: Given the new dates for the Congress, the application of the phrase “two months prior to the opening” (which is now 7 January 2021) means that **7 November 2020** is automatically the new date by which any direct nominations of candidates for President, otherwise in compliance with the statutes and rules, can be made to the Congress.*

References:

Article 27 - “Nominations for the President may also be made by forty Members eligible to vote from at least three Regions, within the period prescribed in the Regulations.”

Regulation 32 - “Nominations for President may also be made directly by Members as provided for in the Statutes, provided that such nomination is received by the Director General not less than *two months prior to the opening* of the session of the World Congress.”

*Recommendation: That the Secretariat communicate to all candidates and to all IUCN Members that the period of **direct** nomination of candidates for President by Members is automatically extended through **7 November 2020**. The Election Officer will, as a courtesy, also so advise the current three candidates for President of this extended date at the same time Council is notified.*

This is a straightforward adjustment of dates clearly required by the statutes/regulations and reflects the right of IUCN Members to directly nominate Presidential candidates, separate from the Council nomination process.

4. Re-opening or extension of deadline for nominations – options and challenges

4.1 Council nomination for President, Treasurer and Commission Chair

Comment: For the reasons explained in the 20 April 2020 Legal Opinion by Ms. Friedli Cela, since Council adopted decision C98/5 nominating candidates for President, Treasurer and Commission Chairs, the process of nominations by Council of candidates for these positions has been closed and may only re-opened in exceptional circumstances e.g. if the facts or the circumstances that led to the decision have changed and/or new information has been made available to Council about the candidates concerned.

4.2 Member nominations for Regional Councillor

With the postponement of the Congress to January 2021, which is eight months from now, the Council may consider, at least for purposes of discussion, the opportunity to reopen or extend the deadline for nominations for Regional Councillor. This option poses some challenges in terms of technical and administrative burdens and timing.

References:

Regulation 37 – “At least nine months before each ordinary session of the World Congress the Members in Categories A, B and C shall be invited by the Director to submit to the Election Officer, the names of candidates for election as Regional Councillors.”

Regulation 38 - “The deadline for nominations shall be determined on each occasion by the Council.”

Recommendation: The statutes and regulations do not clearly anticipate or address the scenario of a re-opening or extension on deadline for nominations for Regional Councillor, especially given that only eight months remain before the revised dates of the Congress. Should the Council wish to do so, it would be a highly discretionary interpretation. The advantage is that re-opening would increase competition and honor the democratic principles of the Union. The disadvantage is that it may create confusion and concern, including objections from existing candidates and the IUCN Members who nominated them. In addition, the technical requirements of the online nominations platform would need to be updated, which would require

time, an adjusted contract with the software developer, and additional expense. I take no position on this option but would assist if the Council chose this pathway.

5. Potential withdrawals of nominated candidates

Given the postponement of the Congress, there is a small but real risk of *withdrawal* of current candidates. In order to minimize disruption of the Congress planning horizon, this scenario of some candidates withdrawing their nominations should be anticipated and planned for in advance, even if such a scenario does not ultimately occur.

a. President, Treasurer, and Commission Chair

Comment: In the event of *withdrawal* of a currently validated and/or nominated candidate for President, Treasurer, or Commission Chair, the Congress Rules of Procedure should be followed.

First, the candidate must withdraw her or his name in writing (Rule 77).

Second, if the candidate is the sole candidate for that position, the Council must hold an extraordinary session and, after consulting with the Members, propose a new candidate.

To minimize disruption and maintain clear communication with Members and candidates, the Council should determine, in advance, how it would conduct that consultation process.

Reference:

Regulation 30 – “At least four months prior to a meeting of the Council taking place not less than four months before the date set for the opening of an ordinary session of the World Congress, the Members in Categories A, B and C shall be invited by the Director General to submit to the Election Officer, proposals for persons to be nominated as President or Treasurer, or as a Chair or a Commission.”

[Further relevant nomination procedures are detailed at the end of Regulation 30 and through Regulation 36] ”

Rule 77 - “Once placed on the list of candidates before the World Congress, a name may only be *withdrawn* by the candidate in writing.” (Emphasis added.)

Rule 79 - “Should a sole candidate for the post of President, Treasurer or Chair of Commission *withdraw or become ineligible*, the Council shall meet in extraordinary session and, having considered the views of the Members of IUCN, shall propose a new candidate to the World Congress.” (Emphasis added.)

Recommendation: That, immediately upon notification of withdrawal of a **sole** candidate for these three positions or if such candidate becomes ineligible, the Election Officer, in consultation with the Secretary to Council and the Legal Adviser, propose to Council a schedule for notification of and consultation with IUCN Members, and the completion of the Council process.

The steps in that process would mirror as far as practical the normal process for proposals for nomination as specified under Article 27 and Regulations 30-35 for the particular position but may be expedited due to the actual time constraints required to complete all steps in an orderly manner prior to the start of the Congress.

This recommendation follows the clear process *steps* already provided in the statutes/regulations but the discretionary portion would be the coordinated *timing* of all the steps in light of the approaching Congress dates.

b. Regional Councillors

Comment: In the event of *withdrawal* of a currently validated candidate for Regional Councillor, the Congress Rules of Procedure for the nominations process should continue to be followed as closely as possible. The right of Members to nominate Regional Councillor candidates should be considered a priority in any process, even if it causes additional burden and time. The use of Rule 80, which allows Council to fill a seat, should still be considered an exception.

Reference:

Regulation 37 – “At least *nine months* before each ordinary session of the Word Congress the Members in Categories A, B and C shall be invited by the Director to submit to the Election Officer, the names of candidates for election as Regional Councillors.”
(Emphasis added.)

[Further relevant nomination procedures are detailed at the end of Regulation 37 through Regulation 40]

Rule 80 - “Where the number of candidates for Regional Councillors *is the same or less than the number of vacancies* in the Region for which they are nominated, each candidate shall be voted on individually. Should a candidate not receive a simple majority of the votes cast by Members eligible to vote in Category A and in Categories B and C combined, the position of the Regional Councillor shall be filled by the **new** Council.”
(Emphasis added.)

Recommendation:

*A. If a candidate for Regional Councillor withdraws **before 7 December 2020** (one month prior to the start of the Congress), I recommend a reopening of the usual nomination process using all existing criteria but based on a revised timeline recommended by the Election Officer, in consultation with the Secretary of the Council and Legal Advisor, in light of the weeks or months then remaining before the Congress.*

*A.1. This would occur if the number of candidates for Regional Councillors is “**less than the number of vacancies in the Region,**” pursuant to Rule 80.*

This recommendation is squarely based on the statutes/regulations and respects Members' rights to nominate Regional Councillor candidates. The precise process and timing would have to be adjusted in light of the time remaining given the technical and administrative work involved in the nomination and validation process by the Elections Team. This scenario may occur only with a few Regions, if any, given the current slate of candidates.

*A.2. If the number of candidates is sufficient even after **any** one candidate withdraws, the Council may wish to allow a reopened expedited nomination process to maintain the same number of competitive candidates or add more, even if there are sufficient candidates remaining.*

This option has advantages and disadvantages. It would honor the statutes/regulations and respects Members' rights to nominate Regional Councillor candidates. It may increase competition, add gender and other diversity, and recognize that many factors will change in people's lives during the delay period before January 2021. However, it may create confusion and concern among some Regions and consternation among existing candidates, as well possibly pose a significant technical and administrative burden on the Election Team. (Note that Regional Councillor candidates are not screened by Council but instead validated by the Election Officer as they come in and then posted directly as candidates).

I take no position on this option but would be available to assist if the Council chose this direction.

*B. If a candidate Regional Councillor withdraws **after** 7 December 2020, I recommend that the new Council appoint the Councillor under Rule 80.*

Note that this would not be the current Council but the *new* Council, and thus after the January 2021 Congress. In such a case, Council decision C97/8 "Harmonized procedure for filling vacancies for Treasurer, Commission Chair and Regional Councillor" will apply.

Please feel free to forward this letter to Council as you wish and let me know if you need additional information. I am copying the Chair of the Congress Preparatory Committee, Jennifer Mohamed Katerere on this letter so that it may also be shared with the CPC, which is currently discussing these matters.

Thank you very much for your consideration.

Sincerely,



Denise Antolini
Election Officer

Cc: Jennifer Mohamed Katerere, Chair CPC

Dear Mr President,
Dear members of the Bureau,

I would like to share with you the outcomes of the meetings of the Congress Preparatory Committee (CPC) of 20 and 28 April 2020 about the impact of postponing the 2020 Congress on Congress preparations and processes, and kindly request your consideration and approval of the committee's recommendations by mid-May 2020.

The basis for the CPC's consideration of the impact of the postponement of the 2020 Congress is the Table enclosed herewith as Annex 1 prepared by the Secretariat (update 24 April 2020).

1. Forum and Members' Assembly agenda

Convinced that IUCN cannot hold the 2020 Congress without giving prominent attention to the impact of the Covid-19 pandemic on biodiversity conservation, its link with health, and the ensuing social equity and economic challenges, the CPC:

a. Regarding the Forum:

- Agrees to keep the agenda of the Forum flexible in order to allow event organizers to bring in Covid-19 aspects as the pandemic evolves;
- Supports the holding of one high-level dialogue on Covid-19, in person if possible, which, besides giving the floor to experts, will also engage IUCN Members in learning from and supporting each other;
- Requests a small group (Jennifer Mohamed Katerere, Kathy MacKinnon and Marc Magaud) to reflect on Forum structure and report periodically to CPC.

b. Regarding the Members' Assembly:

- Agrees to maintain the topics of the three strategic discussions presented in the Draft Congress Agenda approved by Council in February 2020 while adding or strengthening a focus on the impact of Covid-19 and needed transformational change;
- Requests the CPC members elaborating the concepts of the strategic discussions during the CP4 meeting of February 2020, to modify the title and descriptors, with the support of the Secretariat's coordinators of the strategic discussions, with the purpose of incorporating these modifications in a revised version of the Draft Congress Agenda to be approved by Council on a recommendation of the CPC in time to be published by 7 October 2020 in conformity with Rule 45;
- Agrees that the impact of Covid-19 on funding available to IUCN and its Members be discussed as part of the strategic dimensions of IUCN's Financial Plan 2021-24.

2. Motions on new and urgent topics

The CPC discussed the question of whether the exceptionally long time since the deadline of motions submission (28 August 2019), or Covid-19, require any action in anticipation of a potentially higher number than usual of motions submitted during Congress on urgent and new topics (Rule 52). The CPC noted that on 1 April 2020, the Motions Working Group had advised that in its view, no action was required because Rule 52 would allow the Resolutions Committee to handle adequately all motions on new and urgent topics, including Covid-19.

However, the CPC acknowledges the enthusiasm among IUCN Members to discuss the impact of Covid-19 on conservation and IUCN and required actions. There was general

agreement in CPC that the IUCN Council should take a leadership role in this discussion. This could take the form of Council launching an online discussion open to all IUCN Members on content as well as on purpose and process. Council could anticipate, from the outset, that – if Members supported the idea - it would take the initiative of preparing a document for discussion during the Congress taking into account the inputs from IUCN Members during the online discussion. The document could take the form of a motion submitted by Council under Rule 52. The responsibility for designing such a process could be given to the Motions Working Group or to another working group appointed by Council.

The CPC decided to recommend to the Bureau to approve the following draft decision:

DRAFT DECISION 1

The Bureau of the IUCN Council,

On the recommendation of the Congress Preparatory Committee (CPC),

Decides to:

- a. take the initiative to invite IUCN Members to engage in an online discussion regarding the impact of Covid-19 on conservation and IUCN;
- b. consider in due time whether to prepare a Council document for discussion during the Congress taking into account the comments and inputs from IUCN Members during the online discussion and whether such a document would take the form of a motion submitted by Council under Rule 52;
- c. entrust the [Motions Working Group or Council appointed working group] with the design and roll-out of the process for Council's initiative;
- d. requests the [Motions Working Group or Council appointed working group] to report back to the Bureau in due time with its recommendations regarding paragraph b. of the present decision.

3. Logo and branding

The CPC discussed the question whether to keep the current official name (“IUCN World Conservation Congress 2020”) or change it to IUCN World Conservation Congress 2021, and whether to maintain the existing Congress branding and visual identity or to re-brand it as 2021 or without a year.

In the view of the IUCN Secretariat, keeping the name “IUCN World Conservation Congress 2020” would send a strong signal of IUCN’s resilience and determination while maintaining a needed sober tone. Changing the branding would also require design changes to the logo and other aspects of the visual identity, which entail extra costs. The host country, Members and partners have already been using the current branding extensively. These would also incur the costs of changing communications assets. The costs could be significant for some of our smaller NGO and IP Members. Changing the branding would also require revising and re-signing numerous contracts and internal documents as well as some external communications. Re-branding the Congress will create significant work and expense across all functions of the Congress team, Congress suppliers, external partners and the host country and host city. Changing the Congress URL (web address) would also penalise the Congress website in Google searches as the engines algorithms would no longer recognise the significant traffic that has been built over the past 14 months.

The CPC agreed to keep the name “IUCN World Conservation Congress 2020” while Congress is only postponed to January 2021 because of the pandemic, very much as the Tokyo Olympics has chosen to do. It will also be consistent with other decisions already taken such as not re-opening the motions process but instead postpone the e-vote of IUCN Members on the motions.

The CPC decided to recommend to the Bureau to approve the following draft decision:

DRAFT DECISION 2

The Bureau of the IUCN Council,
On the recommendation of the Congress Preparatory Committee (CPC),
Decides to maintain the name of the Congress as “IUCN World Conservation Congress 2020” and to keep the current logo to communicate resilience, ensure maximum consistency and minimise costs.

4. Draft IUCN Programme and Financial Plan 2021-24

4.1 Draft IUCN Programme

The CPC invited the Chair of the Programme and Policy Committee (PPC) as well as the Global Director, Policy and Programme Group who held a leading role in developing IUCN's Programme and is Secretariat's focal point for PPC, to discuss the question whether the Draft IUCN Programme 2021-24 required modification in light of new circumstances arising after the publication, on 11 March 2020, of the draft approved by Council, such as the Covid-19 pandemic.

The Chair of PPC, who had consulted a number of members of the PPC, expressed the view that the draft Programme will probably need adjustment to include the direct link between the Covid-19 pandemic and humankind's relationship with nature. However, he anticipated that such a revision would be made during the Congress as it was premature to do so while the world was still grappling with the pandemic, and that it would also not be practically possible to consult with IUCN Members, Commissions and the Secretariat to achieve a new draft in the short time span before 7 October 2020 when a revised draft would have to be made available to IUCN Members in accordance with Rule 45 (three months before Congress). The Chair of PPC was planning to convene a meeting of the PPC to discuss this question and report to Council with recommendations.

There was broad agreement in CPC about the importance of engaging with IUCN Members and Commissions in a discussion about the impact of Covid-19 and document their concerns, initiatives and reflections well in advance of the Congress. This could be instrumental in informing the discussion on and facilitate the revision of the Draft Programme during Congress.

Conclusion:

- A. The CPC noted the views of the Chair of PPC and the Secretariat regarding the need to adjust the Draft IUCN Programme 2021-24 in light of the Covid-19 pandemic as well as the PPC Chair's intention to engage the PPC in preparing recommendations to Bureau on the question regarding the revision of the Draft IUCN Programme, as well as on the question when the Draft IUCN Programme 2021-24 will become effective given that it will be approved in January 2021.**
- B. The Chair of CPC, together with the Chair of PPC, will raise with the Bureau the question of a proper process to engage with IUCN Members and Commissions in addressing the impact of Covid-19.**

4.2 Draft Financial Plan

The CPC invited the Chair of the Finance and Audit Committee (FAC) as well as the Chief Financial Officer who held a leading role in developing the financial strategy and IUCN's Financial Plan and is the Secretariat's focal point for FAC, to discuss the question whether the Draft IUCN Financial Plan 2021-24 required modification in light of new circumstances arising after the publication, on 11 March 2020, of the draft approved by Council, such as the Covid-19 pandemic.

The Chair of FAC announced that the FAC was going to discuss this question with the FAC during its conference call of 29 April 2020 and forward its recommendations to the Bureau/Council. The CFO explained that the Financial Plan not only needed an update on the historical data (replace the 2019 forecast by results and present a more complete 2020 forecast) but also the assumptions on income streams in light of new circumstances. If there were changes in the Draft IUCN Programme, their impact on expenditure might have to be assessed. According to the Treasurer, IUCN should not only study the impact of Covid-19 on the financial strategy but also the financial consequences (impact on the reserves) of possible scenarios for Congress such as Congress effectively happening in January 2021, cancelling Congress or postponing it again, or organizing a virtual Congress.

Conclusion:

- C. The CPC noted that the FAC will discuss and present its recommendations to Bureau about the question whether / how to modify the Draft IUCN Financial Plan 2021-24 in time for distribution to IUCN Members by 7 October 2020 (Rule 45), as well as the question when the Financial Plan will become effective given that it will be approved in January 2021.**

5. Amendments to the Statutes

The CPC considered the question whether it will be possible for Members and/or Council to submit new / additional proposals to amend the Statutes following the postponement of the Congress.

The CPC noted that, according to Articles 104-106 of the Statutes, IUCN Members have a statutory right to propose amendments to the Statutes, either directly to Congress [Art. 105 (b)] or to the Council [Art. 104] *"not later than six months before the opening of an ordinary session of the World Congress"*. In other words, by virtue of the decision to postpone the Congress, the deadline has automatically become 7 July 2020. No decision from Bureau/Council is required. IUCN Members will need to be informed of the new deadline for proposing amendments to the Statutes.

It also means that, if Members propose amendments under Article 104, they will need to be considered and possibly approved by Council in time to be communicated to IUCN Members by 7 October 2020.

Noting that it also means that the Council may still take the initiative to propose additional amendments to the Statutes until 3 months before to the Congress, the CPC agreed to recommend to the Bureau to request the Governance and Constituency Committee (GCC) to continue work on the governance improvements which were not completed by February 2020 as well as a number of actions from the Management Response to the External Review of IUCN Governance listed in GCC's report to C98 (cf. the list presented hereafter as Annex 2) and report to Council with recommendations.

Any such recommendations containing proposals to amend the Statutes will need to be approved by Council in time to be distributed to IUCN Members by 7 October 2020 (Rule

45). For this purpose, a virtual Council meeting may need to be scheduled in early to mid-September 2020.

The CPC decided to recommend to the Bureau to approve the following draft decision:

DRAFT DECISION 3

The Bureau of the IUCN Council,
On the recommendation of the Congress Preparatory Committee (CPC),
Notes that, by virtue of Articles 104-105 of the Statutes following the postponement of the 2020 Congress to 7-15 January 2021, the Council may propose additional proposals to amend the Statutes by 7 October 2020;
Decides to request the Governance and Constituency Committee (GCC) to:

- a. continue work on the governance improvements which were not completed by February 2020 as well as a number of actions from the Management Response to the External Review of IUCN Governance, listed in GCC's report to the 98th Council meeting,
- b. consider any amendments to the Statutes proposed by IUCN Members by the deadline of 7 July 2020,
- c. report to Council with recommendations by 31 August 2020;

Requests the President to convene a meeting of the Council, if needed by conference call, in the first half of September 2020 with the purpose of considering the recommendations of the GCC referred to in the present decision.

Finally, there was general agreement in CPC that:

- a. Council may decide, on a case-by-case basis, which work processes within its purview to re-open;
- b. the Statutes shall apply to the Congress, based on the understanding that the date of Congress is 7-15 January 2021 and not the original dates in June.

The CPC will continue examining the impact of postponing the Congress on further work processes within the purview of Council, and make recommendations to Council. It will be important to communicate clearly and consistently with IUCN Members about this.

With my best regards,

Jennifer Mohamed Katerere
Chair of the Congress Preparatory Committee
30 April 2020

Lines highlighted in green colour mean: decisions have been adopted and effective

Part I – Members' Assembly				
Prepared by Luc De Wever with input from Sandrine Friedli Cela				
Process	Questions	Options	Who decides / when	Status
Draft Congress Agenda [Stat. 23; Rules 45 & 45bis]	Besides adjusting it to the new dates of the 2020 Congress, will there be other changes required as a result of postponing the Congress?	A/ Modify the Draft Agenda to take into account new circumstances arising following the publication of the Draft Agenda on 11 March 2020, e.g. to adapt the topic of strategic discussion 3 in light of the Covid-19 crisis (see also below under Strategic discussions). B/ In addition to A/: Invite IUCN Members to submit comments and suggestions for change to take into account new circumstances arising following the publication of the Draft Agenda on 11 March 2020. To that effect a Portal page could be opened for posting comments and suggestions.	Council may decide whether to modify the Draft Agenda, on a REC from CPC. If so, the revised Draft Agenda should be published by 7 October 2020 , i.e. three months ahead of Congress as per Rule 45.	On 20 April, CPC decided to maintain the topics of the strategic discussions but will propose to modify titles and descriptors in order to strengthen the focus on Covid-19.
Draft IUCN Programme and Financial Plan 2021-24¹ [Stat. 20 (e); 46 (c); 88 (e); Rules 45 & 45bis; Reg 91]	Should one or the other, or both, be revised?	Consider whether to adjust in order to take into account: <ul style="list-style-type: none"> the new dates of the 2020 Congress, e.g. will the date of their approval during Congress affect the intention that they become effective from 1 January 2021 onwards? new circumstances arising following their publication as Congress documents on 11 March 2020, such as the Covid-19 pandemic. 	Council may decide whether to modify either one or both of these documents and publish the revised versions by 7 October 2020 , i.e. three months ahead of Congress as per Rule 45.	On 28 April, CPC noted that PPC will make a recommendation to Bureau on the possible revision of the Draft IUCN Programme 2021-24 in light of the Covid-19 pandemic. The Chairs of CPC and PPC will raise with the Bureau the question of a proper process to engage with IUCN Members and Commissions in addressing the impact of Covid-19. The CPC noted that the

¹ For the sake of clarity, it may have to be stated explicitly in the Financial Plan 2021-24 or in the Congress decision adopting it, that despite Regulation 91 (a), it will apply from 1 January 2021 onwards.

