

IUCN, International Union for Conservation of Nature and Natural Resources

Management report for the year ended 31 December 2016

A healthy project portfolio and increased programmatic activities helped lift IUCN's total operating expenditure to CHF 128m in 2016, up from CHF 120m in 2015. Restricted income and expenditure grew steadily, increasing from CHF 88m in 2015 to CHF 98m in 2016 with significant resources coming from the European Commission, Germany (KfW and BMUB) and the development agencies of other European governments. This is evidence of the IUCN Programme's appeal to donors and the focus on large-scale programmatic initiatives.

In contrast to the increase in restricted funding, total unrestricted income declined from CHF 34m in 2015 to CHF 32m in 2016. This fall was the result of a decline in Framework income - multi-year funding from governments and private donors provided in support of the IUCN Programme but not tied to particular programmes or projects. The decline in Framework income was influenced by global events - such as the EU migration crisis - and a consequential shift in government priorities. An increasing tendency for partners to restrict funding to specific programme areas and deliverables with measurable results also continued to suppress unrestricted Framework income.

As a result of this decline in unrestricted funding, IUCN ended the year with a small deficit of CHF 187k on unrestricted funds. To address the pressure on unrestricted income, IUCN has initiated a change process looking for increased efficiencies across the organisation.

IUCN continues to receive most of its funding from government agencies (45%) and multilateral institutions (20%) such as the European Commission. Foundations provided 9% of funding and other donors, including corporations, non-government organisations and private individuals provided 16% of IUCN's funding. The balance of 10% came from the IUCN membership in the form of membership dues. Total membership dues increased from CHF 12.5m in 2015 to CHF 12.9 in 2016, reflecting an increase in the number of members from 1,328 to 1,406.

Geographically and thematically, expenditure was distributed much as it was in 2015, with approximately 50% incurred through IUCN's network of regional and country offices and 50% by Headquarters. Staffing levels across the global Secretariat were relatively constant, marginally increasing to 1022 from 1000 in 2015.

IUCN has implemented a rigorous risk management framework, whereby risks are assessed according to potential impact and how likely they are to happen. Key identified risks include poor or slow programme delivery - which would damage

Also in 2016, IUCN launched its programme and project portal. This tool allows IUCN to, track and monitor project implementation and the contribution of each project to global targets and results using a set of global indicators. The establishment of clear performance metrics and the ability to demonstrate impact on major global challenges such as climate change and food security will also help IUCN raise unrestricted funding in the future.

IUCN's project portfolio is showing strong growth through a focussed programme of work that is designed to deliver results at scale and by leveraging the capacity of the IUCN membership. At the end of 2016 the value of projects under implementation was CHF 303m with another CHF 208m under development. Growth has been boosted by IUCN's accreditation and resulting access to the Global Environment Facility (GEF) and the Green Climate Fund (GCF). IUCN was recognised as an Implementing Agency of the GEF in 2014 and as an Accredited Entity with the GCF in March 2016. Access to these multilateral funding sources will provide IUCN with an important opportunity to grow the overall size of its project portfolio and to increase project income levels in the years to come. The expenditure budget for 2017 is CHF 149m, a significant increase on 2016.

Finally, in September 2016 IUCN Members met at the IUCN World Conservation Congress in Hawaii where they set the Union's priorities and agreed on the Unions programme of work for the next four years. The Congress, which was 100% carbon neutral, was a major success, breaking attendance records and drawing wide support for IUCN's work.

M Davis
Chief Financial Officer
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