



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

## Management report for the year ended 31 December 2023

### 2023 Results

	2023			2022		
	Unrestricted CHFm	Restricted CHFm	Total CHFm	Unrestricted CHFm	Restricted CHFm	Total CHFm
Income	34.3	130.1	164.4	32.2	127.4	159.6
Cost recovery and internal allocations	46.0	(46.0)	0.0	42.2	(42.2)	0.0
Operating expenditure	(76.1)	(80.0)	(156.2)	(70.3)	(82.3)	(152.6)
<b>Net operating surplus</b>	<b>4.2</b>	<b>4.1</b>	<b>8.3</b>	<b>4.1</b>	<b>2.9</b>	<b>7.0</b>
Other income and expenditure	(3.1)	(4.1)	(7.2)	(4.1)	(2.9)	(7.0)
<b>Net surplus for the year</b>	<b>1.1</b>	<b>0.0</b>	<b>1.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

IUCN ended the year with a surplus of CHF 1.1m. Total income reached CHF 164 million, slightly higher than the level of CHF 160 million realised in 2022. Unrestricted income reached CHF 34.3 million compared to CHF 32.2 million in 2022. Project income and expenditure reached CHF 130 million compared to CHF 127 million in 2022.

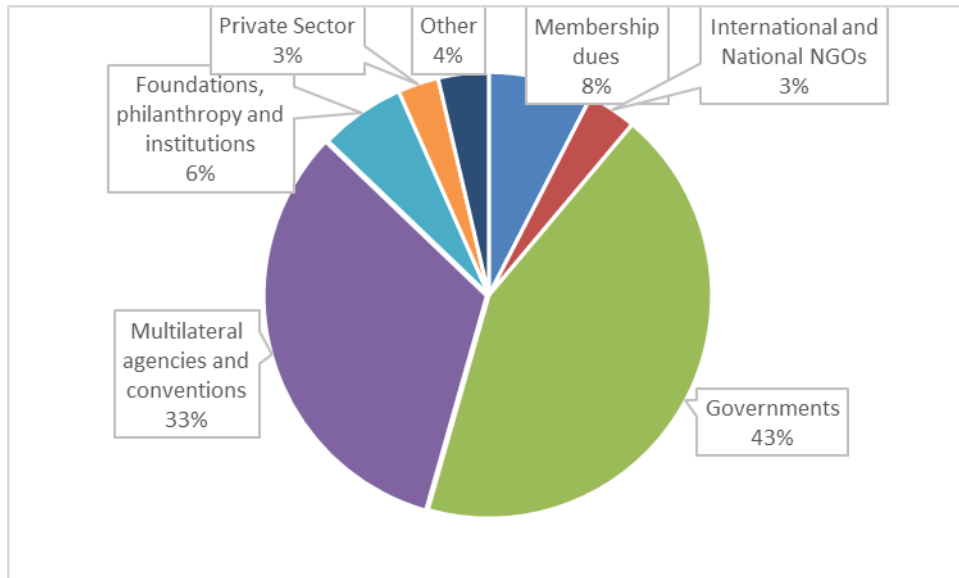
The unrestricted operating surplus for 2023 was CHF 4.2, in line with that of 2022 (CHF 4.1m), indicating a consistency in operational performance and efficiency.

Other income and expenditure included gains on IUCN's investment portfolio of CHF 0.3m – a partial reversal of unrealised losses of CHF 1.7m recorded in 2022, net foreign exchange losses of CHF 2.3m – driven by the strengthening of the Swiss franc against all major operational currencies over the course of the year (This had a significant impact on the revaluation of non-Swiss franc assets and liabilities at the year-end.), and provisions and write offs of CHF 1.4m.

Unrestricted reserves stood at CHF 20.6 million at the end of 2023 compared to CHF 20.0 million at the start of the year, an increase of CHF 0.6 million.

### Funding

Governments and multilateral agencies provided 76% of the organisation's income, alongside Membership dues (8%), income from foundations and philanthropy (6%), the private sector (3%) and non-governmental organisations (3%). The balance of 4% represents service fee income and other sundry income.



### Unrestricted income

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

- Ministry of Foreign Affairs of Denmark
- Ministry for Foreign Affairs, Finland
- Government of France
- Ministry of Environment, Republic of Korea
- Norwegian Agency for Development Cooperation
- Swedish International Development Cooperation Agency
- Swiss Agency for Development and Cooperation
- United States State Department
- Ministry of Environment, Luxembourg

Framework income of CHF 15.1 million was recognised in 2023 compared to CHF 13.7 million in 2022. No new framework partners joined IUCN in 2023; however, IUCN continues to cultivate new relationships which are expected to bear fruit in future years.

Framework income continues to be essential in providing financial stability and flexibility that allows IUCN to play its unique role in influencing and assisting societies throughout the world to conserve the integrity and diversity of nature.

**Membership income** reached CHF 13.4 million, in line with that recorded in 2022 (CHF 13.5 million). 53 new Members joined IUCN in 2023, taking the total to 1,477 Members across 163 countries.

### Restricted income: programme and project portfolio

IUCN's project portfolio continues to grow strongly. At the end of 2023, the value of the project portfolio stood at CHF 969 million, comprising 490 projects in 143 countries. The German Government was IUCN's largest donor, followed by the Global Environment Fund (GEF), the Green Climate Fund (GCF) and the European Commission.



## **Risk management**

IUCN has a comprehensive risk management process, supported by a risk committee at the Secretariat level and overseen by the Finance and Audit Committee of Council.

Risks are rated according to two dimensions: likelihood and impact. They are also assessed according to inherent risk (raw risk) and residual risk (after consideration of controls and risk management activities).

Funding risks and foreign exchange risks were 2 risks that were assessed as increasing in 2023 in terms of inherent risk but remaining stable in terms of residual risk. Income diversification is a key strategy being pursued by IUCN with the objective of reducing reliance on ODA restricted funding and increasing levels of unrestricted funds from multiple sources, including a greater focus on income generating activities. Foreign exchange risk is mitigated through a hedging strategy, principally through the use of natural hedging.

## **Staffing levels**

The average number of employees during the year was 1007, compared to 967 in 2022. The modest increase reflects a similar increase in the overall level of operations. The current gender ratio is 52% male to 48% female.

## **Outlook**

The outlook for 2024 is positive. Funding is strong and the portfolio continues to show healthy growth. Implementation levels are expected to increase by around 10% compared to 2023.

Several steps are being taken to improve long-term financial sustainability. Investments continue to be made in resource mobilisation to boost the level of unrestricted funds, particularly in respect of philanthropy and foundation.

Effort also continues to be made in increasing the level of operational costs funded by the project portfolio through the development of new budget tools and improvements to the project costing framework.

Details of IUCN's programme of work and highlights, together with further information on the Union can be found in the Annual Report.

[IUCN Annual Report 2023](#)