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				FAC will make a recommendation to Bureau whether / how to modify the Draft IUCN Financial Plan 2021-24.
Motions [Rules 62 <i>bis</i> & 62 <i>quinto</i>]	Q1/ Should the motions process and its timeframe require adjustment?	<p>A/ No adjustment required. The phases of the motions process that have been completed (submission of motions, online discussion) will not be re-opened. After analysing the results of the online discussion that closed on 11 March 2020, the Motions WG decides, as per its ToR and the Rules, which motions to refer to the e-vote of 29 April – 13 May 2020 (as per DEC C96/21) and which motions to refer to Congress for continued debate and vote. (Rule 62<i>quinto</i>)</p> <p>B/ Postpone the e-vote until such time that the Covid-19 crisis would no longer prevent Members from taking part in the e-vote, e.g. from 7 to 21 October 2020.</p> <p>C/ <u>In addition to A/B</u>: consider to open an online discussion (e.g. from 1 September to 31 October 2020) to prepare the Council motions on statutory reform (cf. Congress documents CGR-2020-7.2/1 to 8) for discussion and vote during Congress. Purpose is to provide an opportunity for all IUCN Members to have the same level of understanding of the sometimes complex technical aspects of these motions before they are discussed and voted upon during Congress. It will require to designate a Council member for each motion in order to answer questions or otherwise intervene online, with the support of the Secretariat.</p>	<p>B/ On 1 April 2020, the Motions Working Group decided to recommend Council to change C96/21 and postpone the e-vote to 7-21 October 2020. The Council should preferably decide before 15 April in order to timely inform IUCN Members.</p> <p>C/ The Motions Working Group also decided on 1 April 2020 to open an online discussion on the 8 Council motions on statutory reform, from 1 September to 18 November 2020, and hopes the Council and Secretariat will support it.</p>	<p>On 8 April 2020, Council decided to:</p> <ol style="list-style-type: none"> 1. postpone the e-vote on motions to 7-21 October 2020, and 2. welcome the online discussion on Council motions on statutory reform
[Rules 52 & 53]	Q2/ Would the exceptionally long time since the deadline of motions submission (28 Aug 2019), or Covid-19, require any action in anticipation of the	A/ No, Rule 52, revised in April 2019 by Members on the recommendation of Council, will enable the Resolutions Committee to adequately deal with the motions submitted by Members under Rule 52. Such motions may be submitted from 31 December 2020 to 12 January 2021 as provided in Rule 53.	On 1 April 2020, the Motions Working Group considered Rule 52 adequate to allow the Resolutions Committee to handle motions on new and urgent topics, incl. Covid-19. In its view, no action is required.	On 20 April, the CPC decided to recommend to Bureau to launch an online discussion with IUCN Members on the impact of Covid-19 on conservation and IUCN and, in function of the results, decide whether

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	<u>motions submitted during Congress on urgent and new topics?</u>	B/ Also the Council may prepare and submit motions under Rule 52, e.g. to address the impact of Covid-19 on conservation.	Bureau to decide on REC from CPC by mid-May	to submit to Congress for discussion a Council document or motion on an urgent and new topic.
Nominations/ Elections [Stat. 27; Reg 32]	Q1/ Will the deadline of 11 April 2020 for Member nominations of candidates for President directly to Congress be maintained?	<u>Member nominations for President directly to Congress</u> According to Stat. 27 and Reg 32, IUCN Members have a statutory right to nominate candidates for President directly to Congress, until 2 months prior to Congress. Following the postponement of the 2020 Congress, and by virtue of Reg 32, this deadline automatically becomes 7 November 2020.	No decision is required. The Secretariat will update the Congress website to explain this point. The Election Officer supports this interpretation that automatically extends the deadline. Cf. Legal Adviser's opinion of 20 April 2020 on this issue.	
[Rules 79 & 80; Regulations 35 & 38]	Q2/ Will other nomination processes be re-opened?	<u>Council's nominations for President, Treasurer and Commission Chair</u> According to the Legal Adviser's opinion of 20 April 2020 (<u>Annex 1</u>), the Council's nominations process for President, Treasurer and Commission Chairs was concluded with decision C98/5 nominating the candidates for these positions. They should not be re-opened except in special circumstances e.g. if the facts or the circumstances that led to the decision have changed and/or new information has been made available to Council about the candidates concerned. See also the letter from the Election Officer to the President dated 27 April 2020 (<u>Annex 2</u>). OPTION: A/ Only re-open nomination processes <u>in case a sole candidate withdraws</u> (Rule 79). If time permits, Council may re-open the nomination process and possibly apply an expedited [quick] process in order to propose a new candidate to the Congress. <u>Nominations for Regional Councillor:</u>	A/ Council decides whether to re-open the nominations process if the sole candidate withdraws, based on a REC from the Election Officer regarding the process taking into account the time available between the withdrawal and the Congress. B/ Council decides whether to re-open/ extend the nominations process by setting a new deadline for additional nominations.	

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		<p>OPTIONS:</p> <p>B/ Consider that the nomination process has been completed. Re-open the nomination process for Regional Councillor <u>only in case of withdrawal</u>:</p> <p>B1/ for any region which, in due time prior to Congress, is left with <u>fewer candidates than there are Regional Councillor seats to be elected</u>. If the short time before Congress does not allow to re-open the nominations process, Rule 80 will apply (i.e. the position shall be filled by the new Council);</p> <p>With possible additional option:</p> <p>B2/ for any region where candidate(s) withdraw even if the number of candidates remains sufficient. This would allow to maintain the same number of competitive candidates or add more, even if there are sufficient candidates remaining.</p> <p>C/ Re-open the nomination process for <u>Regional Councillor</u> to enable the candidates to confirm their interest, allow new candidates to show their interest, strengthen the gender balance in the candidate pool and address potential withdrawals.</p>		
<p>Strategic discussions</p> <p>[Rules 45 & 45bis]</p>	<p>Shouldn't there be held a strategic discussion on the impact of Covid-19 on conservation?</p>	<p>A/ Adapt the topic of strategic discussion 3 or all strategic discussions in light of the Covid-19 crisis (this could be done by changing the Draft Agenda – see above under Draft Agenda).</p> <p>B/ Create space in the Draft Agenda for an additional discussion on the impact of Covid-19 on conservation. This will inevitably come at the cost of reducing time for other items already on the Draft Agenda.</p>	<p>Council may revise the Draft agenda on a REC from CPC, and publish it by 7 October 2020, i.e. three months before the Congress as per Rule 45.</p>	
<p>Amendments to Statutes</p> <p>[Stat. 104-106]</p>	<p>Will it be possible to submit new proposals to amend the Statutes?</p>	<p>A/ According to Articles 104-106 of the Statutes, Members have a statutory right to propose amendments to the Statutes, either directly to Congress [Art. 105 (b)] or to the Council [Art. 104] not later than 6 months prior to Congress. By virtue of the decision to postpone the Congress, the deadline will be 7</p>	<p>A/ Members will be informed of their rights in this regard incl. via the Congress website.</p>	<p>On 28 April, the CPC made a recommendation to Bureau to request the GCC to continue work on</p>

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		<p>July 2020. If they are proposed to Council [Stat. 104], Council will have to consider the proposed amendments and, as the case may be, communicate them to IUCN Members by 7 October 2020.</p> <p>B/ Also the Council may propose additional amendments to the Statutes until 3 months before to the Congress, i.e. 7 October 2020.</p> <p>C/ Council may wish to take decisions, on the recommendation of GCC, on the governance improvements and the follow-up actions to the Management Response to the External Review of IUCN Governance listed in GCC's report to C98. (Cf. Annex 3)</p>	<p>A/, B/ and C/: If Council wishes to propose additional amendments to the Statutes or put forward proposals on IUCN governance to IUCN Members, it shall publish them by 7 October 2020. A virtual meeting of the Council may have to be convened for this purpose in September 2020.</p>	<p>governance improvements and the Management Response to the External Review, incl. a virtual meeting of Council in the first half of September 2020.</p>
Reports DG, Council, Commissions, DG & Treasurer	When to publish the reports?	7 November 2020 instead of 11 May 2020 (<i>self-imposed deadline for documents not requiring decisions, in reasonable time enabling Members to read documents before Congress</i>)	Secretariat , with the support of CPC, endeavours to publish the reports by 7 November 2020	
Establishment of Congress Committees [Rules 13-21]	When to publish Council's proposal for the membership of Congress Committees?	According to the process approved by Council DEC C97/5, the CPC collects names from Council's standing committees and Motions WG, completes the list after obtaining the nominees' willingness to serve, reviews the proposals for committee chairs in consultation with the President, and submits a proposal to the Bureau for approval.	Bureau decides by 7 December 2020 on a REC from the CPC	
Dues Guide and rescission list [Stat. 13 (a) & Reg 24]	Will there be a need for transitional measures now that the new dues for 2021 will be adopted in January 2021 but, in accordance with the rules, become payable	<p>Yes. Options are:</p> <p>A/ New dues become applicable after the end of the Congress from 1 January 2022 onwards;</p> <p>B/ Invoice IUCN Members for 2021 dues before 31 December 2020 on the basis of the new dues (as in draft Dues Guide 2021-24);</p> <p>C/ Invoice IUCN Members before 31 December 2020 on the basis of the 2020 dues, with a corrective invoice to be sent after Congress for those Members who need to pay more/less based on the approved 2021 dues;</p>	<p>FAC/GCC make REC to Council based on a Secretariat paper analysing the arguments for / against the options.</p> <p>Options A/, B/, C/ and E/: Based on a REC from GCC/FAC, Council modifies the Dues Guide 2021-24 to include the transitional measure, or</p>	

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	on 1 January 2021?	D/ Invite Members to approve the new dues 2021-24 by e-vote in 2020, in due time to enable Secretariat to send invoices before 31 December 2020; E/ New dues approved by Congress become applicable retroactively from 1 January 2021 after Congress adopts some type of derogation from Statutes and Regulations.	to include the transitional measure in the draft Congress decision adopting the Dues Guide, before 7 October 2020 (Rule 45). Option D/: a Council decision is required <u>by end of May 2020</u> because the e-vote in accordance with Reg 94 takes between 4 and 5 months.	
	Will Members have to pay all arrears up to and including the 2020 dues before being entitled to vote at the January 2021 Congress?	Yes. This is a consequence of the current rules. If Congress had been in June 2020, they would have had to pay all arrears up to and including 2019.	Members will need to be informed.	
Other processes	Should be maintained or continue to be prepared without change: <ul style="list-style-type: none"> • Awards • Draft Commission Mandates • Marseille Outcomes 			

PART II – Forum				
Prepared by Marc Magaud and Hannah Moosa				
Process / Issue	Questions	Options	Who decides / when	Status
Forum sessions under COVID-19 conditions	Is it possible to “virtualize” sessions, either partially or fully?	A/ Create fully virtual sessions (no audience in Marseille), enabling participants to connect remotely (ie for Congress delegates only) B/ Provide additional live streaming to enable distance attendance, for example one session at each time slot throughout the day.	Secretariat explores possibilities (cost, technical feasibility) and makes a proposal to CPC CPC validates options (by end of May)	On 20 April, CPC decided to: <ul style="list-style-type: none"> • keep the agenda of the Forum flexible in order to allow event organizers to bring in Covid-19 aspects; • support the holding of one high-level dialogue on Covid-19, in person if possible, beside experts also engaging IUCN Members learning from and supporting each other; • request a small group (Jennifer Mohamed Katerere, Kathy MacKinnon and Marc Magaud) to reflect on Forum structure and report periodically to CPC.
High Level sessions	How can health and specifically issues related to Covid-19 be included into one or several of the HL sessions (Forum Opening, HL Dialogues, etc.)?	A/ Shift non confirmed speakers emphasis to include “Covid-19” relevant interventions (e.g. in Forum Opening on Systemic change) B/ Add a dedicated session on the relationship between global human health and nature (slot to be found), possibly with a focus on social dimensions (rights & equality)	Secretariat to make proposals to CPC for new speakers by 15 May. Secretariat engages with speakers to secure participation CPC Chair, WCPA Chair and Secretariat focal	See previous line

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			points discuss and make a proposal to full CPC (early May)	
IP Summit	Is an IP summit feasible and desirable <u>before</u> the opening	A/ scale-down the IP Forum, bringing a very small group of IPs together, as IPs are at higher risk in regions around the world. in light of covid-19. B/ explore the possibility of virtualising to the extent possible, the IP forum (cost implications setting this up not only at the venue but remotely to reach these IP groups where sometimes there are unstable or no internet connections). C/ cancel IP Forum	CPC based on recommendation by the ADG and Summit DRIs	
One Planet Summit	Will the One Planet Summit be held and if so, when?	If the answer is positive, the OPS could take place: A/ at the Congress opening, as had initially been planned, until a conflict of dates with the G7 meeting arose B/ at the close of the Forum (8 January 2021) as had been intended until the postponement. Note: the date of the OPS has knock-on effects on other summits such as local authorities and CEOs summits	French OPS secretariat & Forum team to inform CPC	
Staffing	Will IUCN be able to support the recruitment of staff necessary to take on key roles	The Forum requires staff (33 people recruited for June 2020) to play roles such as session coordinator, speaker management, knowledge hub staff, etc. There is a risk of not being able to retain all these staff and experience shortage of qualified people for some roles.	Secretariat based on recruitment campaign's success (June – July 2020)	

PART III – 2020 Congress Logo				
Prepared by Mark Gnadt				
Issue	Questions	Options	Who decides / when	Status
Official Congress name	Do we need to change the official Congress name?	We can keep the current official name (IUCN World Conservation Congress 2020) or change it to 2021. Changing the name would require revising and re-signing numerous contracts and internal documents as well as some external communications. It would have no real effect on how external audiences perceive the event.	CPC	On 20 April, CPC decided to recommend to Bureau to maintain the name of the Congress as “IUCN World Conservation Congress 2020” and to keep the

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				current logo to communicate resilience, ensure maximum consistency and minimise costs
Congress branding	Do we need to re-brand the Congress to reflect the change in year to 2021?	<p>IUCN can maintain the existing Congress branding and visual identity (as the Tokyo Olympics has chosen to do), or it can re-brand the Congress as 2021 or without a year.</p> <p>From a strategic or communications perspective, there are pros and cons to each approach with no clear advantage of one over the other. From a practical and financial perspective, re-branding the Congress will create significant work and expense across all functions of the Congress team, Congress suppliers, external partners and the host country and host city.</p>	CPC	See previous line

Legal Opinion

Impact of the new dates of the IUCN Congress 2020 (7-15 January 2021) on the processes related to nominations for President

Addressed to: IUCN Congress Preparatory Committee
Origin: Sandrine Friedli Cela, Legal Adviser

Date: 20 April 2020

A. Question

In context of impact of the new dates of the IUCN Congress 2020 on the nominations' processes for the President, the Chair of the Congress Preparatory Committee (CPC) in an email addressed to the CPC on 16 of April 2020 wondered if the interpretation of Article 27 made so far is correct and, specifically, if the statutory terms and deadlines apply solely in "normal circumstances". The assumption being that they would not apply in extraordinary circumstances such as those arisen from the COVID-19.

This legal opinion aims to clarify the brief interpretation provided in the table entitled "Impact of the new dates of the IUCN Congress 2020 (7-15 January 2021) on Congress processes" (dated 8 April 2020 rev 14 April 2020), under section "Nominations/Elections" regarding the process established in article 27 of the IUCN Statutes and Regulation 32.

B. Legal framework

Relevant IUCN statutory and regulatory provisions regarding nominations of candidates for President:

Rights and Obligations of Members

Statutes 12

"(...)

(b) Members in Categories A, B and C shall also have the right:

(i) to propose to the Council candidates for President, Treasurer and Chairs of the Commissions to be elected by the World Congress;

(ii) to nominate candidates directly to the World Congress for election as President;

(...)

(h) to elect the President, Treasurer, Regional Councillors and Chairs of Commissions;

(...)"

Elections

Statutes 27

"The President, the Treasurer and the Chairs of the Commissions shall be elected by the World Congress on the nomination of the Council. Nominations for the President may also be made by forty Members eligible to vote from at least three Regions, within the period prescribed in the Regulations."

Functions

Statutes 46

// The functions of the Council shall be inter alia:

(...)

(l) to nominate candidates for President, Treasurer and Chairs of Commissions having considered any proposals by Members of IUCN;

(...)

Elections: President, Treasurer and Chairs of the Commissions

Regulation 30

“At least four months prior to a meeting of the Council taking place not less than four months before the date set for the opening of an ordinary session of the World Congress, the Members in Categories A, B and C shall be invited by the Director General to submit to the Election Officer, proposals for persons to be nominated as President or Treasurer, or as a Chair of a Commission. Such invitation shall be accompanied by a list of the President, Treasurer and Chairs of Commissions in office who are eligible and willing to accept re-election. Proposals for persons to be nominated as President shall be made by Members eligible to vote representing at least 1% of the global membership of IUCN. Commission members shall be invited at the same time to make their proposals for the Chair of their Commission.”

Regulation 31

“The Council shall establish criteria for the qualities required for the positions of President, Treasurer and Chairs of Commissions. These shall be made available to Members in Categories A, B and C, and, in the case of Chairs of Commissions, to the Steering Committees of the Commissions.”

Regulation 32

“Not more than two nominations for President and for Treasurer shall be made by the Council after considering the proposals made by Members in Categories A, B and C. Nominations for President may also be made directly by Members as provided for in the Statutes, provided that such nomination is received by the Director General not less than two months prior to the opening of the session of the World Congress.”

Regulation 33

“The Council shall ensure that nominations made to the World Congress of candidates for President, take account of the background of the current Director General and reflect the diversity of IUCN.”

C. Legal interpretation

IUCN's Statutes foresee two processes for the nomination for the function of President: one which requires a selection by Council of up to two candidates proposed by IUCN Members in Category A, B, and C (art. 12 (b) (i), 27 and 46 (l) of IUCN' Statutes and Reg. 32); and one that allows IUCN Members to nominate candidates directly to the Congress (art. 12 (b) (ii) and 27 of IUCN Statutes and Reg. 32).

Process for the nomination for the function of President by Council

In accordance with the provisions of Regulation 30, the deadline for receiving proposals for President, Treasurer and Commission Chairs and nominations for Regional Councillors was set by IUCN Council at 11 December 2019 (C/96/9) and the proposals, received within such deadline and validated by the Election Officer, were considered by the IUCN Council at its meeting on 8-11 February 2020.

With decision C/98/5, IUCN Council nominated two individuals as candidates for election as President. Considering that IUCN Council, as per Regulation 32, can nominate maximum two candidates for election as President, and has done so, the process of nomination by Council is now closed.

For the sake of legal certainty, IUCN Council may modify a decision it has taken only if the facts or the circumstances that led to the decision have changed and/or new information has been made available to Council. Such possibility to amend a Council decision applies to a decision that has continuing force and effect (e.g., the decision to adopt a specific policy that can be modified later due to the evolution of the practice or knowledge with regard to the substance of such a policy). Such possibility to amend is, however, limited in the case of a decision which has already been acted upon and that is impossible to undo (e.g. the only way to reverse a Council decision of approval of IUCN membership is, for example, to appeal the decision of the Council in accordance with the process defined in the Statutes; Council cannot change its decision once such decision has become effective).

In the case of the process for nomination of candidates for the function of President by Council, the decision to nominate two candidates has been completed with decision C/96/9 and such decision should not be revised by Council, except in exceptional circumstances (such as if it were based on wrongful information or if new information would come to the attention of the Council that would be of such gravity that it would justify to reconsider the nomination of a candidate).

For this reason, as well as out of fairness to the two candidates who have been nominated by Council, the process of nomination by Council may not be re-opened following the postponement of the IUCN Congress.

Process for the nomination for the function of President directly by IUCN Members to the WCC

The situation is different with regard to the process for nomination for the function of President by IUCN Members eligible to vote.

In accordance with articles 12 (b) (ii) and 27 of IUCN Statutes, IUCN Members in Categories A, B and C have the right to nominate candidates directly to the World Congress for election as President provided that they do so within the prescribed deadline. In this case, the IUCN Council does not decide the deadline for the submission of such direct nomination; such deadline is explicitly set up in the Regulations, counting “two months prior to the opening of the session of the Word Congress” (Regulation 32).

Considering that the Word Congress will be held from 7-15 January 2021, the deadline for submission of candidates for President directly by IUCN members is, therefore, the 7 November 2020. Such a deadline applies automatically and does not require a Council decision.

The extraordinary circumstances leading to the Council’s decision to postpone the Word Congress from June 2020 to January 2021, justify that the date of the 11 April 2020, initially communicated as the deadline for the submission of direct nomination by IUCN Members, needs to be revised in conformity with Regulation 32 and that a revised date be communicated to IUCN Members to allow them to exercise their statutory right. Such extraordinary circumstances do not justify any restrictions to one of the fundamental rights of IUCN Members. To maintain the deadline of the 11 April 2020 initially communicated to IUCN Members would, therefore, be contrary to IUCN’s Statutes and Regulations.

D. Conclusion

As a way of principle, it is important to distinguish between deadlines relating to Members’ Assembly processes that are explicit in IUCN’s Statutes and Regulations and those that are determined by IUCN Council. Statutory deadlines automatically apply to Member’s Assembly processes and neither the Council nor the Secretariat can modify them, even in the extraordinary circumstances linked to the postponement of the IUCN Congress from 11-19 June 2020 to 7-15 January 2021.

According to articles 12 (b) (ii) and 27 of IUCN Statutes, IUCN Members have a statutory right to nominate candidates for President directly to the World Congress, and to exercise such a right until two months prior to the World Congress (Regulation 32). Following the postponement of the 2020 Congress to 7-15 January 2021 and by virtue of Regulation 32, this statutory deadline automatically becomes 7 November 2020. To maintain the deadline of the 11 April 2020 initially communicated to IUCN Members would therefore be contrary to IUCN’s Statutes and Regulations.

IUCN Members must therefore be informed of the new deadline for the submission of nominations for candidates for President to allow them to exercise one of their fundamental rights under the IUCN Statutes.

27 April 2020

Dear Mr. President,

In my role as Election Officer, I write to advise you and the Congress Preparatory Committee (CPC) of my analysis and recommendations regarding certain election process matters related to the postponement of the World Conservation Congress (WCC) in Marseille, France, rescheduled for 7-15 January 2021. In developing these recommendations, I have consulted with the Election Team -- Luc De Wever, Michelle Kimeu, Alejandro Iza – and IUCN Legal Adviser Sandrine Friedli Cela.

As background, I refer you to our email correspondence about the potential extension of the Regional Councillor nomination deadline (December 2019, see attachments); my report to Council dated 11 March 2020, which included a detailed report on the final list of all candidates validated for President, Treasurer, Commission Chair, and Regional Councillor; and my email of 18 March 2020, validating the candidacy of John Robinson for President, pursuant to Article 27 and Regulation 32.

This letter addresses five issues. These issues have also been addressed in the 20 April 2020 Legal Opinion by Ms. Friedli Cela and in the matrix entitled “Impact of the new dates of the IUCN Congress 2020 (7-15 January 2021) on Members’ Assembly processes – options paper by Luc De Wever with input from Sandrine Friedli Cela - 14 April 2020.”

1. Elections/Voting – Rescheduled to new dates for Members’ Assembly;
2. Campaign Period – Extended through the Congress;
3. Presidential Elections – Automatic extended date for direct nomination of candidates;
4. Re-opening or extension on deadline for Regional Councillor nominations – options and challenges; and
5. Potential withdrawals of nominated candidates.

Each section below provides my comments, references to the IUCN Statutes and Regulations, and my recommendation.

1. Elections/Voting – Rescheduled to new dates for Members’ Assembly

Comment: IUCN announced on 3 April 2020 that the World Congress has been postponed and rescheduled, but not cancelled. According to the IUCN Statutes and Regulations, the process for election of (i.e. *voting* on) all candidates would not change and would still take place at the World Congress in Marseille on **13-14 January 2021** during the new dates for the Members’ Assembly of **12-15 January 2021**.

References:

Article 27 - “The President, the Treasurer and the Chairs of the Commissions shall be elected **by the World Congress** on the nomination of the Council.” (Emphasis added.)

Article 28 – “The Regional Councillors shall be elected **by the World Congress** in accordance with Article 39 and the Regulations [36-40].” (Emphasis added.)

*Recommendation: That the Secretariat communicate (along with other decisions regarding the postponed Congress) to all candidates and to all IUCN Members that the voting for elections will take place during the Congress on **13-14 January 2021** during the Members’ Assembly.*

This is a straightforward adjustment of dates clearly required by the statutes/regulations.

2. Campaign Period – Extended through the Congress

Comment: The rescheduling of the elections to the new Congress dates also means that the campaign period for all candidates would likewise be extended until the Members’ Assembly. As in the past, the specific end date and time would be determined by the Congress Steering Committee.

Reference:

IUCN Council’s Guidance for 2020 Election Candidates (revised 1 July 2019) note 1: “campaigning (a) must be allowed up to a certain date at the Congress venue in order for candidates to have the opportunity to meet with and get known by Members, but (b) must come to a halt at least on the evening – e.g., midnight – of election day, in order to allow for a voting process that is fair, smooth, and free of any activity that is – or may be perceived to be – unfair to other candidates.”

Recommendation: That the Secretariat communicate to all candidates and to all IUCN Members that the campaign period is likewise extended until the Members’ Assembly of the Congress and will end on the specific date and time to be determined by the Steering Committee.

This is a straightforward adjustment of dates clearly required by the statutes/regulations.

3. Presidential Elections – Automatic extended date for direct nomination of candidates

*Comment: Given the new dates for the Congress, the application of the phrase “two months prior to the opening” (which is now 7 January 2021) means that **7 November 2020** is automatically the new date by which any direct nominations of candidates for President, otherwise in compliance with the statutes and rules, can be made to the Congress.*

References:

Article 27 - “Nominations for the President may also be made by forty Members eligible to vote from at least three Regions, within the period prescribed in the Regulations.”

Regulation 32 - “Nominations for President may also be made directly by Members as provided for in the Statutes, provided that such nomination is received by the Director General not less than *two months prior to the opening* of the session of the World Congress.”

*Recommendation: That the Secretariat communicate to all candidates and to all IUCN Members that the period of **direct** nomination of candidates for President by Members is automatically extended through **7 November 2020**. The Election Officer will, as a courtesy, also so advise the current three candidates for President of this extended date at the same time Council is notified.*

This is a straightforward adjustment of dates clearly required by the statutes/regulations and reflects the right of IUCN Members to directly nominate Presidential candidates, separate from the Council nomination process.

4. Re-opening or extension of deadline for nominations – options and challenges

4.1 Council nomination for President, Treasurer and Commission Chair

Comment: For the reasons explained in the 20 April 2020 Legal Opinion by Ms. Friedli Cela, since Council adopted decision C98/5 nominating candidates for President, Treasurer and Commission Chairs, the process of nominations by Council of candidates for these positions has been closed and may only re-opened in exceptional circumstances e.g. if the facts or the circumstances that led to the decision have changed and/or new information has been made available to Council about the candidates concerned.

4.2 Member nominations for Regional Councillor

With the postponement of the Congress to January 2021, which is eight months from now, the Council may consider, at least for purposes of discussion, the opportunity to reopen or extend the deadline for nominations for Regional Councillor. This option poses some challenges in terms of technical and administrative burdens and timing.

References:

Regulation 37 – “At least nine months before each ordinary session of the World Congress the Members in Categories A, B and C shall be invited by the Director to submit to the Election Officer, the names of candidates for election as Regional Councillors.”

Regulation 38 - “The deadline for nominations shall be determined on each occasion by the Council.”

Recommendation: The statutes and regulations do not clearly anticipate or address the scenario of a re-opening or extension on deadline for nominations for Regional Councillor, especially given that only eight months remain before the revised dates of the Congress. Should the Council wish to do so, it would be a highly discretionary interpretation. The advantage is that re-opening would increase competition and honor the democratic principles of the Union. The disadvantage is that it may create confusion and concern, including objections from existing candidates and the IUCN Members who nominated them. In addition, the technical requirements of the online nominations platform would need to be updated, which would require

time, an adjusted contract with the software developer, and additional expense. I take no position on this option but would assist if the Council chose this pathway.

5. Potential withdrawals of nominated candidates

Given the postponement of the Congress, there is a small but real risk of *withdrawal* of current candidates. In order to minimize disruption of the Congress planning horizon, this scenario of some candidates withdrawing their nominations should be anticipated and planned for in advance, even if such a scenario does not ultimately occur.

a. President, Treasurer, and Commission Chair

Comment: In the event of *withdrawal* of a currently validated and/or nominated candidate for President, Treasurer, or Commission Chair, the Congress Rules of Procedure should be followed.

First, the candidate must withdraw her or his name in writing (Rule 77).

Second, if the candidate is the sole candidate for that position, the Council must hold an extraordinary session and, after consulting with the Members, propose a new candidate.

To minimize disruption and maintain clear communication with Members and candidates, the Council should determine, in advance, how it would conduct that consultation process.

Reference:

Regulation 30 – “At least four months prior to a meeting of the Council taking place not less than four months before the date set for the opening of an ordinary session of the World Congress, the Members in Categories A, B and C shall be invited by the Director General to submit to the Election Officer, proposals for persons to be nominated as President or Treasurer, or as a Chair or a Commission.”

[Further relevant nomination procedures are detailed at the end of Regulation 30 and through Regulation 36] ”

Rule 77 - “Once placed on the list of candidates before the World Congress, a name may only be *withdrawn* by the candidate in writing.” (Emphasis added.)

Rule 79 - “Should a sole candidate for the post of President, Treasurer or Chair of Commission *withdraw or become ineligible*, the Council shall meet in extraordinary session and, having considered the views of the Members of IUCN, shall propose a new candidate to the World Congress.” (Emphasis added.)

Recommendation: That, immediately upon notification of withdrawal of a **sole** candidate for these three positions or if such candidate becomes ineligible, the Election Officer, in consultation with the Secretary to Council and the Legal Adviser, propose to Council a schedule for notification of and consultation with IUCN Members, and the completion of the Council process.

The steps in that process would mirror as far as practical the normal process for proposals for nomination as specified under Article 27 and Regulations 30-35 for the particular position but may be expedited due to the actual time constraints required to complete all steps in an orderly manner prior to the start of the Congress.

This recommendation follows the clear process *steps* already provided in the statutes/regulations but the discretionary portion would be the coordinated *timing* of all the steps in light of the approaching Congress dates.

b. Regional Councillors

Comment: In the event of *withdrawal* of a currently validated candidate for Regional Councillor, the Congress Rules of Procedure for the nominations process should continue to be followed as closely as possible. The right of Members to nominate Regional Councillor candidates should be considered a priority in any process, even if it causes additional burden and time. The use of Rule 80, which allows Council to fill a seat, should still be considered an exception.

Reference:

Regulation 37 – “At least *nine months* before each ordinary session of the Word Congress the Members in Categories A, B and C shall be invited by the Director to submit to the Election Officer, the names of candidates for election as Regional Councillors.”
(Emphasis added.)

[Further relevant nomination procedures are detailed at the end of Regulation 37 through Regulation 40]

Rule 80 - “Where the number of candidates for Regional Councillors *is the same or less than the number of vacancies* in the Region for which they are nominated, each candidate shall be voted on individually. Should a candidate not receive a simple majority of the votes cast by Members eligible to vote in Category A and in Categories B and C combined, the position of the Regional Councillor shall be filled by the **new** Council.”
(Emphasis added.)

Recommendation:

*A. If a candidate for Regional Councillor withdraws **before 7 December 2020** (one month prior to the start of the Congress), I recommend a reopening of the usual nomination process using all existing criteria but based on a revised timeline recommended by the Election Officer, in consultation with the Secretary of the Council and Legal Advisor, in light of the weeks or months then remaining before the Congress.*

*A.1. This would occur if the number of candidates for Regional Councillors is “**less than the number of vacancies in the Region,**” pursuant to Rule 80.*

This recommendation is squarely based on the statutes/regulations and respects Members' rights to nominate Regional Councillor candidates. The precise process and timing would have to be adjusted in light of the time remaining given the technical and administrative work involved in the nomination and validation process by the Elections Team. This scenario may occur only with a few Regions, if any, given the current slate of candidates.

*A.2. If the number of candidates is sufficient even after **any** one candidate withdraws, the Council may wish to allow a reopened expedited nomination process to maintain the same number of competitive candidates or add more, even if there are sufficient candidates remaining.*

This option has advantages and disadvantages. It would honor the statutes/regulations and respects Members' rights to nominate Regional Councillor candidates. It may increase competition, add gender and other diversity, and recognize that many factors will change in people's lives during the delay period before January 2021. However, it may create confusion and concern among some Regions and consternation among existing candidates, as well possibly pose a significant technical and administrative burden on the Election Team. (Note that Regional Councillor candidates are not screened by Council but instead validated by the Election Officer as they come in and then posted directly as candidates).

I take no position on this option but would be available to assist if the Council chose this direction.

*B. If a candidate Regional Councillor withdraws **after** 7 December 2020, I recommend that the new Council appoint the Councillor under Rule 80.*

Note that this would not be the current Council but the *new* Council, and thus after the January 2021 Congress. In such a case, Council decision C97/8 "Harmonized procedure for filling vacancies for Treasurer, Commission Chair and Regional Councillor" will apply.

Please feel free to forward this letter to Council as you wish and let me know if you need additional information. I am copying the Chair of the Congress Preparatory Committee, Jennifer Mohamed Katerere on this letter so that it may also be shared with the CPC, which is currently discussing these matters.

Thank you very much for your consideration.

Sincerely,



Denise Antolini
Election Officer

Cc: Jennifer Mohamed Katerere, Chair CPC

Follow-up to GCC's report to Council (C98) on governance improvements and Management Response to the External Review of IUCN Governance				
#	Topic	Action required	Who decides / when	Status
1	Developing a comprehensive gender approach in IUCN [GCC Report to C98 pp. 12-13]	GCC's task force prepares a document with the support committed by the Secretariat [<i>Which item of the Congress agenda: Amendments to the Statutes? Council's report? Will Congress be invited to take a decision?</i>]	<ul style="list-style-type: none"> • GCC specifies the action required and the expected result by 31 May 2020 • Council approves on a recommendation from GCC by 15 Sep 2020 in time for publication of the Congress document by 7 Oct 2020 (Rule 45) 	
2	Review of, and possible amendments to the Statutes and Regulations, or the Council Handbook, concerning the role of the President, the Treasurer and the chairs of the standing committees [GCC Report to C98 pp. 18-19]	<p><u>Treasurer</u>: GCC's working group (Chair GCC, Treasurer, Hilde Eggermont and CFO), with the support of the Legal Adviser, identifies key issues and prepares solutions, incl. possible amendments to the Statutes and/or Regulations.</p> <p><u>President</u>: [<i>to be determined</i>]</p> <p><u>Chairs of the standing committees</u>: [<i>to be determined</i>]</p>	<ul style="list-style-type: none"> • GCC specifies the action required and the expected result by 31 May 2020 • If amendments to <u>Statutes</u> are required: Council approves on a recommendation from GCC by 15 Sep 2020 in time for publication of the Congress document by 7 Oct 2020 (Rule 45) • If amendments to <u>Regulations</u> are required: Council meets in extraordinary session (remotely as in 2015 and 2016) prior to Congress to approve amendments in 1st reading, and new Council adopts them in 2nd reading after Congress • If modifications to the <u>Council Handbook</u> are required: Council decides prior to Congress 	
3	The GCC identified the following items listed in the Management Response that could be substantially devel-			

	oped or completed ahead of Congress [GCC Report to C98 pp. 14-16]			
3.1	6.1.2.c Draft clear job descriptions of role of IUCN Councillor, aligned with the strategic and oversight goals of the Council, and the roles & responsibilities, including performance indicators and independent evaluation, conducted externally. [Management Response p.5]		Council decides on a recommendation of the GCC and with the support of the Secretariat, before the Congress	
3.2	6.3.3.a Establish clear metrics upon which DG will be evaluated. Conduct the evaluation professionally and anonymously, via an evaluations committee. [Management Response p.9]		Council decides on a recommendation of the GCC and with the support of the Secretariat, before the Congress	
3.3	6.3.4.a. Proactive and transparent process for DG succession and renewal process to be undertaken as a regular activity of the Bureau. Succession planning for critical leadership positions and identification of qualified pool on both an emergency basis and over the longer term, also by the bureau. [Management Response p.10]		Council decides on a recommendation of the GCC and with the support of the Secretariat, before the Congress	
3.4	6.5.1.b Modify reporting lines to strengthen independence of oversight: Head of Oversight		Council to approve the ToR of the FAC on a recommendation	Is currently under development in FAC

	to have a dual reporting to the head of the FAC and the DG. [Management Response p.13]		of the FAC before the Congress	
3.5	6.6.1.b Develop a more extensive continuing education program for councillors regarding the strategic process, including deepening understanding of the strategic role required of council members. These could be designed both as online and offline sessions (refer to Annex 6 for a proposed education program). [Management Response p.14]		Council decides on a recommendation of the GCC and with the support of the Secretariat, before the Congress	
3.6	6.6.2.a Based on outcome of strategic planning process, the Bureau should conduct a comprehensive analysis of the membership models possible, and how these respectively meet strategic requirements. [Management Response p.14]		Council decides on a recommendation of the GCC and with the support of the Secretariat, before the Congress	
3.7	6.7.1.a Process to ensure respectful interactions are maintained in the case of difficult relationships: following an established process will help to ensure that interactions remain professional and non-personal, and to adhere to highly professional standards. This may require facilitation in order to rebuild trust and re-establish the foundation for		Council decides on a recommendation of the GCC and with the support of the Secretariat, before the Congress	

	healthy relationships. Clarity, respect and professionalism of sensitive processes such as nomination and performance review is essential. [Management Response p.15-16]			
3.8	6.7.3.a Introduce committee-specific performance standards into Council member job descriptions, and ensure accountability to these standards is done regularly and transparently. [Management Response p.17]		Council decides on a recommendation of the GCC and with the support of the Secretariat, before the Congress	
3.9	6.8.1.a An Ethics and Conduct body (committee for example) that is comprised of independent, non-voting members and which has processes that engages IUCN on an elevated awareness of potential conflicts of interest and ensures that incidents can be dealt with promptly and securely in a confidential and professional way. IUCN should have transparency on the work of this body. [Management Response p.19]		Council decides on a recommendation of the GCC and with the support of the Secretariat, before the Congress	
3.10	6.8.1.b Education on conflicts of interest norms and standards, as well as more sophistication on processes to observe, including a complete interest registry made public		Council decides on a recommendation of the GCC and with the support of the Secretariat, before the Congress	

	(including links to individual disclosure of interest forms). [Management Response p.19]			
3.11	6.8.1.c A third-party (or external or independent) Ethics Hotline that allows the safeguarding of anonymity, with data stored securely and access to data username/ password protected. This should be included in the councillor code of conduct. [Management Response p.20]		Council decides on a recommendation of the GCC and with the support of the Secretariat, before the Congress	
3.12	6.8.1.d A Whistleblowing policy that protects the rights of individuals who report ethical misconduct of any kind. [Management Response p.20]		Council decides on a recommendation of the GCC and with the support of the Secretariat, before the Congress	

Dear Mr President,
Dear members of the Bureau,

I would like to share with you the outcomes of the meeting of the Congress Preparatory Committee (CPC7) of 15 May 2020 about the remaining issues pertaining to the impact of postponing the 2020 Congress, and kindly request your consideration and approval of the committee's recommendations.

1. Nominations / elections

The CPC discussed the two questions in the section "Nominations / elections" on p. 3 of [document CPC7/1 Impact of postponing the 2020 Congress](#), incl. the two attachments to the Table (the Legal Adviser's opinion dated 20 April 2020 and the Election Officer's letter to the IUCN President dated 27 April 2020). At the Chair's invitation, the Election Officer participated in the meeting for this as well as the next topic.

On the question regarding the deadline for Member nominations of candidates for President directly to Congress, CPC noted that, as a result of postponing the 2020 Congress to 7-15 January 2021, IUCN Members may exercise their statutory right to nominate additional candidates for President directly to Congress until 7 November 2020 instead of 11 April 2020. There was consensus in CPC to note or recognize this in a decision of the Bureau.

On the question whether nomination processes would be re-opened, there was also consensus in CPC to consider Council's nominations for President, Treasurer and Commission Chair as closed following Council's decision of February 2020 nominating its candidates for these positions except in case a sole candidate for one of these positions withdrew (Rule 79). In this case, CPC agreed that Council re-opens the nomination process in order to propose a new candidate to the Congress taking into account the time available between the withdrawal and the Congress. (Option A/ in document CPC7/1 *Impact of postponing the 2020 Congress*).

On the question whether to re-open the nomination process for Regional Councillor (Option C/ in document CPC7/1 *Impact of postponing the 2020 Congress*), the CPC decided, by 6 votes to 3 and 1 abstention, that the nomination process should not be re-opened. The minority view included the perspective that it would make sense to re-open because of the new situation created by Covid-19, IUCN Members would look at the required skills set in a different way than before the pandemic. The Election Officer referred to the advantages and disadvantages of this option as described in her letter to the President of 27 April 2020.¹

Again, by 6 votes to 3 and one abstention, the CPC approved option B1/ to re-open the nomination process for Regional Councillor only in case of withdrawal of candidates and for any region which is left with fewer candidates than there are Regional Councillor seats to be

¹ In her letter to the President of 27 April 2020, the Election Officer noted that: "*The statutes and regulations do not clearly anticipate or address the scenario of a re-opening or extension on deadline for nominations for Regional Councillor, especially given that only eight months remain before the revised dates of the Congress. Should the Council wish to do so, it would be a highly discretionary interpretation. The advantage is that re-opening would increase competition and honor the democratic principles of the Union. The disadvantage is that it may create confusion and concern, including objections from existing candidates and the IUCN Members who nominated them. In addition, the technical requirements of the online nominations platform would need to be updated, which would require time, an adjusted contract with the software developer, and additional expense. I take no position on this option but would assist if the Council chose this pathway.*"

elected. The minority view was also to re-open for any region where candidates withdrew even if the number of candidates remained sufficient because the practice of the Members in several of the IUCN statutory regions has been to ensure candidates from all parts of the region to promote diverse representation in Council. (Option B2/)

The CPC decided to recommend to the Bureau to approve the following draft decision:

DRAFT DECISION 1

The Bureau of the IUCN Council,

On the recommendation of the Congress Preparatory Committee (CPC),

1. Recognizes that, following the postponement of the 2020 Congress to 7-15 January 2021, IUCN Members may exercise their statutory right, established by Article 27 of the Statutes, to nominate candidates for IUCN President directly to Congress until two months prior to the Congress, i.e. 7 November 2020;
2. *Noting* the Legal Adviser's opinion that the Council's nominations process for President, Treasurer and Commission Chairs was concluded with Council decision C98/5 nominating the candidates for these positions, and should only be re-opened in special circumstances e.g. if the facts or the circumstances that led to the decision have changed and/or new information has been made available to Council about the candidates concerned;
Decides to consider the nominations process for President, Treasurer and Commission Chairs as closed except in case a sole candidate withdraws (Rule 79), in which case the IUCN Council, if time permits, will re-open the nomination process and possibly apply an expedited process in order to propose a new candidate to the Congress;
3. *Having considered* the options expressed in the letter from the Election Officer to the IUCN President;
Decides to reopen the nomination process for Regional Councillor only in case of withdrawal of candidates and for any region which is left with fewer candidates than there are Regional Councillor seats to be elected, if time permits to propose a new candidate to the Congress. If the short time before Congress does not allow to re-open the nominations process, Rule 80 will apply (i.e. the position shall be filled by the new Council).

2. The conflict of interest raised by the Election Officer in her letter to the IUCN President of 23 March 2020 ([document CPC7/2](#))

The CPC noted the Bureau's decision of 11 May 2020 to request (1) the Election Officer to recuse herself on any matter related to the candidates for President and (2) the CPC to prepare, in consultation with the Election Officer, draft ToR for the position of Deputy Election Officer as well as a process for the appointment of a Deputy Election Officer.

The CPC understood the Election Officer's letter as well as the Bureau's concern and supported the ToR for Deputy Election Officer as the preferred measure to mitigate the conflict of interest. The Election Officer emphasized the importance of adequately managing conflicts of interest and explained that the conflict of interest she had raised in her letter to the President exclusively concerned her nationality which happened to be the same as that of a candidate for President, which she could do nothing about and could not have been foreseen at the time of her appointment. Supporting the Bureau's decisions, she welcomed the establishment of the position of Deputy Election Officer and found the draft ToR sensible.

The CPC accepted a modification in paragraph (2) of the draft ToR proposed by the Legal Adviser (“prior to the session of the Congress”).

In response to a proposal to explicitly mention in the ToR that the Chair of the World Commission on Environmental Law (WCEL) is invited to propose names of potential candidates, the CPC accepted the proposal of the Chair to recommend instead the Bureau to invite all Council members to propose names. The Chair brought to the attention of the CPC that the TORS of the Election Officer did not specifically mention a role for the Chair of WCEL. The CPC was not aware of an official decision that WCEL had been designated to propose names of potential candidates for Election Officer even though the candidacy of the current Election Officer was proposed to the Secretariat by the chair of WCEL as had been the case at least since 2012. Further, it was important to ensure the process was beyond any reproach given the relationship of the Election Officer with WCEL. As a member of Council, the Chair of WCEL would also be able to propose names.

The CPC decided by consensus to recommend to the Bureau to approve the following draft decision:

DRAFT DECISION 2

The Bureau of the IUCN Council,
Noting the letter addressed by the Election Officer to the IUCN President on 23 March 2020 notifying the Council that a situation has arisen regarding a provision of her Terms of Reference as she has the same nationality as a candidate for President, and referring the matter of her continued service to the Council,
Requests the Election Officer to recuse herself on any matter related to the candidates for President,

On the recommendation of the Congress Preparatory Committee,
Approves the draft Terms of Reference of the Deputy Election Officer (Annex 1) who shall act in the place of the Election Officer in case of a conflict of interest,
Invites Council members to propose to the CPC by *[date]* names of potential candidates for appointment as Deputy Election Officer.

The CPC requests the Bureau to determine an appropriate date by which Council members may propose names of potential candidates.

3. Strategic discussions of the Members’ Assembly

On 20 April, the CPC had agreed to maintain the topics of the three strategic discussions presented in the [Draft Congress Agenda approved by Council in February 2020](#) while adding or strengthening a focus on the impact of Covid-19 and needed transformational change.

The CPC discussed, and made changes to the concepts of the three strategic discussions revised accordingly by the three focal points of the CPC and with the support of the coordinators of the strategic discussions. ([document CPC7/3/2](#))

The revised versions will be circulated to CPC members for a round of final comments and subsequently submitted to the Bureau for approval for the purpose of being incorporated in a revised version of the Draft Congress Agenda which will need to be published by 7 October 2020 in conformity with Rule 45. In the meantime, the approved version will constitute the basis for the continued work on the strategic discussions by the coordinators with guidance and support from the CPC’s focal points. Effective coordination of the work on strategic discussions will be important in order to ensure consistency of approach, and to report back to CPC from time to time. The approved versions may be published as required and at a

date determined by the Bureau, provided that is not later than 7 October, to inform the online discussion with IUCN Members regarding the impact of Covid-19 on conservation and IUCN.

The CPC agreed that, once the final versions of the titles and (short) descriptors of the strategic will have been finalized following a last round of comments, the following draft decision be submitted to the Bureau for approval:

DRAFT DECISION 3

The Bureau of the IUCN Council,
On the recommendation of the Congress Preparatory Committee,
Approves the revised versions of the titles and descriptors of the strategic discussions of the Members' Assembly for the purpose of incorporating them as modifications of the Draft Congress Agenda which needs to be published by 7 October 2020 as required by Rule 45. (Annex 2)

With my best regards,

Jennifer Mohamed-Katerere
Chair of the Congress Preparatory Committee
18 May 2020



DEPUTY ELECTION OFFICER OF THE IUCN WORLD CONSERVATION CONGRESS 2020

TERMS OF REFERENCE

Recommended by CPC to Bureau (CPC7, 15 May 2020)

- (1) The Deputy Election Officer is appointed by the IUCN Council to act in the place of the Election Officer whenever the latter is unable to act as Election Officer or in case of a conflict of interest, and to provide support to the Election officer to ensure the integrity of the elections.
- (2) When acting in the place of the Election Officer, the Deputy Election Officer will have the same obligations and responsibilities of the Election Officer specified in the Terms of Reference of the Election Officer approved by [Council decision C95/2 \(October 2018\)](#) and will be accountable to the Congress or, prior to the session of the Congress, to the IUCN Council.
- (3) The Election Officer and Deputy Election Officer consult as required to ensure continuity and coherence in the application of the rules across all nomination and election processes.
- (4) The Deputy Election Officer should have a legal background. S/he must not be a member of the Secretariat nor a candidate for election as per Regulation 28 (b). S/he must have neither any family ties nor working relationships with any of the nominated candidates and should disclose any potential conflict of interest in that regard.

Process for the appointment of a Deputy Election Officer

- (5) The Deputy Election Officer shall be appointed by the IUCN Council on the recommendation of the Congress Preparatory Committee (CPC).
- (6) The Deputy Election Officer shall not have the nationality of the Election Officer or of an already nominated presidential candidate. When appointing the Deputy Election Officer, Council shall seek to reflect the geographical and other diversity of IUCN.



ELECTION OFFICER OF THE 2020 WORLD CONSERVATION CONGRESS

TERMS OF REFERENCE

Approved by the Bureau (B/75/1), endorsed by the IUCN Council (C/95/2) in October 2018

The Election Officer is appointed by the IUCN Council to supervise the elections at the World Congress and the counting of the votes in accordance with Rule 74 of the Rules of Procedure of the World Conservation Congress. S/he must not be a member of the Secretariat nor a candidate for election as per Regulation 28 (b). S/he must neither have any family ties nor working relationships with any of the nominated candidates and should disclose any potential conflict of interest in that regard once s/he has received the nominations. S/he should have a legal background.

In the event that the Election Officer chosen has the same nationality as any of the presidential candidates, Council may reconsider his/her appointment in order to avoid possible accusations of conflict of interest and may appoint a substitute.

The Terms of Reference of the Election Officer shall be as follows:

In advance of the World Conservation Congress:

- 1) review the procedures for balloting and vote counting at the Members' Assembly and recommend improvements to the Secretariat on the basis of experience. If an electronic voting system is available for elections, adjust the procedures as required and verify the accuracy of the system prior to Members' Assembly;
- 2) receive from the Secretariat, the completed dossiers for all election candidates, approve for publication in the Union Portal the nominations for election as Regional Councillors that meet the requirements established in the Statutes and the Regulations, transmit to Council's Nominations Committee the nominations for President, Treasurer and Commission Chair that meet the requirements, and adjudicate on any issues which may arise during the nomination process;
- 3) advise Council in advance of the closing of the nominations period if the nominations received are unlikely to fill the positions available for any of the statutory regions, or to meet the criteria established by Council, and necessitate an extension of the deadline;
- 4) following the closing date for nominations, prepare the Report of the Election Officer to the World Conservation Congress including the names of candidates for Regional Councillors and their biographical information, listed in alphabetical order from a point in the alphabet chosen at random, with an indication of the number of nominations received per candidate as per Regulation 40;

At the Congress:

- 5) Explain the voting procedures during a plenary session, as required;
- 6) Report to the Congress Steering Committee on all matters related to elections;
- 7) Participate ex-officio in the meetings of the Credentials Committee;
- 8) Supervise the handing out of ballot forms at the Members' Assembly based on the report of the Credentials Committee. If elections are held electronically, verify the accuracy of the election process taking into account the report of the Credentials Committee;
- 9) Report immediately to the Congress Steering Committee any activities that he/she might detect regarding elections and voting that might be contradictory to the Statutes, Rules or Regulations;

- 10) Oversee the arrangements for presenting candidates to the Members' Assembly and meet with candidates ahead of the elections to explain the procedures;
- 11) Coordinate and be accountable to the Members' Assembly for the counting of votes, and oversee a team of vote counters from the Secretariat (if voting is done electronically verify the accuracy of the electronic system), and ensure that election results are not known in advance by anyone other than him/herself;
- 12) Announce the election results and prepare the report of the Election Officer;
- 13) Responsible for supervising the electronic voting on motions in the Members' Assembly which includes verifying the accuracy of the electronic voting system (Regulation 40bis) and that, in case of a secret ballot, the system can guarantee the anonymity of all votes (RoP 70);
- 14) Make recommendations to the next Council for improving the role and functioning of the Election Officer based on her/his own evaluation taking into account Council's guidance for self-evaluation.

DRAFT
Strategic Discussion Topics

Topic 1: Financial subsidies in a post COVID-19 world

Short Description:

The financial choices that nations make to stimulate their economies as they emerge from the COVID-19 pandemic will have far-reaching consequences on how people relate to the natural world. In the attempt to get back to 'business as usual', nations might invest in job-creating initiatives, like expanding infrastructure (e.g., roads, mining and hydropower), or provide specific subsidies for food production, fiber, and energy which have the potential of negatively affecting biodiversity and ecological services. Alternatively, countries might promote long-term sustainability, and develop subsidies that promote decarbonization of our economies, promote social equity and the conservation of nature. The choices that countries make might be guided by the Sustainable Development Goals (SDGs) or by more short-term considerations. How can IUCN influence these decisions? What role should IUCN play and how?

Proposed Methodology:

- Panel discussion feeding from discussions in Forum and outside the Union (including other industries/subsidies); Panellists:
- Expert on subsidies
- Audience engagement via electronic Q&As (possibly ranked by likes) and filtered/hand-picked by moderator
- No verbal Q&As them microphone; system to electronically submit questions; a moderator has to sift through them

Expected Outcomes:

1. Define what subsidies for nature are (including negative subsidies);
2. Identify ways to design global policies/legislation to enhance/offer a subsidy for nature or recuse negative subsidies
3. Identify roles that Members, Commissions, Secretariat can play in this (call to action)

Topic 2: Building a culture of conservation - Values and Choices

Short Description:

The COVID-19 Pandemic exposes diverse challenges in how our societies engage with nature as the risk of zoonotic diseases increases and under lockdown animals reclaim space denied to them and skies clear. Our vulnerability to poor environmental management has been exposed. We can no longer allow adverse changes in the earth system and the associated loss of biodiversity, accelerated climate change, human insecurity and conflict define who we are as a civilization. To achieve the scale of change needed, as evident in this historical moment, and demanded by growing movements, including of young people and indigenous people, we must integrate and promote a 'culture of conservation' in which the wellbeing of our world takes centre stage. This demands a shift from preoccupations such as wealth acquisition, conspicuous consumption and economic growth to greater sustainability, social equity and human wellbeing. IUCN Commission initiatives such as "Nature for All" or the "New Social Compact" are efforts to build a different culture of conservation. This session will explore the synergies, conflicts, contradictions among different ways in which decisions are made, and behaviour is being shaped, with attention to intrinsic values, biocultural values, human rights, sustaining livelihoods, wellbeing, and economic development. Highlighting values and culture as key factors in decision-making and behaviour can make IUCN more effective in the how it influences governments and other decision makers, citizens, corporates, thinkers, and social movements, at local, national, regional levels and globally to bringing about needed change.

Proposed Methodology:

- Small 4-5 person panel representative of IUCN Members (Government, NGO, IPO) and youth with excellent facilitator. Ensure regional and gender diversity.
- Expert on topic to frame discussion
- Choose panellists based on their vision and ensure spectrum of views. Key question being: what role IUCN should play in building a new culture of conservation.
- Electronic polling of audience
- Create space for active Membership participation through electronic interventions

- Identification of 3 to 4 burning actions coming out of debate by moderator to feed into the Marseille outcomes

Expected Outcomes:

1. Identify three action points for IUCN - panellists to propose what they wish to see, allow the floor to react, agree, disagree

Topic 3: Biodiversity and health in the face of Climate change

Short Description:

Climate change presents significant challenges to human health and biodiversity. Increases in extreme climate events, such as heat waves, droughts or flooding, threaten human health and well-being. In addition, the prevalence of non-communicable diseases is rising, causing ill health and accelerating costs to the health sector.

Biodiversity and healthy natural ecosystems, including protected areas in and around cities, can provide ecosystem benefits and services that support human health and help communities to cope with climate change, by reducing flood risk, filtering air pollutants, and providing a reliable supply of clean drinking water. They can also help to reduce the incidence of infectious diseases and respiratory disorders. Furthermore, access to nature offers many other direct health benefits, including opportunities for physical activity, reduction of developmental disorders and improved mental health. These benefits become increasingly important in a world facing increasing climate change and urbanization. Economic valuations of green spaces have found that nature provides billions of dollars in cost savings for health services. Indeed, in some countries medical professionals are now prescribing time in nature as part of a patients' treatment for chronic illnesses.

The growing recognition of the importance of biodiversity's contribution to human health offers great potential for maximizing synergies between public health, climate change adaptation and nature conservation. Partnerships between conservationists, planners and health authorities are critical to maximize these synergies. The United Nations Sustainable Development Goals (SDG's) provide an important global framework for such partnerships from global to local level. They offer an unprecedented opportunity to value, conserve nature, and work across sectors to achieve environmental objectives in the face of climate change, and contribute to furthering goals that are essential to economic and social development.

Proposed Methodology:

- Panel discussion feeding from discussions in Forum and outside the Union (including relevant debates on COVID-19);

- Moderator: Peter Cochrane – Introductory remarks – spread of COVID-19, a wake -up call, need for Healthy Ecosystem, healthy people.
- Panelists: A short keynote speaker (5-6 minutes) will set the scene. Panel will include this speaker and another 4-5 panelists covering range of topics and expertise linking Nature to Human Health (role of Nature and PA to physical health, mental health, urban health, and links wildlife health to livestock to human health including spread of zoonoses. Climate change likely to lead to further habitat loss, agricultural expansion and exploitation of wildlife and further spread of zoonoses and pandemics (including COVID-19), role of destruction of natural habitats and wildlife trade in spread of zoonoses, role of nature in recovery from pandemics.
- Panelists to give 2- 3 minutes briefing on their viewpoints/areas of expertise, response to introductory speaker with supplementary points.
- Audience engagement via electronic Q&As (possibly ranked by likes) and filtered/hand-picked by moderator)
- No verbal Q&As from microphone; system to electronically submit questions; a moderator has to sift through them
- Summary from moderator including possible recommendations re IUCN follow up.

Timing of the session during the Members Assembly -

3rd Sitting of the Members' Assembly (2-hour session)

STEPS ALREADY TAKEN

- A coordination discussion with Luc de Waver & Michelle Kimeu on 25 February
- Coordinated discussion with Congress Executive Committee, including Grethel and other Organizers of Strategic discussions.
- Agreed we will use the same electronic system in all three sessions for audience to submit questions
- Agreed to have one panelist with expertise on pandemics related to zoonoses given impact of COVID-19 (NB given the seriousness of the crisis there may be additional events/motions proposed re COVID-19 during the Forum and Assembly)

OVERALL CONCEPT

Panel discussion with the keynote speakers being Members that are currently working on health issues.

- Covering range of issues on Maintaining and restoring Healthy Ecosystems with relevance for maintaining Human Health and Welfare (consistent with 3 ecosystem-based programme areas in new IUCN programme). Healthy Ecosystems, Healthy People agenda.
- Panelists should be IUCN Members or Commission members if possible; given that they are likely to be attending, WCC (and Assembly in case of Members) will aim for good gender, geographical range balance.
- A short **keynote speech from an expert** on the issue will help to set the scene (challenging to determine exactly who will attend WCC in January at this time but drawing up a list of potential candidates).
- An **engaging moderator** requires (Council member Peter Cochrane has volunteered).
- Use **audience-engaging technologies** such as sli.do or mentimeter to make surveys on-the spot, as well as to collect questions from the audience.
- A **running sheet will help the moderator** to keep up the flow of the discussions, with some foreseen pre-elaborated questions for panelists,
- The session will contribute to the **final “Message from Marseille”**

Expected Outcomes:

1. Greater emphasis on Conservation for Healthy Ecosystems, Healthy People in new IUCN programme.
2. Define role for IUCN in promoting global Nature-Health agenda: where can IUCN add value
3. Identify roles that Members, Commissions, Secretariat can play in this call to action, building on and linking to current Member and Commission activities.

IUCN, INTERNATIONAL UNION FOR CONSERVATION OF NATURE

71st Meeting of the Finance and Audit Committee

29 April 2020 at 14:00 CEST, and

6 May at 13:00 CEST

by teleconference

FAC members:

Ayman Rabi (Chair)
Marco Cerizo (Deputy Chair)
Rick Bates (Deputy Chair)
Nihal Welikala (Treasurer)
Norbert Baerlocher (first hour)
Mangal Man Shakya
Kathy MacKinnon
Jon Paul Rodriguez
Malik Amin Aslam Khan (first hour)

Apologies:

Antonio Herman Benjamin
Said Ahmad Damhoureyeh (proxy given to Ayman Rabi)
Jesca Eriyo Osuna
Andrew Bignell

Secretariat staff

Grethel Aguilar Rojas, Acting Director General
Enrique Lahmann, Global Director Union Development Group
Pamela Grasemann, Congress Manager
Michael Davis, Chief Financial Officer (CFO)
Jean Deong, Head of Financial Services

Invitees for item 3:

Yves Cerutti, Partner, PricewaterhouseCoopers
Marcello Stimato, Director, PricewaterhouseCoopers

1. Approval of the agenda

Document: FAC 71.1 Agenda 29 April 2020

The agenda was approved as presented.

2. Review of minutes of the previous meeting and status of follow up points and decisions taken

The Chair noted that there were two follow up items:

1. Commission Chairs to expedite process to ensure compliance with Commission financial rules
2. Revise FAC ToR to take into consideration the recommendation from the governance review to clarify reporting line of the Head of Oversight

The CFO noted that the Commission Support Unit was working with the SSC to take stock of hosting agreements that currently exist and to determine the need for new agreements.

In respect of the FAC ToR, he noted that revisions had not yet been drafted. He suggested that this be added to the agenda of a future FAC meeting, ahead of the 2020 Congress.

The FAC agreed with the proposed way forward.

3. Approval of the 2019 financial statements and review of the report of the external auditors

Documents:

- FAC 71.3a Review of the 2019 financial statements
- FAC 71.3b The 2019 audited financial statements
- FAC 71.3c Report of the statutory auditor
- FAC 71.3d Detailed report to the Council and Finance and Audit Committee for the year ended 31 December 2019

The CFO provided a summary of the results, referring to paper *FAC 71.3a Review of the 2019 financial statements*. He noted that the result for unrestricted income and expenditure was a deficit of CHF0.2m, and that this equated to a surplus of CHF 0.6m when the release of designated reserves of CHF 0.8m (to fund RCF and Congress costs) was taken into consideration. The surplus of CHF 0.6m compared to a breakeven budget. The positive variance compared to budget was driven by additional membership dues and a gain on the investment portfolio. Cost recovery (project-generated income) was, however, lower than budget as a result project implementation rate being below budget.

In respect of project income and expenditure, actual income and expenditure was CHF 88.8m compared to a budget of CHF 124.5m. This was largely a result of extended inception phases for several large projects signed in 2018 and 2019, e.g. BIOPAMA II, GCF (Guatemala and Kenya) and various GEF projects. Although IUCN had a healthy and growing project portfolio, activity expenditure had not increased as expected.

The CFO noted that there had been an overall decline in reserves of CHF 0.5m. This was a result of the drawdown in designated reserves and currency adjustments.

A member of the FAC asked if the lower implementation rate was due to projects not being approved or whether it was due to slow rates of implementation.

The CFO replied that it was due to slow rates of implementation. For example, GCF and GEF project require IUCN to work with government partners; the contracting process takes time, as do other inception tasks.

The ADG added that budgets and timelines were over-optimistic in 2019. For 2020, a more realistic budgeting approach had been adopted. She also noted that a lot of effort had been put in to retain and increase state membership and maintain framework funding.

External Auditor Report

PwC presented their report. The auditors emphasised the following points:

- PwC will issue an unqualified audit opinion
- Due to the emergency situation, the whole audit had been done remotely and, despite the challenges, the audit had been completed as planned.
- Yves Cerutti, the current auditor partner, informed the FAC that he would be handing over the responsibility for the audit to Marcello Stimato as, in accordance with Swiss auditing rules, the

audit partner must rotate after 7 years. He noted that he had seen lots of improvements and good progress in financial processes over the last 7 years.

Marcello Stimato presented the report in more detail:

- No material misstatements had been identified in the financial statements
- The financial statements were in compliance with Swiss accounting law
- No major deficiencies were identified in the internal control system, but they had made recommendation to improve controls around the time management system and also certain IT controls.
- The Secretariat had completed a Subsequent Events Review to assess the impact of the Covid 19 pandemic on the finances of IUCN and whether it resulted in a going concern risk. A bottom up risk assessment had been performed and a financial forecast prepared for 2020. Management concluded, and PwC concurred, that IUCN continues to be a going concern. The Secretariat should monitor the financial situation closely.

The Chair asked for more details on the controls.

PwC noted that, overall, there had been significant improvements in the internal control systems. Improvements were still needed in the area of recording and monitoring of staff time. They emphasized the importance of training and controls and that a cultural change around time recording was needed to support these changes. In addition, IT controls over staff with privileged access to systems needed to be strengthened.

The treasurer proposed that the Secretariat and FAC review the accounting policies related to:

- a) Accounting for reserves – more clarity on utilization of designated reserves
- b) Provisions for project receivables and advances to partners

A member of the FAC suggested adding information in the financial statements on the value of committed donor funding that would be spent in future years.

The CFO noted that this information was not currently included in the financial statements but that consideration would be given to adding this in future years.

FAC decision:

Following the discussion, the FAC **recommended** that the Financial Statements be approved by Bureau and proposed the following draft decision:

Draft Bureau decision:

Bureau, on the proposal of the Acting Director General and the recommendation of the Finance and Audit Committee, approves the Audited Financial Statements for 2019, noting that final approval rests with the 2020 World Conservation Congress as provided under Article 20 (d) of the Statutes.

4. Business continuity plan as a result of Covid 19

Document: FAC 71.4 Business Continuity Plan

Eric Martrou, Risk Officer, presented the Business Continuity Plan. He noted:

- Its key purpose was to ensure staff safety and security and maintain continuity of critical functions during the pandemic
- The global BCP was based on individual BCPs prepared by Regional Directorates, Global Programmes and Global Corporate Functions
- It was based on the Prevention, Preparedness, Response and Recovery (PPRR) framework

- The BCP was an operational document that would be regularly monitored, reviewed and updated to reflect on-going business operations.

Members of the FAC made the following comments:

Members commended the Secretariat for the quick action and for developing a comprehensive plan.

For the recovery pillar, it would be important to consider staff morale and donor confidence. Need to consider what the new normal will be and what action will need to be taken.

The risk officer replied that a post pandemic analysis would be performed and the results integrated into ongoing operations.

Members asked if donors had been contacted and whether there was a risk in relation to donor income.

The ADG replied that donors were not withdrawing money and continued to support IUCN. However, donor-funding priorities might shift. IUCN would need to respond accordingly, e.g. by increasing the focus on nature and health.

The treasurer noted that there were short-term impacts, e.g. Congress, and longer-term impacts, e.g. sustainability of framework and project funding. A contingency plan should be developed in the event that funding falls. He also suggested that investments be added as a risk due to the market exposure.

The FAC **endorsed** the business continuity plan, noting that it was a living document and that it should be regularly reviewed and updated as necessary.

5. Financial impact of Covid 19

a) Impact of the postponement of the Congress to January 2021

Document: FAC 71.5a Financial impact of the postponement of the 2020 Congress

The CFO presented the analysis of the financial impact of postponing the Congress to January 2021. He presented three scenarios, all of which resulted in a deficit. There was a great deal of uncertainty in respect of income as this depended on the evolution of the Covid 19 pandemic, potential restrictions on travel, restrictions on major events, and the willingness of participants to travel. Exhibition income might also be impacted. Expenditure will be higher than budget due to the need to maintain the Congress team for another 6 months. Cancellation of the Congress had also been analysed. This would result in an increase in the potential deficit over and above the worst-case postponement scenario. A downsized Congress had not been evaluated but this would likely increase the deficit risk, as costs would not be significantly reduced whereas income would be impacted.

The Congress Manager noted that the costs of the host country would increase as some aspects needed to be moved indoors as the Congress would now take place in January 2021. In terms of costs, and based on feedback received, hotels were expected to maintain their prices at the June level. There could be increases in flight costs as the timing of the Congress would be close to the end of year public holidays.

Members asked for further clarification on costs.

The Global Director of the Union Development Group (UDG) and the Congress Manager noted that no new staff were being recruited; contract were only being extended. Sponsored delegate costs were

paid by the French government and other donors. In the event that the costs were not incurred, no income would be received.

FAC members asked if it was possible to assess the likelihood of each scenario happening. The Global Director of UDG replied that there was too much uncertainty to allow a useful assessment.

FAC members noted that the idea of a virtual congress was being discussed and being actively promoted by some Members as it would result in reduced travel.

The CFO noted that a virtual Congress would not significantly reduce costs; in fact, it could increase IUCN costs due to the investment required in IT infrastructure. On the other hand, there would be no income (registration income and exhibition income).

The Global Director of UDG noted that changing the format of the Congress would be a Council decision

The ADG noted that the type of Congress was not just a financial decision but that there were other factors to consider, e.g. Members views and concerns and IUCN credibility.

The Congress Manager noted that the French team were fully committed to the January 2021 date and were looking at social distancing and other measures. Conditions in France in respect of Covid 19 were scheduled to be relaxed on 11 May. IUCN should reassess the situation after this date.

The FAC agreed to advise Bureau to maintain plans for a January 2021 Congress but that a trigger date, e.g. September be set to decide on whether to continue with the January 2021 date. A backup plan should be developed for an alternative Congress date.

The ADG noted that a second postponement would be very challenging financially for both IUCN and the French government. The Global Director of UDG emphasized that any decision for further change of the date or cancellation should be a joint decision with the French government.

The FAC agreed to present the different scenarios to the FAC.

Postponement of meeting

Due to lack of time, the Chair proposed, and members agreed, to postpone the remaining two agenda items (Impact on the 2020 budget and possible amendments to the Financial Plan 2012-24) to another meeting the following week and asked the Secretariat to organise a one hour meeting.

The meeting closed at 16:15 CET

The meeting reconvened on 6 May at 13:00 CEST

FAC members:

Ayman Rabi (Chair)
Rick Bates (Deputy Chair)
Marco Cerizo (Deputy Chair)
Nihal Welikala (Treasurer)
Norbert Baerlocher
Mangal Man
Jon Paul Rodriguez
Antonio Herman Benjamin
Jesca Eriyo Osuna
Andrew Bignell
Kathy MacKinnon

Apologies:

Malik Amin Aslam Khan (proxy given to Ayman Rabi)
Said Ahmad Damhoureyeh (proxy given to Ayman Rabi)

Secretariat staff

Grethel Aguilar Rojas, Acting Director General
Michael Davis, Chief Financial Officer (CFO)
Jean Deong, Head of Financial Services

5b Financial impact of COVID-19 on the 2020 budget

Document: FAC 71.5b Financial impact of Covid 19 on the 2020 budget

The CFO presented a summary of the analysis undertaken by the Secretariat

Core Income

- In summary, there was limited risk to core income
- Membership dues were budgeted at CHF 11.7m of which CHF 4.5m had been received as at 31 March 2020, which was at a similar level compared to 2019. We may see some delays in payment, which may require additional provisions at the year-end.
- Framework income was on track and no negative indications from partners had been received
- Other unrestricted income components were either secure, such as Ramsar service fee and tax rebates, or were expected to be in line with budget, such as contributions from the Patrons of Nature

Project income

- IUCN is dependent on the project portfolio to fund staff costs and overhead costs
- Regions and Programmes were forecasting similar levels of expenditure as budgeted. They plan to bring forward desk-based work and use other modalities for delivery, such as virtual workshops, where possible
- Responses indicated 40% of projects were not impacted, while others will change modalities to continue delivery. Approx. 25% of projects expect delayed delivery with activities rescheduled to the second half of 2020 and the first half of 2021. Some no cost extensions were likely.
- No donors had cancelled contracts
- A CHF 8 m reduction in Implementing Partner activities was forecast as they need to deliver their work on the ground and this could be impacted by current restrictions
- The forecast was optimistic. It would be necessary to repeat the exercise at the end of June, as the situation continues to evolve

The ADG added that the portfolio analysis was a bottom up approach. The results were surprising as they were more optimistic than expected. The Secretariat would continue to review the situation. Delivery by implementing partners would be lower than budgeted. She also noted that 80% of membership dues come from State members. Some less well-off States may find it challenging to pay in 2020.

Members of the FAC noted that the analysis was comprehensive, but that there were many uncertainties and therefore it was necessary to continually review and update the situation.

A member of the FAC asked if it was necessary for Members to pay their 2020 membership dues to be in good standing for the 2020 Congress.

The CFO replied that the statutory requirement is that the Member must pay the previous year's dues, and as the Congress will be held in January 2021, the member would need to have paid 2020 dues.

(This point was subsequently confirmed by the Legal Adviser and communicated to the FAC by the ADG in an email dated 6 May 2020: IUCN Members shall pay their membership dues up to one (calendar) year preceding Congress to exercise their membership rights at Congress, in particular their rights in connection with elections, voting and motions. Membership dues are payable on the first day of each calendar year (Regulation 24). This means that the membership dues for 2020 are payable by the 1st of January 2020.)

The members of the FAC who were also Commission chairs asked if at the end of 2020, the Commission operating funds could be carried forward into 2021. The Commissions were also experiencing delays to activities as a result of Covid 19 and they anticipated that their own fund-raising efforts could be impacted by Covid 19.

The CFO noted that 2020 would be a difficult year financially for the Secretariat and that there was a high risk of ending the year with a deficit. In addition, Congress was also likely to result in a deficit. Therefore, any decision to roll forward funding should take into consideration the overall financial situation.

FAC members were in general agreement with the CFO. Many parts of the Union will experience difficulties and it would be unwise to make one-off commitments for the Commissions at this time.

Members noted that in view of the expected Congress deficit and possible operational deficit in 2020, contingency plans and an organisation wide four year recovery plan would be necessary.

The Treasurer noted that there was a great deal of uncertainty and it was necessary to review the 2020 forecast at the end of June when the situation should be clearer. He proposed developing contingency plans for Congress in the event that it was not possible for it to go ahead as planned.

Summing up the discussion, the Chair noted that uncertainty was very high in respect of the 2020 forecast. Contingency planning was necessary, as was the need to continue to monitor the financial situation as the year progresses. The matter raised by the Commissions would be included as part of the overall analysis.

6. Possible amendments to the Financial Plan 2012-24

The Chair noted that the plan needed to be submitted to Congress by 7 October 2020

The CFO suggested that 2019 results be updated as we now had audited figures. In addition, the 2020 forecast should be updated to take into account the Covid 19 emergency and its impact on the 2020 results, including any potential Congress deficit. He also suggested revisiting the assumptions used for the financial plan projections.

The Treasurer noted that the pandemic resulted in a high level of uncertainty for the years ahead, including economic uncertainty. The principles of the plan had not changed (e.g. the need to diversify income, invest for growth, and build reserves). The assumptions should be re-evaluated, as should the impact of any changes to the 2021-24 Programme. It would also be necessary to review the requirement for organisational change. Future income could be a risk as governments could shift their funding to other priorities.

The FAC noted that Congress losses could exceed the planned reserves increase over the 2021 period. As a result, IUCN may need to anticipate bigger organisational changes than currently planned.

The FAC proposed to update those sections that could be updated now, eg 2019 figures, and update other sections following the close of the June accounts, at which point there would be more clarity on the 2020 forecast and the likely impact of Covid 19 on the 2021-24 projections.

The FAC asked the CFO to work with the treasurer on a revised document for circulation and discussion at the end of July.

7. Any Other Business

There was no other business.

The meeting ended at 14:00 CEST.

IUCN, INTERNATIONAL UNION FOR CONSERVATION OF NATURE
71st Meeting of the Finance and Audit Committee
29 April 2020 by teleconference
14:00 CET

Approval of the 2019 financial statements

Origin: Chief Financial Officer

Action requested:

The Finance and Audit Committee is asked to review the 2019 audited financial statements and make a recommendation to Bureau on their approval.

Draft Bureau decision:

Bureau, on the proposal of the Acting Director General and the recommendation of the Finance and Audit Committee, approves the Audited Financial Statements for 2019, noting that final approval rests with the 2020 World Conservation Congress as provided under Article 20 (d) of the Statutes.

Background

1. In accordance with the statutes (46.g), Council (or Bureau acting on behalf of Council) is required to approve the audited financial statements, though final approval rests with Congress (20.d)
2. The external audit covers the consolidated accounts of the IUCN Secretariat. This includes Headquarters and all regional and country offices.
3. Related documents:
 - FAC 71.3a: Review of the 2019 financial statements (attached)
 - FAC 71.3b: The Consolidated Financial Statements for the year ended 31 December 2019
 - FAC 71.3c: Report of the statutory auditor
 - FAC 71.3d Detailed report to the Council and Finance and Audit Committee for the year ended 31 December 2019

Issues and Considerations

4. The unaudited financial statements were circulated to the FAC on 31 March 2020. The audit is now complete.
5. As a result of the audit some minor adjustments were made to the financial statements:
 - a. Other unrestricted income was reduced by CHF 65k in respect of rental income for 2020 erroneously recorded in 2019.
 - b. A subsequent events note was added in respect of Covid 19 (note XXX)

6. The result for the year, after taking into account items funded from designated reserves, is a surplus of CHF 659k. This compares to a breakeven budget. The result comprises an operating deficit of CHF 176k and a release of designated reserves of CHF 835k.

7. The following designated reserve movements are included in the financial statements:

Release of designated reserves to cover 2019 expenditures:

a. Regional Conservation Fora	406k
b. Congress 2020	425k
c. Information systems	186k
Total	1,017k

Allocation of 2019 income to cover expenditure in future years:

d. External Review	55k
e. Commission Operating Funds	117k
f. Renovation Fund	10k
Total	182k

Net release from reserves **835k**

The reserve transfers are shown on the Consolidated Funds and Reserve Statement (page 4 of the Financial Statements).

8. The auditors intend to issue an unqualified audit report, which means that the financial statements contain no material misstatements and that they are in compliance with Swiss law and IUCN's accounting policies.

Review of the Consolidated Financial Statements for the year ended 31 December 2019

1) Unrestricted (Core) income and expenditure

The below table summarises IUCN core income and expenditure for 2019 compared to the 2019 Council approved budget and the actual results for 2018.

CHF m	Core Income & Expenditure			
	2019 Actual	2019 Budget	2019 Variance	2018 Actual
Membership dues	12.8	12.0	0.8	12.8
Framework income	11.6	11.3	0.3	11.2
Other income	7.4	6.5	0.9	7.5
Total income	31.8	29.8	2.0	31.5
Cost recovery from projects	35.6	38.5	(2.9)	36.2
Operating expenditure	(66.9)	(68.3)	1.4	(66.6)
Operating surplus / (deficit)	0.5	0.0	0.5	1.0
Other income and expenditure	(0.7)	(1.1)	0.4	(2.0)
Net surplus / (deficit)	(0.2)	(1.1)	0.9	(0.9)
Transfer from/(to) designated reserves	0.8	1.1	(0.3)	(0.6)
Result after reserve adjustments	0.6	0.0	0.6	(1.5)

a) Overall result

After taking into account transfers from designated reserves (see e) below for details) the year-end result is a **surplus of CHF 0.6m** vs. a breakeven budget.

Major variances:

Positive impact:

Membership dues above budget:	CHF 0.8m.
Operating expenditure below budget	CHF 1.4m
Other income and expenditure above budget	CHF 0.4m

Negative impact:

Cost recovery below budget	CHF 2.9m
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The positive result compared to budget is as result of a mix of factors. Key items are:

1. Gain on investments of CHF 0.4m – reversing losses of a similar magnitude in 2018.

2. Membership dues being above budget by CHF 0.8 as a result of new States joining or re-joining, and, in the latter case, paying off significant payment arrears.

b) Income

Total unrestricted income was CHF 31.8m vs. a budget of CHF 29.8m.

Membership dues

CHF m	2019 Actual	2019 Budget	2019 Variance	2018 Actual
Membership dues invoiced	12.8	12.0	0.8	12.8
Provision / write offs	0.0	(0.5)	0.5	(0.1)
Net membership dues	12.8	11.5	1.3	12.7

Invoiced Membership dues were CHF 12.8m vs. a budget of CHF 12.0m, a similar level to 2018. It was not necessary to increase the provision for unpaid dues in 2019 as significant arrears, previously provided for, were settled. Provisions released and new provisions created netted to zero.

See note VI of the financial statements for further information.

Framework income

	2019 Actual	2019 Budget	2019 Variance	2018 Actual
	CHF m	CHF m	CHF m	CHF m
Norway	2.4	2.6	(0.2)	2.4
Sweden	4.6	4.4	0.2	4.3
Switzerland	1.5	1.5	-	1.5
France	1.2	1.3	(0.1)	1.2
Republic of Korea	0.8	0.5	0.3	0.6
MAVA Foundation	0	0.0	-	0
Finland	0.4	0.4	-	0.4
USA	0.7	0.6	0.1	0.8
Total	11.6	11.3	0.3	11.2

Total framework income received was CHF 11.6m vs. a budget of 11.3m.

The positive variance for Sweden relates to an additional unbudgeted contribution of CHF 0.5m less exchange differences of CHF 0.3m. The negative variance for Norway is also a result of exchange differences.

Although income from the USA was above budget, CHF 0.2m was earmarked for TRAFFIC and treated as pass through funds.

Total framework income includes in-kind contributions (seconded staff) of CHF 0.6m from France and a cash contribution of CHF 0.3m from the Republic of Korea to pay for seconded staff.

Cost recovery

Cost recovery from projects was CHF 35.6m vs. a budget of CHF 38.5m (see section 2. for further analysis).

c) Expenditure

Operating expenditure was CHF 66.9m vs a budget of CHF 68.3m, and is broken down as follows:

	2019 Actual		2018 Actual	
	CHF m	%	CHF m	%
Staff costs	54.0	81%	52.2	80%
Consultants	1.2	2%	1.7	3%
Grants to partners	0.5	1%	0.5	1%
Travel	3.1	5%	2.9	4%
Workshops and conferences	0.4	1%	0.3	0%
Publications and printing costs	0.3	1%	0.2	0%
Office and general administrative costs	3.9	6%	3.9	6%
Vehicles & equipment - costs & maintenance	0.8	1%	0.9	1%
Professional fees or costs	0.6	1%	0.6	1%
Depreciation and amortisation	2.2	3%	2.5	4%
Total operating expenditure	66.9	100%	65.6	100%

Extract from Income and Expenditure Statement, page 3 of the Unaudited Financial Statements

The distribution of expenses is similar to that of 2018. Staff costs represented 81% of operating costs.

d) Other income and expenditure

CHFm	2019 Actual	2019 Budget	2019 Variance	2018 Actual
Interest income	0.5	0.5	(0.0)	0.5
Financial charges	(0.4)	(0.5)	0.1	(0.5)
Capital gains/(losses)	0.4	-	0.4	(0.4)
Net gains/(losses) on foreign exchange	(0.6)	(0.3)	(0.3)	(0.5)
Net movements in provisions and write-offs	(0.5)	(0.8)	0.3	(1.1)
Total other income and expenditure	(0.7)	(1.1)	0.4	(2.0)

Extract from Income and Expenditure Statement, page 3 of the Unaudited Financial Statements

i. Interest income

Interest income represents the in-kind benefit of the interest-free loan from the Swiss government for the Headquarters extension (CHF 0.2m), interest received on bank deposits (CHF 0.08m) and coupons on bonds held in the investment portfolio (CHF 0.14m).

ii. Financial charges

Financial charges include bank charges and interest paid, and the value of interest that would have been paid on the headquarters building loan if it had been obtained on a commercial basis (CHF 0.2m – offsets the recognition of the in-kind benefit of the interest free loan).

iii. Capital gains/(losses)

Capital gains of CHF 0.4m were recorded on IUCN’s investment portfolio. Investments are recorded at fair value (“marked-to-market”). The gain reflects good performance of financial markets in 2019, and reverses losses of a similar magnitude in 2018.

iv. Net gains/(losses) on foreign exchange

See Accounting Policy note 4 (page 8 of the financial statements) for treatment of exchange gains and losses.

The following exchange differences were recorded in 2019:

- Unrestricted exchange losses (see above table): CHF 0.6m
- Project exchange losses: CHF 0.8m
- Revaluation of project balances: CHF 0.35m
- Currency translation adjustment: CHF 0.3m

Taking each one in turn:

Unrestricted: CHF 0.6m

This is broken down as follows:

	CHF k
Forced conversion of USD bank balance in Zimbabwe to Zim dollars and subsequent devaluation	111
Revaluation of bank balances	796
Revaluation of implementing partner balances	241
Revaluation of accounts receivables	5
Revaluation of donor balances	-770
Framework agreements - difference between invoice date and date of receipt of funds	137
Other corrections and adjustments	108
	628

Items highlighted in yellow are managed through the natural hedging strategy and should broadly net out. However, this strategy does not cover the risk on local (exotic) currencies. In addition, the figure for bank revaluations includes the cost of currency conversions. The difference between the mid-market rate (the rates maintained in the accounting system) and the buy/sell bank rate are accounted for through the revaluation process. Other corrections and adjustments include forex differences on the close out of some multi-currency projects.

Projects: CHF 0.8m

This is broken down as follows:

	CHF k
Revaluation of donor balances	770
Other	33
	803

The revaluation of donor balances is matched by the credit adjustment of CHF 770 in unrestricted gains/losses. The exchange differences on project balances do not go to reserves. The charge reflects the fact that we need fewer Swiss francs to settle donor obligations due to the strengthening of the Swiss franc against donor currencies.

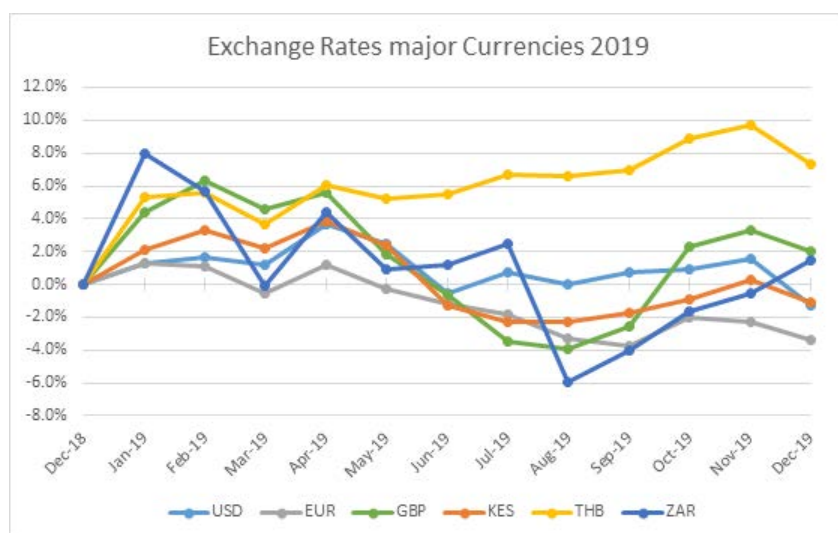
Revaluation of project balances: CHF 0.35m

This is one element of the translation of individual country balance sheets (see below). Because it represents a movement on the project balances, it needs to be reflected in the project income and expenditure statement. The opposite entry goes to the currency translation reserve as it is part of the balance sheet revaluation process.

Currency translation reserve: CHF 0.3m

This adjustment is the net exchange difference resulting from the revaluation of all the individual country balance sheets into Swiss francs.

The adjustments will depend on balance sheet movements during the year and the evolution of exchange rates during the year. If the country has net assets and the local exchange rate falls against the Swiss franc it will result in a translation loss. Most currencies fell against the Swiss franc during 2019, resulting in an overall charge to the currency translation reserve.



v. Net movements in provisions and write-offs

Net movements in provisions and write-offs of CHF 0.5m relates to additional provisions for projects in deficits.

e) Transfers to designated reserves

The following transfers from/(to) designated reserves were made:

	CHF m
Commission operating funds	(0.1)
Congress and RCFs	0.8
Information systems	0.2
External review	(0.1)
	0.8

Commission operating funds: Commissions are allowed to underspend or overspend their annual budgetary allocations provided they do not exceed their allocations over the 4-year programme period.

Congress and RCFs: budgetary allocations made in 2017 and 2018 that were credited to designated reserves were drawdown in 2019 to fund the RCFs and Congress preparatory costs.

Information systems: an allocation of CHF 0.4m was made in 2017 for systems development projects. CHF 0.2m of this was used in 2019 to fund the development of the Time Management System.

External review: a budgetary allocation was made to fund the External Review which will take place in 2020.

A full analysis of items funded by designated reserves is included in Annex 1.

2) Project income and expenditure

a) Overall result

The below table summarises IUCN restricted income and expenditure for 2019 compared to the Council approved budget.

CHF m	Project Income & Expenditure			
	2019 Actual	2019 Budget	2019 Variance	2018 Actual
Project income	88.8	124.5	(35.7)	93.1
Other income	0.3	0.0	0.3	0.3
Total income	89.1	124.5	(35.4)	93.5
Cost recovery from projects	(35.6)	(38.5)	2.9	(36.2)
Operating expenditure	(52.3)	(86.0)	33.7	(57.7)
Operating surplus / (deficit)	1.3	0.0	1.3	(0.4)
Other income and expenditure	(1.3)	0.0	(1.3)	0.4
Net surplus / (deficit)	0.0	0.0	0.0	0.0

IUCN recognises project income in line with actual expenditure in accordance with Swiss accounting law, hence the net result is zero. Income received in advance of the period in which it is spent is treated as deferred income and is shown on the balance sheet as *Project agreement advances*.

b) Income and expenditure

Restricted income and expenditure totalled CHF 89.1m, slightly below 2018 and significantly below the budget of CHF 124.5m. The budget was over optimistic. Although the project portfolio has grown significantly, particularly as a result of signing GEF and GCF projects, projects were signed later than foreseen, and the inception phase of several new projects was longer than anticipated, impacting expenditure levels. For example, Biopama II (EUR 44m) signed in June 2017 has an on-granting component of EUR 21m. On-granting was budgeted to start in 2019 but this has been deferred to 2020. The first set of grant agreements (EUR 7m) will be signed in May 2020.

The table below compares project income, cost recovery and expenditure for 2019 with 2018.

CHF m	2019 Actual	%	2018 Actual	%
Project income	89.1		93.5	
Cost recovery	-35.6	40%	(36.2)	39%
Operating expenditure	-52.3	59%	(57.7)	62%
Other income / (expenditure)	-1.3	1%	0.4	-1%
Total project expenditure	-89.1	100%	(93.5)	100%
Net (deficit) / surplus	0.0		0.0	

The costs recovery rate for 2019 (40%) was similar to that of 2018 (39%).

CHF 21m (2018: CHF 24m) of expenditure was incurred through implementing partners and grantees.

3) BALANCE SHEET

a) Assets

Extract from Consolidated Balance Sheet, page 2 of the Unaudited Financial Statements

Cash and short term bank deposits increased by CHF 10.5. This reflects a growing portfolio and a similar increase in *Project agreement advances* (CHF 10.9m).

Advances to implementing partners decreased by CHF 4.7m, as two major grant programmes were winding down in 2019 and 40% of the grants had been closed by the end of 2019.

Project agreement receivables has increased, primarily as a result of final instalments dues on completed projects.

	2019	2018
	CHFm	CHFm
Current assets		
Cash and short term bank deposits	58.2	47.7
Financial assets	16.0	16.1
Membership dues receivables	1.0	2.0
Staff receivables	0.3	0.4
Receivables from partner organisations	0.4	0.3
Advances to implementing partners	9.8	14.5
Prepayments	1.4	1.2
Donor funds receivable	4.5	4.3
Project agreement receivables	18.1	14.7
Framework agreements receivables	1.4	0.7
Advances from hosted organisations	0.3	-
Other account receivables	1.7	1.6
Total current assets	113.1	103.4
Fixed assets (Net)	27.3	28.8
Intangible assets	0.2	0.1
Total non-current assets	27.5	28.9
TOTAL ASSETS	140.7	132.4

b) Liabilities

	2019	2018
	CHFm	CHFm
Liabilities		
Current liabilities		
Membership dues paid in advance	2.7	1.5
Accounts payable and accrued liabilities	10.8	13.8
Social charges payable	0.4	0.1
Project agreement advances	73.3	62.4
Deferred income	1.9	1.2
New building loan	0.2	0.2
Miscellaneous current liabilities	0.3	0.5
Advances from hosted organisations	-	0.5
Total current liabilities	89.7	80.2

Extract from Consolidated Balance Sheet, page 2 of the Unaudited Financial Statements

Current liabilities increased by CHF 9.5m compared to 2018. The main increase is in *Project agreement advances* (CHF 10.9m) which is explained by the overall growth of the project portfolio and is offset by the increase in cash and bank deposits noted above.

c) Provisions and non-current liabilities

	2019	2018
	CHFm	CHFm
Provisions		
Projects in deficit	2.4	1.8
Staff leave and repatriation	1.9	2.0
Staff termination	1.6	1.7
Total provisions	5.9	5.5
Non-current liabilities		
Deferred income	13.4	15.7
Loan	12.3	10.9
Total non-current liabilities	25.7	26.6

Extract from Consolidated Balance Sheet, page 2 of the Unaudited Financial Statements

The overall level of provisions increased by CHF 0.4m compared to 2018, primarily as a result of an increase in the provision for projects in deficit of CHF 0.6m.

Deferred income represents the in-kind benefit of the loan received from the Swiss Government and donations for the construction of the headquarters building extension, plus the net-book-value of the original headquarters building (donated). The deferred income will be recognized over the remaining lives of the buildings.

The overall reduction of CHF 0.9m is accounted for by payment of the eighth loan instalment of CHF 0.4m and release of CHF 0.5m of deferred income in relation to donated assets in line with the corresponding depreciation of these assets.

The cash value of the loan at the end of 2019 was CHF 16.0m.

d) Reserves

	2019	2018
	CHFm	CHFm
Reserves		
Reserve for statutory meetings	-	0.8
Other reserves	0.9	0.9
Renovation fund reserve	0.9	0.9
Designated reserves	1.8	2.6
IUCN Fund	8.6	8.6
Retained surpluses	8.6	8.0
Currency translation adjustment	0.5	0.8
Unrestricted reserves	17.7	17.4
Total designated and unrestricted	19.5	20.0

Extract from Funds and Reserves Statement, page 4 of the Unaudited Financial Statements

Designated and unrestricted reserves show an overall decrease of CHF 0.5m. This corresponds to the net surplus of CHF 0.6m, less a drawdown of CHF 0.8m from designated reserves, and a decrease of CHF 0.3m on the currency translation adjustment reserve.

The reduction in the currency translation reserve reflects the fall in certain currencies against the Swiss-franc. The ledgers of individual country offices are denominated in the local currency (with one or two exceptions). The net assets are translated to Swiss francs at the end of the year and revaluation differences recorded in the currency translation reserve.

Annex 1: Analysis of expenditure funded in part by designated reserves

CHF	Accounted for through designated reserves						Total designated	Retained surpluses	Total
	RCFs	Congress	Systems development	External Review	Renovation fund	Commissions			
Staff costs	140	694,238	179,313			90,421	964,111	52,991,311	53,955,422
Consultants	5,858	11,378	-	20,000		188,024	225,260	968,125	1,193,385
Grants to partners						23,935	23,935	442,542	466,477
Travel	631,676	43,982	6,337			749,451	1,431,447	1,667,387	3,098,833
Workshops and conferences	115,572	991				34,741	151,304	266,087	417,391
Publications and printing costs	30,008	1,166				53,627	84,801	258,835	343,636
Office and general administrative costs	17,762	6,576				27,150	51,488	3,814,243	3,865,731
Vehicles & equipment - costs & maintenance	4,853	1,928				3,695	10,476	819,946	830,422
Professional fees or costs	7,620					120	7,740	559,565	567,304
Depreciation and amortisation					191,538		191,538	1,968,149	2,159,687
Total operating expenditure	813,490	760,259	185,651	20,000	191,538	1,171,164	3,142,101	63,756,188	66,898,289
Other income and expenditure	3,352	- 5	-			4,940	8,287	656,535	664,822
Total expenditure	816,842	760,254	185,651	20,000	191,538	1,176,104	3,150,389	64,412,723	67,563,112
Funded by									
Current year income	410,294	334,953	-	75,000	202,017	1,292,673	2,314,937	65,072,698	67,387,635
Designated reserves	406,548	425,301	185,651	- 55,000	- 10,479	- 116,568	835,452		835,452
Retained surpluses								- 659,975	- 659,975
Total funding	816,842	760,254	185,651	20,000	191,538	1,176,104	3,150,389	64,412,723	67,563,112

In respect of *Designated reserves* and *Retained surpluses* lines:

-ve figure reserves figure indicates a surplus transferred to reserves

+ve reserves figure indicates a drawdown from reserves

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IUCN – International Union for Conservation of Nature and Natural Resources

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2019

Report Currency: CHF ('000)

	Notes	31.12.2019	31.12.2018
ASSETS			
Current assets			
Cash and short term bank deposits	III	58,229	47,656
Financial assets	IV	16,020	16,148
Membership dues receivables (net)	VI	1,011	1,972
Staff receivables	VII	276	393
Receivables from partner organisations	VIII	367	338
Advances to implementing partners and grantees	IX	9,825	14,465
Prepayments		1,406	1,160
Donor funds receivable		4,497	4,307
Project agreement receivables	X	18,108	14,686
Framework agreements receivables	XI	1,417	712
Advances to hosted organisations	XVI	307	-
Other account receivables		1,669	1,607
Total Current assets		113,132	103,444
Non-current assets			
Fixed assets (net)	XII	27,302	28,817
Intangible assets (net)	XIII	246	127
Total Non-current assets		27,548	28,944
TOTAL ASSETS		140,680	132,388
LIABILITIES AND FUND BALANCES			
Current liabilities			
Membership dues paid in advance		2,683	1,534
Accounts payable and accrued liabilities	XIV	10,782	13,841
Social charges payable		395	69
Project agreement advances	X	73,313	62,369
Deferred unrestricted income	XVIII	1,454	709
Deferred income buildings	XVIII	467	467
New building loan	XIX	243	177
Advances from hosted organisations	XVI	-	496
Miscellaneous current liabilities		328	598
Total Current liabilities		89,665	80,260
Provisions			
Projects in deficit	XVII	2,375	1,928
Staff leave and repatriation		1,930	1,975
Staff termination	XVII	1,577	1,726
Other provisions		30	-
Total Provisions		5,912	5,629
Non-current liabilities			
Long term deferred income	XVIII	13,402	15,685
New building loan	XIX	12,294	10,947
Total Non-current liabilities		25,696	26,632
Funds and Unrestricted Reserves			
Designated reserves	XX	1,812	2,648
Unrestricted reserves	XX	17,595	17,219
Total Funds and Unrestricted Reserves		19,407	19,867
TOTAL LIABILITIES AND FUND BALANCES		140,680	132,388

IUCN – International Union for Conservation of Nature and Natural Resources

CONSOLIDATED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

Report Currency: CHF ('000)

	2019			2018			
	Notes	Secretariat Unrestricted	Project Agreements	Total	Secretariat Unrestricted	Project Agreements	Total
EXTERNAL OPERATING INCOME							
Membership dues		12,765	-	12,765	12,768	-	12,768
Retention of staff income tax	XXI	1,426	-	1,426	1,487	-	1,487
Agreements income		88	88,849	88,937	33	93,129	93,162
Framework income	XXII	11,632	-	11,632	11,229	-	11,229
Other operating income	XXIII	5,880	280	6,160	6,041	324	6,365
TOTAL EXTERNAL OPERATING INCOME		31,791	89,129	120,920	31,558	93,453	125,011
INTERNAL ALLOCATIONS							
Cross charges from projects		35,035	(35,035)	-	36,078	(36,078)	-
Other internal allocations		561	(561)	-	78	(78)	-
TOTAL INTERNAL ALLOCATIONS		35,596	(35,596)	-	36,156	(36,156)	-
OPERATING EXPENDITURE							
Staff costs		53,955	4,898	58,853	53,187	6,736	59,923
Consultants		1,193	17,523	18,716	1,687	16,586	18,273
Grants to partners		466	3,234	3,700	484	3,271	3,755
Travel		3,099	12,124	15,223	2,860	12,201	15,061
Workshops and conferences		417	1,367	1,784	269	2,099	2,368
Publications and printing costs		344	1,363	1,707	249	2,791	3,040
Office and general administrative costs		3,866	1,576	5,442	3,923	3,850	7,773
Vehicles & equipment - costs & maintenance		830	9,523	10,353	909	9,170	10,079
Professional fees or costs		567	646	1,213	593	955	1,548
Depreciation and amortization		2,160	15	2,175	2,459	6	2,465
TOTAL OPERATING EXPENDITURE		66,897	52,269	119,166	66,620	57,665	124,285
NET OPERATING SURPLUS/(DEFICIT)		489	1,264	1,753	1,094	(368)	726
OTHER INCOME - EXPENDITURE							
Interest income	XIX	457	16	473	515	8	523
Financial charges	XIX	(397)	(99)	(495)	(542)	(157)	(699)
Capital gains (losses)	IV	441	-	441	(408)	-	(408)
Net gains/(losses) on foreign exchange		(628)	(803)	(1,431)	(504)	(552)	(1,056)
Exchange differences on revaluation of project balances	XXIV	-	(351)	(351)	-	(106)	(106)
Net movements in provision and write-offs		(538)	(28)	(566)	(1,186)	1,175	(11)
TOTAL OTHER INCOME - EXPENDITURE		(665)	(1,264)	(1,929)	(2,125)	368	(1,757)
NET SURPLUS/(DEFICIT) FOR THE YEAR		(176)	-	(176)	(1,031)	-	(1,031)

IUCN – International Union for Conservation of Nature and Natural Resources

Consolidated Funds and Reserve Statement for the Year ended 31 December 2019

Report Currency: CHF ('000)

	Designated Reserves				Unrestricted Reserves			Total	
	Reserve for Statutory Meetings	Other Designated Reserves	Renovation Fund	Total Designated Reserves	Currency Translation Reserve	IUCN Fund	Retained Surpluses		Total Unrestricted Reserves
Balance as at 1 January 2018	489	671	865	2,025	1,359	8,621	9,468	19,448	21,473
Net surplus/(deficit) for the year	-	-	-	-	-	-	(1,031)	(1,031)	(1,031)
Foreign exchange adjustment	-	-	-	-	(575)	-	-	(575)	(575)
Allocation to renovation fund	-	-	11	11	-	-	(11)	(11)	-
Allocation to other designated reserves	-	269	-	269	-	-	(269)	(269)	-
Allocation to reserve for statutory meetings	343	-	-	343	-	-	(343)	(343)	-
Balance as at 31 December 2018	832	940	876	2,648	784	8,621	7,814	17,219	19,867
Balance as at 1 January 2019	832	940	876	2,648	784	8,621	7,814	17,219	19,867
Net surplus/(deficit) for the year	-	-	-	-	-	-	(176)	(176)	(176)
Foreign exchange adjustment	-	-	-	-	(284)	-	-	(284)	(284)
Allocation to renovation fund	-	-	10	10	-	-	(10)	(10)	-
Release from other designated reserves	-	(14)	-	(14)	-	-	14	14	-
Release to reserve for statutory meetings	(832)	-	-	(832)	-	-	832	832	-
Balance as at 31 December 2019	-	926	886	1,812	500	8,621	8,474	17,595	19,407

IUCN – International Union for Conservation of Nature and Natural Resources

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

Report Currency: CHF ('000)

	Notes	2019	2018
Cash flow from operations			
Surplus/(deficit) from operations		(176)	(1,031)
Effect of exchange rate	XX	(284)	(575)
Net balance from operations		(460)	(1,606)
Depreciation of fixed assets	XII	2,102	2,139
Amortisation and write-down of intangible assets	XIII	72	354
Increase / (decrease) in provisions for projects in deficit	XVII	447	(243)
Increase / (decrease) in staff leave and repatriation liabilities		(45)	(160)
Increase / (decrease) in the provision for staff termination	XVII	(149)	150
Increase / (decrease) in other provisions		30	-
(Increase) / decrease in membership dues receivables (net)	VI	961	(326)
(Increase) / decrease in staff receivables	VII	117	59
(Increase) / decrease in receivables from partner organisations	VIII	(29)	137
(Increase) / decrease in advances to implementing partners	IX	4,640	(1,953)
(Increase) / decrease in prepayments		(246)	(140)
(Increase) / decrease in donor funds receivable		(190)	(989)
(Increase) / decrease in project agreement receivables	X	(3,422)	(613)
(Increase) / decrease in framework agreements receivable	XI	(705)	(202)
(Increase) / decrease in other accounts receivable		(60)	(383)
Increase / (decrease) in membership dues paid in advance		1,149	125
Increase / (decrease) in accounts payable and accrued liabilities	XIV	(3,059)	(66)
Increase / (decrease) in social charges payable		326	(285)
Increase / (decrease) in project agreement advances	X	10,944	4,484
Increase / (decrease) in miscellaneous current liabilities		(271)	(34)
Increase / (decrease) in hosted organisations advances	XVI	(803)	(15)
(Gain)/loss on disposal of fixed assets	XII	19	33
Total cash flow from operations		11,368	466
Cash flow from investing activities			
Purchase of fixed assets	XII	(608)	(634)
Net movement in financial assets	IV	128	334
Purchase of intangible assets	XIII	(191)	(112)
Total cash flow from investing activities		(671)	(412)
Cash flow from financing activities			
Increase / (decrease) in loan	XIX	(177)	(174)
Increase / (decrease) in current deferred income	XVIII	745	(483)
Increase / (decrease) in long-term deferred income	XVIII	(692)	(676)
Total cash flow from financing activities		(124)	(1,333)
Net cash inflow for the year		10,573	(1,279)
Cash and short term deposits at the beginning of the year	III	47,656	48,935
Cash and short term deposits at the end of the year	III	58,229	47,656

IUCN – International Union for Conservation of Nature and Natural Resources

Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

I. ORGANISATION AND ACTIVITY

IUCN, International Union for Conservation of Nature and Natural Resources is a membership organisation constituted by statutes adopted in 1948 at a conference convened by the Republic of France. The membership is comprised of states, governmental agencies, international and national non-governmental organizations, and indigenous peoples organisations. IUCN is registered in Gland, Switzerland as an association under article 60 of the Swiss Civil Code and is solely responsible, to the exclusion of its members, for all its transactions and commitments.

The highest governing body of IUCN is the World Conservation Congress which is composed of the membership of IUCN. The World Conservation Congress elects the Council which has authority to govern IUCN between meetings.

In 1986, IUCN concluded a fiscal agreement with the Swiss government which granted IUCN exemption from all Swiss taxes. IUCN has been granted observer status at the United Nations.

The mission of IUCN is to influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable.

II. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DEFINITIONS

All amounts are expressed in thousands of Swiss francs (CHF) unless otherwise indicated.

1. Accounting convention

The financial statements are prepared under the historical cost convention except for certain financial assets and loans that are measured at revalued amount or at fair value. The financial statements are prepared in accordance with the provisions of the Swiss Code of Obligations.

2. Basis of consolidation

The consolidated financial statements include all offices of IUCN and those entities over which IUCN has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Branches:

- Asia Region
 - Asia Regional Office (Thailand)
 - Bangladesh Country Office
 - Cambodia Country Office
 - China Country Office
 - India Country Office
 - Lao PDR Country Office
 - Maldives Project Office
 - Myanmar Project Office
 - Nepal Country Office
 - Pakistan Country Office
 - Sri Lanka Country Office
 - Thailand Country Office
 - Vietnam Country Office

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Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

- Eastern and Southern Africa Region
 - Eastern and Southern Africa Regional Office (Kenya)
 - Mozambique Country Office
 - Rwanda Project Office
 - South Africa Country Office
 - Tanzania Country Office
 - Uganda Country Office
 - Zimbabwe Country Office
- Eastern Europe and Central Asia Regional Office (Serbia)
- Environmental Law Centre (Germany)
- Mediterranean Office (Spain)
- Oceania Regional Office (Fiji)
- Mexico, Central America and the Caribbean Region
 - Mexico, Central America and the Caribbean Regional Office (Costa Rica)
 - El Salvador Project Office
 - Guatemala Project Office
 - Honduras Project Office
 - Mexico Project Office
- South America Region
 - South America Regional Office (Ecuador)
 - Brazil Country Office
- UK Species Programme (United Kingdom)
- Western and Central Africa Region
 - Western and Central Africa Regional Office (Senegal)
 - Burkina Faso Country Office
 - Cameroon Country Office
 - Democratic Republic of Congo Project Office
 - Ghana Project Office
 - Guinea Bissau Country Office
 - Mali Country Office
 - Mauritania Country Office
 - Niger Project Office
 - Senegal Country Office
- West Asia Regional Office (Jordan)
- Washington, DC Office

Other entities:

- The International Union for the Conservation of Nature and Natural Resources, Registered Trustees (WASAA Trust Fund, Nairobi)
- UICN, Bureau de Représentation auprès de l'Union Européenne aisbl
- Associação UICN
- IUCN UK (A Company Limited by Guarantee)
- IUCN Maldives
- IUCN PNG Mangrove Rehabilitation and Management Project Association

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Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

3. Currency of accounts

a) Reporting currency

In accordance with IUCN's Regulations, the reporting currency for the consolidated financial statements is Swiss francs (CHF).

b) Functional currency

A separate set of accounts is maintained for each country where IUCN has a presence. The functional currency for each country is the national currency of the country with the exception of Fiji (USD), Costa Rica (USD) and Serbia (EUR) where the currency chosen better reflects the economic environment in which the office operates.

4. Foreign exchange

The following accounting policies are applied when converting transactions and balances to the reporting currency:

- Transactions denominated in currencies other than the office ledger currency are converted to the ledger currency and recorded on the basis of the exchange rate prevailing at the date of the transaction. At the end of the year all balances maintained in transaction currencies are translated to the currency of the office ledger at the year-end rate. The gains and losses incurred are recognised in the income statement of each office ledger.
- Except for fixed assets which are stated at historical values, non-Swiss franc balances in the consolidated balance sheet are translated to CHF at the year-end exchange rate and the resulting net unrealised gain or loss included in the balance sheet as a currency translation adjustment reserve.
- Project balances are expressed in the currency of the underlying donor contract. At the end of the year, project balances are translated to the currency of the office ledger in which they reside at the year-end rate. The gains and losses incurred are recognised in the income statement of each office ledger. Project balances are further revalued from the ledger currency to CHF at the year-end exchange rate. The resulting net unrealised gain or loss is recognized in the currency translation adjustment reserve.
- If, as a result of the application of the above translation policies, a net deficit would occur on the currency translation adjustment reserve the deficit would be recognized in the income and expenditure statement.

5. Income

Income comprises membership dues from members, contributions from donors, investment income, Swiss government tax rebates, rental of office space, and sundry income from the sale of other goods and services.

a) Membership dues

Membership dues are fixed by the World Conservation Congress, the supreme governing body of IUCN, and are recognised as unrestricted income in the year they fall due.

b) Voluntary donations

Voluntary donations comprise framework agreements with donors for the core activities of IUCN and project agreements for project activities.

Framework agreements income

Framework agreements are normally for periods of more than one year and may be subject to general restrictions in their use in terms of geography or thematic area.

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Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

Framework agreements income is recognized in the income statement as unrestricted income once the agreement has been signed and in accordance with the amounts specified in the agreement for each calendar year. Framework agreements income received in advance of the period to which it relates is recorded as deferred unrestricted income.

Staff in-kind contributions

In-kind contributions of staff are recognised at fair value over the period of the employment contract as both income and expenditure in the Consolidated Income and Expenditure Statement. The fair value of in-kind staff is taken as the average cost that would be incurred by IUCN, if it were to directly employ a person in a similar position.

Project agreements income

Project agreements income is restricted for specific project activities detailed in project agreements and subject to specific conditions imposed by the donor. Income is recognised as expenditure is incurred. At the year end, the balance of projects are recorded as “Project agreement receivables” (current assets) where expenditure incurred on projects exceeded amounts advanced by donors, and under “Project agreement advances” (current liabilities) where advances from donors exceeded expenditure incurred.

c) Retention of staff income tax

Non-Swiss staff resident in Switzerland are exempt from paying taxes on their IUCN earnings on the basis of a fiscal agreement between IUCN and the Swiss Government, which entered into effect on 1st January 1987. In order to ensure equitable treatment of both Swiss and non-Swiss staff at Headquarters, an internal tax is levied on non-Swiss staff resident in Switzerland. This is shown as Retention of staff income tax in the Consolidated Income and Expenditure Statement and is classified as unrestricted income.

6. Expenditure

All unrestricted expenditure and project expenditure is accounted for on an accruals basis.

7. Cross charges from projects

Cross charges from projects represent transfers between Project agreements and Secretariat unrestricted funds and comprise staff time charged to projects and indirect costs funded from projects.

Staff time charges

IUCN staff costs are recorded as unrestricted costs. Staff working on projects charge their time spent on projects through a time recording system. Project agreements are charged the cost of staff time and the Secretariat unrestricted fund receives the income.

Indirect cost recoveries

Indirect costs are recorded as unrestricted costs. Indirect costs funded from project agreements are cross charged to projects and the Secretariat unrestricted fund receives the income.

8. Financial assets

Financial assets are recorded at fair value. Gains or losses arising from changes in fair values of financial assets are recognized in the income statement in the year that they occur as are foreign exchange gains or losses resulting from the revaluation of financial assets denominated in currencies other than the CHF.

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Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

9. Fixed assets

a) Purchased assets

Purchased fixed assets are capitalised when the purchase price is one thousand CHF or above, or the equivalent in other currencies, and when ownership resides with IUCN.

b) In-kind assets

In-kind contributions of fixed assets are capitalised at fair value and the donations recorded as deferred income which is then recognised in the income statement over the estimated useful life of the assets in line with the depreciation charges.

c) Depreciation

Fixed assets are depreciated over their estimated useful lives on the following basis:

Computer hardware	3 - 5 years
Vehicles	4 - 7 years
Office furniture and equipment	4 - 7 years
Building renovations	10 - 20 years
Building installations	20 years
Building infrastructures	50 years

d) Donations for the purchase of fixed assets

Cash donations received for the purchase of fixed assets are recorded as deferred income and recognised in the income statement over the estimated useful life of the corresponding asset in line with the depreciation charge.

10. Intangible assets

Purchased computer software is capitalized on the basis of the costs incurred to acquire the software and bring it to its point of use.

Software is depreciated over its estimated useful life on a straight line basis over 5 to 7 years.

The cost of developing in-house software is expensed in the year that the costs are incurred.

11. Provisions

a) Provision for membership dues receivable

A general provision for outstanding membership dues is made to recognise the probability that not all dues will be received. The increase or decrease in the total provision is recognised in the income and expenditure statement. Provision for membership dues in arrears is calculated on the following basis, based on the outstanding balance at the close of the year.

Membership dues outstanding for:

Three years or more	100%
Two years	67%
One year	33%

The provision against the arrears of some state members and state agencies is calculated on an individual basis after a review of their own special situations.

Full provision is made against the dues owed by Members whose rights have been rescinded by the IUCN World Conservation Congress or vote of the membership.

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Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

b) Provision for projects in deficit

A provision for projects in deficit is made in respect of those projects where expenditure has exceeded income and where the receipt of future additional funds to cover the excess expenditure is uncertain.

c) Staff terminations

Provision is made for the estimated cost of known redundancies. A redundancy is considered to be known when a management decision has been taken and communicated to the staff concerned.

Additional provision is made when there is a local legal obligation.

d) Staff leave and repatriation

Provision is made for holiday entitlement which has not been used by staff at the year-end. The balance at the year-end also includes the estimated cost of repatriation of international staff.

12. Loans at below market rate of interest

Loans are initially measured at fair value. The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan and the proceeds received. The benefit is recorded as deferred income and recognised over the period of the loan. The market rate of interest is reviewed annually and the carrying value adjusted for significant movements in the market rate.

An amount equivalent to the interest that would have been incurred had the loan been acquired at a market rate is recognised as both an income and an expense in the income and expenditure statement on an annual basis.

13. Hosted organisations

IUCN hosts certain organisations. A hosted organisation has no legal status in the country of operation and therefore operates under the legal umbrella of IUCN. A hosted organisation is operationally autonomous and is accountable to its own management and governance structures and not to IUCN.

Income received and expenditure incurred on behalf of a hosted organisation is accounted for in separate project accounts and excluded from consolidation. Funds held by, or advanced by, IUCN on behalf of hosted organisations are recorded on the balance sheet as advances from/to hosted organisations.

14. Reserves

IUCN maintains the following reserves:

a) Unrestricted reserves

IUCN Fund

The IUCN Fund is maintained in order to preserve IUCN's capital base. The use of the fund is governed by the IUCN Council and is maintained as a reserve of last resort.

Currency translation reserves

The Currency translation reserve represents changes in the value of the net assets of IUCN at the consolidation level as a result of movements of functional currencies against the Swiss franc.

Retained surpluses

The Retained surpluses represent other unrestricted reserves.

b) Designated reserves

Designated reserves represent funds set aside from unrestricted reserves to cover the cost of future events or activities. The designation may be reversed at any time by the IUCN Council.

Reserve for statutory meetings

The Reserve for statutory meetings represents amounts allocated from unrestricted funds to cover costs of future meetings of the World Conservation Congress and related preparatory meetings.

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Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

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Renovation fund

The Renovation fund represents funds allocated from unrestricted funds for future renovations of the Headquarters building.

Other Designated reserves

Other Designated reserves represent amounts allocated from unrestricted funds to cover the cost of other future costs or activities.

III. CASH AND SHORT TERM BANK DEPOSITS

Cash and short-term bank deposits include all bank accounts and short-term deposit accounts operated by IUCN worldwide. The analysis by region or office is shown below.

REGION OR OFFICE	2019	2018
Asia	2,670	2,022
Eastern and Southern Africa	2,653	1,677
Eastern Europe and Central Asia	35	226
Europe	2,539	1,804
Environmental Law Centre, Bonn	856	470
Headquarters	41,858	34,864
Mediterranean	243	760
Mexico, Central America and the Caribbean	1,430	1,396
Oceania	766	(17)
South America	341	147
United Kingdom	542	440
United States	705	1,203
Western and Central Africa	2,822	1,911
West Asia	769	753
Balance at 31 December	58,229	47,656

IV. FINANCIAL ASSETS

	2019	2018
Bonds	12,023	11,192
Microfinance	1,616	1,599
Equities	914	1,824
Convertibles	753	790
Other Investments	714	743
Balance at 31 December	16,020	16,148

At 31 December 2019, an unrealized foreign exchange loss of CHF 68 (2018 – CHF 29 loss) was recognised on the investment portfolio.

During the year, the investment portfolio recorded a capital gain of CHF 411 (2018 - CHF 408 loss).

At 31 December 2019 the investment portfolio included bank balances of CHF 605 (2018 – CHF 67). These are included under cash and short-term bank deposits.

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Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

V. DERIVATIVE FINANCIAL INSTRUMENTS

The following forward currency contract commitments existed at 31 December 2019:

	Other currency	CHF	Maturity date
Conversion of SEK to CHF	20,000	2,033	18.05.2020
Conversion of SEK to CHF	19,375	2,014	31.08.2020
Conversion of NOK to CHF	10,500	1,128	29.04.2020

The contracts for the conversions of SEK and NOK to CHF are all forward currency contracts.

At 31 December 2019, the market value of forward currency contracts was a loss of CHF 30 (2018 – nil). A provision for the full value of the loss is included under net movement in provision and write-offs in the Consolidated Income and Expenditure statement.

VI. MEMBERSHIP DUES RECEIVABLE AND PROVISION

	2019	2018
Gross membership dues receivable	2,260	3,861
Provision for dues in arrears	(1,249)	(1,889)
Net membership dues receivable at 31 December	1,011	1,972

The provision for membership dues in arrears has been calculated in accordance with the policy described in Note II.11 (a).

2018

	2016 and prior	2017	2018	Total
Total membership dues receivable	598	989	2,274	3,861
Provision for membership dues	(419)	(573)	(897)	(1,889)
Net membership dues receivable	179	416	1,377	1,972

2019

	2017 and prior	2018	2019	Total
State member	174	367	1,045	1,586
Government agencies	74	111	294	479
Indigenous peoples	0	0	1	1
International NGOs	3	6	12	21
National NGOs	15	40	87	142
Affiliates	14	6	11	31
Total membership dues receivable	280	530	1,450	2,260
Provision for membership dues	(280)	(429)	(540)	(1,249)
Net membership dues receivable	-	101	910	1,011

Movement in provision for membership dues

	2019	2018
Balance at 1 January	1,889	2,239
Addition to /(release from) provision	-	129
Write off of deficits against provision	(640)	(479)
Balance at 31 December	1,249	1,889

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Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

VII. STAFF RECEIVABLES

Staff receivables comprise travel advances, payroll advances and loans to staff outstanding as at 31 December.

	2019	2018
Travel advances	268	375
Payroll advances and staff loans	8	18
Balance at 31 December	276	393

VIII. RECEIVABLES FROM PARTNER ORGANISATIONS

Receivables from partner organisations represent balances due from organisations associated with IUCN that are outstanding as at 31 December.

	2019	2018
RAMSAR Convention Secretariat	367	338

IX. ADVANCES TO IMPLEMENTING PARTNERS

Advances to implementing partners represent amounts advanced to IUCN partners for the implementation of project agreements that were not spent as at 31 December.

	2019	2018
Asia	483	156
Eastern and Southern Africa	594	493
Europe	93	96
Headquarters	5,614	10,124
Mediterranean	17	31
Mexico, Central America and the Caribbean	190	244
Oceania	(14)	155
South America	583	683
United Kingdom	104	172
United States	345	165
West Asia	258	109
Western and Central Africa	1,558	2,037
Balance at 31 December	9,825	14,465

X. PROJECT AGREEMENTS RECEIVABLES AND ADVANCES

Receivables and advances on project agreements represent respectively the total of projects with a negative cash balance and the total of projects with a positive cash balance at year end.

	2019	2018
Project agreement receivables	(18,108)	(14,686)
Project agreement advances	73,313	62,369
Balance at 31 December	55,205	47,683

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Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

XI. FRAMEWORK AGREEMENTS RECEIVABLES

Framework agreements receivables represent framework agreements income due but not received as at the end of the year. As at 31 December 2019 there was CHF 1,417 receivable compared to CHF 712 receivable at 31 December 2018.

XII. FIXED ASSETS

1. Movement in fixed assets

	Building Infrastructures	Building Installations	Other Land and Buildings	Vehicles, Equipment, Furniture & Fixtures	Total
Purchase value:					
Balance as at 31 December, 2017	27,178	13,775	5,281	9,714	55,948
Additions	-	-	53	581	634
Disposals	-	-	-	(701)	(701)
Balance as at 31 December, 2018	27,178	13,775	5,334	9,594	55,881
Additions	-	-	10	598	608
Disposals	-	-	(6)	(258)	(264)
Balance as at 31 December, 2019	27,178	13,775	5,338	9,934	56,225
Depreciation:					
Balance as at 31 December, 2017	(9,554)	(6,735)	(1,405)	(7,896)	(25,590)
Charge for the year	(544)	(575)	(302)	(718)	(2,139)
Disposals	-	-	-	665	665
Balance as at 31 December, 2018	(10,098)	(7,310)	(1,707)	(7,949)	(27,064)
Charge for the year	(544)	(575)	(284)	(699)	(2,102)
Disposals	-	-	3	240	243
Balance as at 31 December, 2019	(10,642)	(7,885)	(1,988)	(8,408)	(28,923)
Net book value:					
Balance as at 31 December 2018	17,080	6,465	3,627	1,645	28,817
Balance as at 31 December 2019	16,536	5,890	3,350	1,526	27,302

Fixed assets purchased using unrestricted funds are depreciated over their estimated useful lives as per Note II.9.

December 2017 opening Fixed Asset balances were changed to correctly reflect disposal of fully depreciated equipment of CHF 948.

2. Land

In 1990, the commune of Gland gave IUCN the right to use a plot of land for the purpose of building the IUCN Secretariat Headquarters. The right was granted at no cost for a period of 50 years, i.e. until August 2040. In 2008, the commune of Gland gave IUCN the right of use of an adjacent piece of land to the original plot for a period of 50 years, with the permission to construct an extension to the existing IUCN Headquarters building.

3. IUCN Headquarters building

Included in Building Infrastructures and Building Installations is the Headquarters building of IUCN. This consists of an original building and an extension.

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All amounts in CHF ('000) unless otherwise stated

a) Original building

The original building was financed by donations received from the Swiss Confederation, the Canton of Vaud and the Commune of Gland. Although IUCN formally owns the Headquarters building, it enjoys a restricted use and cannot dispose of it or use it as collateral without the approval of the Swiss Government. If disposed of, the Swiss Government has the right to recuperate its initial outlay plus a percentage of the value added, if applicable. The cost of the building is included in fixed assets and the net book value is matched by a corresponding value of deferred income to recognise the restricted nature of the building. The deferred income is released over the estimated useful life of the building in line with the depreciation of the building.

In 2014, the Canton of Vaud provided a grant of CHF 600 towards the renovation of the original building. The grant will be released over the estimated useful life of the building renovation (20 years).

b) Building extension

The building extension was financed by an interest free loan from the Swiss Government of CHF 20,000 payable in 50 equal yearly instalments of CHF 400, the first of which was paid in December 2010. In addition to the loan from the Swiss Government, IUCN received cash donations of CHF 4,692 and in-kind donations of CHF 1,815.

XIII. INTANGIBLE ASSETS

The intangible assets consist of an ERP system and portal applications.

Movement in Intangible assets

	2019	2018
Purchase value:		
Balance at 1 January	4,550	4,438
Additions	191	112
Balance at 31 December	4,741	4,550
Amortisation:		
Balance as of 1 January	(4,423)	(4,069)
Charge for the year	(72)	(354)
Balance at 31 December	(4,495)	(4,423)
Net Book Value at 31 December	246	127

XIV. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities represent amounts owed to creditors and suppliers as at the end of the year. Of the total outstanding balance of CHF 10,782 as at 31 December 2019 (2018 – CHF 13,841), CHF 6,973 (2018 - CHF 9,472) is related to Headquarters and the balance to regional and country offices.

	2019	2018
Accounts payable and supplier accruals	5,067	5,301
Accruals for implementing partners	5,715	8,540
Balance at 31 December	10,782	13,841

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Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

XV. PENSION FUND OBLIGATIONS

IUCN operates different pension plans in different countries, each conforming to the legal regulations in the respective country. On 31 December 2019, the liability to the pension schemes amounted to CHF nil (2018 CHF nil).

XVI. HOSTED ORGANISATIONS ADVANCES

Hosted organisation advances represent funds held by IUCN on behalf of hosted organisations. At 31 December 2019, the balances are due from organisations associated with IUCN resulting from outstanding funds from donors on hosted organisation projects.

	2019	2018
Balance at 1 January	496	511
Income	1,798	4,168
Expenditure	(2,566)	(4,223)
	(272)	456
Movement on funds held	(35)	40
Balance at 31 December	(307)	496

XVII. PROVISIONS

1. Projects in deficit

The provision for projects in deficit is funded by unrestricted income and covers projects where negotiations are still ongoing but where IUCN considers that it may not be able to obtain additional funds from donors to cover expenditures already incurred.

Movement in project deficit provision

	2019	2018
Balance at 1 January	1,928	2,171
Additions to provision	610	1,337
Utilisation of provision	(163)	(1,580)
Balance at 31 December	2,375	1,928
Region	2019	2018
Asia	568	323
Eastern and Southern Africa Region	433	289
Europe	16	16
Headquarters	423	490
Mediterranean	47	49
Oceania	152	243
Western and Central Africa	272	152
West Asia	464	366
Balance at 31 December	2,375	1,928

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Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

2. Staff termination

The provision for staff termination is calculated separately for each office to comply with local labour laws. Irrespective of local labour law, provision is made for the estimated cost of staff termination when a decision has been made to terminate a member of staff and the decision has been communicated to the individual concerned.

Movement in provision for staff termination

	2019	2018
Balance at 1 January	1,726	1,576
Additions to provision	777	962
Utilization of provision	(926)	(812)
Balance at 31 December	1,577	1,726

XVIII. DEFERRED INCOME

Deferred unrestricted income represents income received in advance of the period to which it relates.

	2019	2018
Deferred unrestricted income	1,454	709
Donations for construction of HQ building extension		
Donations in cash	2,652	2,753
Donations in kind	216	243
Donation in cash for renovation of original building	434	496
	3,302	3,461
Headquarters original building	7,123	7,431
Interest free government loan	3,444	5,260
Total	15,323	16,861
Current		
Deferred unrestricted income	1,454	709
Buildings:		
Original building	339	339
Building extension	128	128
Total buildings	467	467
Total current deferred income	1,921	1,176
Non-current		
Original building	6,784	7,092
Building extension	6,618	8,593
Total long term deferred income	13,402	15,685
Total deferred income	15,323	16,861

Donations received for the headquarters buildings (original and extension) are recorded as deferred income and recognised over the useful life of the corresponding purchased or donated assets (see Note XI 3).

IUCN – International Union for Conservation of Nature and Natural Resources

Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

The deferred income on the government loan represents the difference between the fair value of the loan CHF 12,537 (2018 - CHF 11,124) and the outstanding cash value of the loan CHF 15,981 (2018 - CHF 16,384) (see Note XIX). This difference represents the fair value of the interest saved on the interest free loan granted by the Swiss Government and is recognised over the period of the loan.

XIX. NEW BUILDING LOAN

Headquarters building extension loan

	2019	2018
Current	243	177
Non-current	12,294	10,947
Balance at 31 December	12,537	11,124

The Swiss Government provided an interest free loan of CHF 20,000 to finance the headquarters building extension.

The loan is repayable in 50 annual instalments of CHF 400. The first instalment was paid in December 2010.

The fair value of the loan is estimated at CHF 12,537 (2018 - CHF 11,124). The outstanding cash value of the loan has been discounted at a rate of 1.25% (2018 - 2%) which represents the market interest rate for a 10-year loan based on current market conditions. The difference of CHF 3,444 (2018 - CHF 5,260) between the outstanding cash value and the fair value of the loan is the benefit derived from the interest-free loan and is recorded as deferred income (see Note XVIII).

The impact of changing the discount rate from 2% to 1.25% was an increase in the fair value of the loan of CHF 1,591 and a corresponding decrease in deferred income. This adjustment has not been passed through the income and expenditure statement as it has no impact on the result for the year

The value of the interest that would have been paid on an equivalent commercial loan of 1.25% is estimated at CHF 200 (2018 - 2%, CHF 328). This has been recorded in the income and expenditure statement under Interest income to recognize the benefit of the interest free loan and under financial charges to recognize the interest that would have been paid.

XX. FUNDS AND UNRESTRICTED RESERVES

1. Unrestricted reserves

Currency translation adjustments & foreign exchange gains and losses

Exchange gains and losses at the individual ledger levels are dealt with in the income statement. The net unrestricted loss on exchange for the year amounted to CHF 628 loss (2018 - loss of CHF 504).

Exchange gains and losses on consolidation and translation of ledgers maintained in other currencies to CHF are taken to the currency translation adjustment reserve. The net movement during 2019 was a loss of CHF 284 (2018 - loss of CHF 575).

2. Designated reserves

a) Reserve for statutory meetings

In 2019 CHF 832 (2018 – CHF 343 allocation) was released from the Reserve for statutory meetings from Retained surpluses to cover costs for the 2020 Congress (CHF 425) and the Regional Conservation Fora (CHF 407).

IUCN – International Union for Conservation of Nature and Natural Resources

Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

b) Other designated reserves

In 2019, CHF 14 (2018 – CHF 269 allocation) was released from Other designated reserves in respect of: the IUCN Commissions – CHF117 allocation (2018 - CHF 224 allocation), External review - CHF 55 allocation (2018 - CHF 45 allocation) and systems investments – CHF 186 release (2018 – CHF nil).

c) Renovation fund

A net allocation of CHF 10 (2018 - CHF 11) was made from Retained surpluses to the Renovation fund to cover future renovation costs of the IUCN Headquarters building.

XXI. RETENTION OF STAFF INCOME TAX

Swiss Government tax rebates amounted to CHF 1,426 (2018 – CHF 1,487) and represents the value of taxes that would have been paid by non-Swiss staff in the absence of the Fiscal Agreement between IUCN and the Swiss Government which exempts non-Swiss staff from payroll taxes and which entered into effect on 1 January 1987.

XXII. FRAMEWORK INCOME

Annex A lists Framework Agreements income by donor and details income allocations to the IUCN programme and operational units.

Framework income includes in-kind contributions of CHF 526 (2018 - CHF 430).

XXIII. OTHER OPERATING INCOME

Other operating income of CHF 5,880 (2018 - CHF 6,041) shown under Secretariat unrestricted funds includes overhead and management fees from Ramsar Convention Secretariat of CHF 561 (2018 - CHF 574), rental income of CHF 1,231 (2018 - CHF 1,174), recognition of deferred income of donations for the headquarters original building and building extension CHF 467 (2018 - CHF 468) and in-kind contributions of staff other than Framework staff in-kind of CHF 1,017 (2018 – 979). The balance of other operating income is made up of miscellaneous external income received by IUCN at both Headquarters and other offices around the world.

XXIV. EXCHANGE DIFFERENCES ON REVALUATION OF PROJECT BALANCES

Project balances are expressed in the currency of the underlying donor contract. At the end of the year, project balances are translated to the currency of the office ledger in which they reside at the year-end rate. Project balances expressed in non-CHF ledgers are further revalued to CHF using the year-end exchange rates. The resulting unrealised gain or loss is recorded as an adjustment to project balances on the balance sheet and the Currency translation adjustment reserve. The net adjustment is passed through the income and expenditure statement for project agreements to reflect the net movement on the project portfolio.

XXV. AUDIT FEE

The following fees were paid to the auditors of IUCN's financial statements.

	2019	2018
Consolidated financial statement audit	194	171
Other audits	49	37

XXVI. RELATED PARTIES

1. Identity of related parties

a) The Commissions

The Commissions of IUCN are networks of expert volunteers entrusted to develop and advance the institutional knowledge and experience and objectives of IUCN. The Commissions are established by Congress which determines their mandate.

b) The National and Regional Committees

National and Regional Committees are groupings of Members of IUCN from specific states or regions. Their role is to facilitate cooperation among Members and to coordinate the participation of Members in the programme and governance of IUCN.

c) The Convention on Wetlands of International Importance (Ramsar)

Ramsar is hosted by the IUCN Secretariat and operates under its legal personality. It is headed by a Secretary General with sole responsibility for the administration of the convention funds and for all administrative matters, with the exception of those requiring the exercise of legal personality. IUCN provides services to the Ramsar Secretariat in terms of financial and budgetary management, office facilities, human resources management and information technology.

d) TRAFFIC International

TRAFFIC International is a charity registered in the United Kingdom. IUCN is a founder member and sits on the Board. The IUCN Secretariat hosts TRAFFIC operations in its offices in Cameroon, Thailand and South Africa where they operate under the legal personality of IUCN.

e) International Union for Conservation of Nature and Natural Resources – US

The International Union for Conservation of Nature and Natural Resources – US is a US registered charity whose main purpose is to raise funds for conservation to be spent in partnership with IUCN and its members.

2. Transactions with related parties

During the course of the year IUCN made contributions of CHF 1,300 to the Commissions (2018 – CHF 1,300). The amount is distributed across the expenditure headings that reflect the nature of the expenses incurred by the Commissions. Unspent allocations are included under Other Designated Reserves

During the year and as part of the services IUCN provides to Ramsar, IUCN received funds of CHF 4,932 (2018 – CHF 6,730) and incurred payments of CHF 4,559 (2018 – CHF 6,498) on behalf of Ramsar. At year-end the balance held in trust for Ramsar amounted to CHF 3,827 (2018 – CHF 5,196). These transactions are recorded in Ramsar accounts and financial statements and are therefore not presented in the financial statements of IUCN. During the year, IUCN received fees of CHF 561 (2018 – CHF 574) for the services provided to Ramsar and which are included in Other operating income.

During the year IUCN made contributions of CHF 418 to TRAFFIC International (2018 – CHF 449).

During the year IUCN received funds from the International Union for the Conservation of Nature and Natural Resources – US of USD 531 (CHF 515) and in 2018, USD 437 (CHF 430) was received.

IUCN – International Union for Conservation of Nature and Natural Resources

Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

Summary of legally controlled entities:

Company	Year-end closing	Currency	Capital	Share of capital	
				2019	2018
The International Union for the Conservation of Nature and Natural Resources, Registered Trustees, (WASAA Trust Fund, Nairobi)	31.12	KES	234,857	100%	100%
IUCN, Bureau de Représentation auprès de l'Union Européenne aisbl	31.12	EUR	104	100%	100%
Associação IUCN	31.12	BLR	292	20%	20%
IUCN UK (A Company Limited by Guarantee)	31.12	GBP	130	NA	NA
IUCN Maldives	31.12	USD	-	100%	100%
IUCN PNG "Mangrove Rehabilitation and Management Project Association	dormant				

XXVII. STAFF HEADCOUNT

IUCN's headcount including staff in-kind is as follows:

	2019	2018
Average employees during the year	833	891

XXVIII. OPERATING LEASES

At 31 December 2019, IUCN has future minimum office rental commitments amounting to CHF 4,757 (2018 – CHF 4,648) relating to expected rental fees until the end of the lease contract of which CHF 4,325 (2018 – CHF 3,900) expires in 1 to 5 years and CHF 432 (2018 – CHF 748) expires in 6 to 7 years.

IUCN has leasing contracts for office equipment and vehicles amounting to CHF 141 (2018 – CHF 160) expiring in 1 to 5 years.

XXIX. BANK GUARANTEES

At 31 December 2019, IUCN had bank guarantees in Mozambique Metical 151 (2018 - MZN 2,862) and Kuwaiti Dinar 19 (2018 – KWD 19), for a total value CHF 63 (2018 – CHF 108) in favour of IUCN donors. Cash for an equivalent amount is pledged at corresponding banks.

XXX. SUBSEQUENT EVENTS

The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections across many geographies. Government restrictions on the free movement and association of staff and project participants are expected to have some impact on programme delivery during the course of 2020.

IUCN has assessed the impact that COVID-19 will have on its operations in 2020 by reviewing both unrestricted and restricted income streams. The impact on unrestricted income is expected to be minimal. There is a risk that some Members may delay, or, in extreme cases, be unable to pay their membership dues, leading to the requirement for additional provisions for unpaid dues in 2020, but this is not expected to be material. Framework income is not expected to be impacted as 2020 budgeted income is supported by contracts with government agencies.

IUCN – International Union for Conservation of Nature and Natural Resources

Notes to the Consolidated Financial Statements for the Year ended 31 December 2019

All amounts in CHF ('000) unless otherwise stated

A review of all project plans has been performed. Although a decline in activity expenditure is forecasted, the decline is not expected to be material. Project plans are being revised where necessary, and in collaboration with IUCN donors, to minimise the impact by prioritising project activities that are not impacted by COVID-19. In addition, alternative project modalities are being used where appropriate, e.g. virtual technology to conduct workshops and other collaborative events. As a result, we expect the financial impact of COVID-19 on project implementation to be limited in 2020.

Due to the COVID-19 emergency, the IUCN World Conservation Congress, scheduled to be held in June 2020 in Marseille, France, has been postponed to January 2021. The postponement decision has no impact on the 2019 financial statements. Any additional costs related to the postponement of the Congress will be recognised in 2020.

Overall, IUCN considers that these subsequent events have no impact on the 2019 financial statements. Furthermore, Management concluded that there is no material uncertainty that may cast significant doubt upon the organisation's ability to continue as a going concern. We will continue to monitor the situation throughout 2020 and take steps to maintain operations to the extent possible without jeopardizing the health of our staff or our partners.

ANNEX A – CORE FUNDS UNDER FRAMEWORK AGREEMENTS

All amounts in CHF ('000)

	2019	2019	2018	2018
	Secretariat expenditure	Framework core allocation	Secretariat expenditure	Framework core allocation
Central and West Africa Region	2,903	754	3,314	775
Eastern and Southern Africa Region	4,800	625	4,575	736
Asia Region	6,905	886	7,417	1,029
Meso America and Caribbean	3,627	440	4,577	506
South America and Brazil	1,252	326	1,458	378
European Regional Office, Brussels	1,017	-	986	-
Eastern Europe and Central Asia Regional Office	454	-	378	-
West Asia Region	909	330	1,147	384
Mediterranean Cooperation Centre	1,492	-	1,430	-
Oceania	1,514	296	1,494	347
Washington DC Office	900	-	998	-
Sub Total Regional Components	25,773	3,657	27,774	4,155
Director's Office, Biodiversity Conservation Group	357	356	388	400
Species Programme	3452	449	3,342	450
Protected Areas Programme	1,557	374	1,336	350
World Heritage Programme	1,032	333	1,159	350
Traffic International	418	218	449	249
Sub Total Biodiversity Conservation Group	6,816	1,730	6,674	1,799
Director's Office, Nature-based Solutions Group	456	356	466	350
Ecosystem Management Programme	1,824	408	1,542	348
Forest & Climate Change Programme	1,880	236	1,966	197
Marine & Polar Programme	1,658	233	1,876	247
Water & Food Security Programme	812	237	1,019	200
Business & Biodiversity Programme	1,194	238	1,260	331
Governance and Rights Programme	1,202	593	1,327	619
Sub Total Nature-based Solutions Group	9,026	2,301	9,456	2,292
Director's Office, Programme & Policy Group	404	356	401	400
Economic Knowledge	889	575	730	620
Science and Knowledge Unit	805	634	753	618
Global Policy Unit	725	541	716	567
Environmental Law Programme	1,164	333	1,230	348
GEF Coordination Unit	605	-	580	-
Sub Total PPG - Programme & Policy Group	4,592	2,439	4,410	2,553
Commission on Education and Communication	273	-	204	-
Commission on Ecosystem Management	210	-	145	-
World Commission on Environmental Law	141	-	118	-
World Commission on Protected Areas	227	-	182	-
Species Survival Commission	143	-	221	-
Commission on Environment, Economics and Social Policy	177	-	185	-
Sub Total Commissions	1,171	-	1,055	-
Director's office, Union Development Group	3,131	-	1,406	-
Governance	685	-	631	-
Sub Total Union Development	3,816	-	2,037	-
Directorate	1,099	-	1,284	217
Office of the Legal Adviser	589	-	626	-
Oversight Unit	219	-	214	-
Planning, Monitoring & Evaluation Unit	595	417	525	284
Global Communications Unit	1,091	-	958	-
Finance Group	1,682	-	1,659	-
Global Programme Operations Unit	1,797	245	1,866	235
Human Resources Management Group	1,205	-	1,094	-
Strategic Partnerships Unit	753	544	622	134
General Services Unit	3,060	-	2,947	-
Information Systems Group	3,634	-	3,736	-
Sub Total Corporate Support Units	15,724	1,206	15,531	870
OVERALL TOTAL	66,918	11,333	66,937	11,669
Non-operating expenditure	(21)	-	(317)	-
Operating expenses as per the Income & Expenditure Statement	66,897	11,333	66,620	11,669
Reconciliation of Framework Income to the Financial Statements		2019		2018
Overall Total allocations as above		11,333		11,669
Realised foreign exchange losses on cash contributions		132		
Framework funding allocated to projects		233		
Surplus/(Deficit) at year-end transferred to unrestricted reserve		(66)		(440)
Total Funding Framework Agreements		11,632		11,229

ANNEX A – CORE FUNDS UNDER FRAMEWORK AGREEMENTS

All amounts in CHF ('000)

	2019	2018
Framework Agreement Partners	TOTAL	TOTAL
Agence Française de Développement (AFD), Ministry for Europe and Foreign Affairs (MEAE), Ministry of Ecological and Inclusive Transition (MTES), Ministry of Agriculture and Food (MAA); Ministry of Overseas Territories (MOM) – France	1,214	1,178
Ministry of Environment, Republic of Korea (MOE) – Korea	789	634
Ministry of Foreign Affairs – Finland	397	419
Norwegian Agency for Development Cooperation (NORAD) – Norway	2,415	2,432
Swedish International Development Agency (Sida) – Sweden	4,589	4,319
Swiss Agency for Development and Cooperation (SDC) – Switzerland	1,500	1,500
U.S. Department of State	728	747
Total Funding Framework Agreements	11,632	11,229

Framework income allocations are made on the basis of budgeted income at the start of the year. The difference between allocations made and actual income received is taken to unrestricted reserves. This is compensated by balances on other funding sources to arrive at the overall result for the year.

IUCN, International Union for Conservation of Nature and Natural Resources

Gland

Report of the statutory auditor
to the Council

on the consolidated financial statements 2019

DRAFT

Report of the statutory auditor

to the Council of IUCN, International Union for Conservation of Nature and Natural Resources

Gland

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the accompanying consolidated financial statements of IUCN, International Union for Conservation of Nature and Natural Resources, which comprise the consolidated balance sheet, consolidated income and expenditure statement, consolidated funds and reserve statement, consolidated cash flow statement and notes, for the year ended 31 December 2019.

Management's responsibility

Management is responsible for the preparation of the consolidated financial statements in accordance with the requirements of Swiss law and the consolidation and valuation principles described in the notes. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. Management is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2019 comply with Swiss law, IUCN Statutes, as well as with the consolidation and valuation principles described in the notes.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 69b paragraph 3 CC in connection with article 728 CO) and that there are no circumstances incompatible with our independence.

*PricewaterhouseCoopers SA, avenue Giuseppe-Motta 50, case postale, CH-1211 Genève 2, Switzerland
Téléphone: +41 58 792 91 00, Téléfax: +41 58 792 91 10, www.pwc.ch*

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In accordance with article 69b paragraph 3 CC in connection with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of consolidated financial statements according to the instructions of the Association Management.

We recommend that the consolidated financial statements submitted to you be approved.

PricewaterhouseCoopers SA

Yves Cerutti
Audit expert
Auditor in charge

Marcello Stimato
Audit expert

Geneva, 29 April 2020

Enclosure:

- Consolidated financial statements (consolidated balance sheet, consolidated income and expenditure statement, consolidated funds and reserve statement, consolidated cash flow statement and notes)
- Annex A –Core Funds under Framework Agreements



Financial update from the Acting Director General

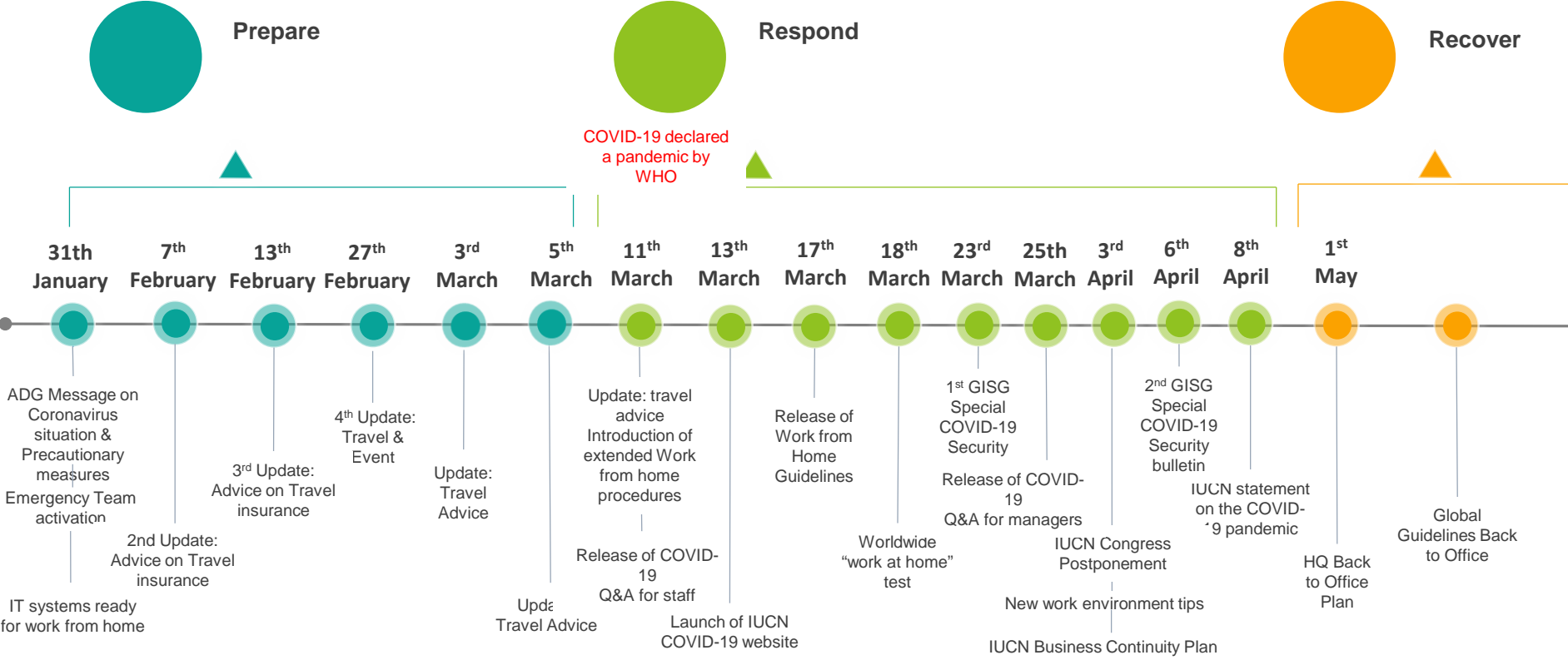
Bureau

11 May 2020

Financial results 2019

- The result for 2019 was a surplus of CHF 0.6m compared to a breakeven budget
- Membership dues were above budget as a result of new States joining or re-joining, and, in the latter case, paying off significant payment arrears.
- Investment gains of CHF 0.4m were realised, reversing losses incurred in 2018.

IUCN response to COVID-19 Outbreak



Financial impact of Covid 19 on the 2020 budget

Core income

	2020
CHF m	Budget
Membership dues (net of provisions)	11.7
Framework income	11.2
Other unrestricted income	5.8
Total core income	28.7

- Membership dues
 - Members have a statutory obligation to pay their dues
 - 88% of dues are paid by States and government agencies, and 12% by NGOs, IPOs and affiliates.
 - Low risk, though some Members may face financial difficulties
- Framework income
 - Secured by signed agreements with the exception of CHF 0.6m from the USA.
 - No indications from partners that they will reduce their 2020 contributions
 - The risk of default is low.
- Other unrestricted income – low risk

Financial impact of Covid 19 on the 2020 budget

Project income

- IUCN is dependant on project income to:
 - Fund staff cost
 - Fund overheads
- Significant risk of a reduction in implementation
 - On the ground activities impacted
 - Activities requiring travel impacted
- Mitigation measures
 - Project plans are being revised, eg focus on desk based work and postpone field based work
 - Use different delivery modalities, eg use virtual technology for workshops, meetings
 - Contract revisions and no cost extensions

Financial impact of Covid 19 on the 2020 budget

Project income

- Full review of project portfolio undertaken:
 - 40% of projects were not impacted,
 - 25% of projects would adapt project plans
 - 25% of projects expect delayed delivery
 - Some no cost extensions were likely
 - No donors had cancelled contracts
- Biggest impact is on implementing partner activities

CHFm	Project expenditure		
	Budget	Forecast	Variance
Staff Time	28.8	30.1	1.3
Indirect Cost Recovery	6.4	6.7	0.3
IUCN Activities	36.1	38.6	2.5
Implementing Partner Activities	41.9	34.0	- 7.9
Total	113.2	109.5	- 3.8

Financial impact of the postponement of Congress

- The financial impact is difficult to assess due to many unknowns:
 - Uncertainty over the evolution of the Covid 19 pandemic
 - Availability of a vaccine
 - Travel restrictions
 - Social distancing requirements
 - Restriction on number of attendees
 - Willingness of people to travel
 - Economic factors – financial constraints of Members and other participants
 - Proximity to public holidays

Financial impact of the postponement of Congress

- Uncertainty over:
 - Number of participants – registration income
 - Exhibition income – exhibitors may pull out
 - Sponsorship income – less interest if smaller event
- But costs will increase
 - Additional costs of around CHF 800k to CHF 1 million
- Projections
 - Best case – CHF 0.7m deficit (same level of registrations as Hawaii)
 - Medium case – CHF 2.8m deficit (75% of registrations as Hawaii)
 - Worst case – CHF 4.3m deficit (50% of registrations as Hawaii)

Financial impact of the postponement of Congress – other scenarios

- Cancellation
 - Deficit could increase to CHF 7.5m (depending on the timing of the cancellation decision and the reason)
 - Cancellation should be a joint decision of France/IUCN and should be made earlier rather than later
- 2nd postponement
 - Costs will increase further
 - Only advantage would be if there were greater certainty over income (eg if vaccine were available)
- Downsized Congress
 - IUCN costs will not be significantly reduced whereas income would be



Report of the Chair of the FAC to Bureau

11 May 2020

Financial results 2019

- The result for 2019 was a surplus of CHF 0.6m compared to a breakeven budget
- The FAC reviewed the financial statements and received the report of the auditors, and recommends that Bureau approves the financial statement

Draft Bureau decision:

- Bureau, on the proposal of the Acting Director General and the recommendation of the Finance and Audit Committee, approves the Audited Financial Statements for 2019, noting that final approval rests with the 2020 World Conservation Congress as provided under Article 20 (d) of the Statutes.

Business Continuity Plan

- The FAC reviewed the Business Continuity Plan prepared by the Secretariat, noting:
 - Its key purpose is to ensure staff safety and security and maintain continuity of critical functions during the pandemic
 - The global BCP is based on individual BCPs prepared by Regional Directorates, Global Programmes and Global Corporate Functions
 - The BCP is an operational document that will be regularly monitored, reviewed and updated to reflect on-going business operations
- The FAC **endorsed** the BCP, noting that it was a living document and that it should be frequently reviewed and updated as necessary

Financial impact of the postponement of Congress

- The FAC reviewed the analysis prepared by the Secretariat, and noted:
 - High level of uncertainty over the evolution of the Covid-19 pandemic
 - High likelihood of travel restrictions and social distancing requirements
 - High travel cost resulted from expected change in travel practices to ensure safety
 - Financial constraints of Members and other participants, and their willingness to travel could significantly impact number of people attending
 - A deficit of between CHF 0.7m and CHF 4.3m deficit was projected, assuming that travel cost is not changed.
 - Cancellation or further postponement could increase the deficit
- The FAC advises Bureau to maintain plans for a January 2021 Congress but that a trigger date, e.g. September be set to decide on whether to continue with the January 2021 date. A backup plan should be developed for an alternative Congress date or format.

Financial impact of COVID-19 on the 2020 budget

- The FAC reviewed the analysis prepared by the Secretariat, and noted that:
 - Uncertainty was very high in respect of the 2020 forecast
 - Core income was low risk
 - Project implementation was high risk
 - Contingency planning was necessary
 - As was the need to continue to monitor the financial situation and update the forecast on a regular basis
- Looking beyond 2020, the FAC recommended that thought be given to a recovery plan, noting that a significant deficit could be incurred on Congress and also an operational deficit in 2020. This could result in a draw down of reserves that could exceed CHF 5 million.

Financial Plan 2021-24

- The FAC discussed possible changes to the Financial Plan
 - 2019 figures should be updated to reflect that audited results
 - 2020 forecast should be updated in the light of Covid-19
 - The assumptions used to develop the 2021-24 projections should be revisited and their validity checked
 - The Plan should be adjusted if there were significant changes to the Programme
- The principles behind the plan, however, remain valid:
 - Need to diversify income
 - Invest for growth
 - Build reserves
- Following the close of June accounts, the Secretariat would revise the plan with the input of the Treasurer, and present a draft at the end of July to the FAC for review.