



IUCN, International Union for Conservation of Nature and Natural Resources

Management report for the year ended 31 December 2020

2020 Results

IUCN ended the year with a net deficit of CHF 1.6 million and with total income of CHF 109 million, below the level of CHF 121 million realised in 2019. Unrestricted income reached CHF 31.4 million, slightly ahead of budget and in line with 2019. Project income and expenditure reached CHF 78 million compared to CHF 89 million in 2019. Although an increase on 2019 had been budgeted, this was not realised due to the Covid-19 pandemic and its impact on project implementation.

The deficit was caused by a variety of factors, most of which were linked in one way or another to the Covid-19 pandemic.

Travel restrictions and the difficulty to carry out on-the-ground activities severely impacted project implementation and expenditure levels, which in turn resulted in a reduction in project income as IUCN recognises income as expenditure is incurred. Where possible, project plans were amended to focus on desk-based work and alternative implementation strategies, e.g. virtualisation of workshops. Community-based activities had, in general, to be postponed. The pandemic impacted work not only performed directly by IUCN but more importantly by partners, particularly those responsible for community-based components.

The low level of project implementation limited the possibility of IUCN to fund institutional costs from the project portfolio as the funding of overheads from projects is linked to expenditure levels. This was one contributor to the negative result for the year.

Another key driver of the deficit was the postponement of the 2020 World Conservation Congress, scheduled to be held in June 2020 in Marseille, France, but postponed to September 2021. Postponement resulted in additional costs and the need to make provision for possible losses. The format of the Congress has been changed to a hybrid format that will include a physical event in Marseille, coupled with virtual elements. As a result of additional costs and a projected decline in income compared to original estimates, a provision of CHF 1.67 million was made. The provision was based on expected attendance levels, taking into account the expected evolution of the pandemic and rollout of vaccination programmes.

In addition to the above, provisions totalling CHF 1.0 million were made for projects in deficit where the receipt of additional income was considered unlikely.

In light of Covid-19, IUCN took measures to reduce non-essential expenditure where possible. Savings were made on operating costs, specifically travel costs. This offset a part of the additional costs referred to above, as did higher levels of membership dues and framework income compared to budget.

Unrestricted reserves stood at CHF 15.1 million at the end of 2020 compared to CHF 17.6 million at the start of the year.



Despite the fall in project income and expenditure levels in 2020, the future looks bright. IUCN has a healthy and growing portfolio, which will result in higher expenditure levels as the pandemic subsides and implementation levels are ramped up.

Funding

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

Unrestricted income

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

- 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

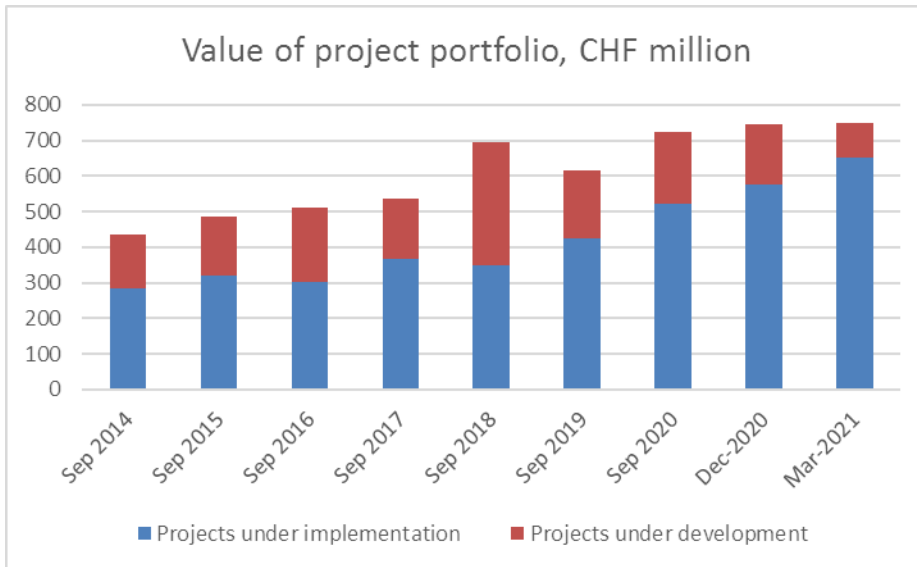
Framework income of CHF 12.1 million was received compared to CHF 11.6 million in 2019. This support continues to be essential in providing financial stability and flexibility that allows IUCN to play its unique role in influencing and assisting societies throughout the world to conserve the integrity and diversity of nature.

Patrons of Nature are a growing group of passionate voices for the environment who support IUCN through investment, strategic advice and advocacy to enhance IUCN's visibility. In 2020, the Patrons of Nature programme provided CHF 0.9 million in financial support compared to CHF 1.0 million in 2019. Travel restrictions limited IUCN's capacity to grow the programme in 2020.

Membership income reached CHF 12.7 million, a similar level to 2019. 103 new Members joined IUCN in 2020, including three new State Members: Cambodia, Kiribati and the United Arab Emirates. At the end of 2020, there were 1,461 Members across 170 countries.

Restricted income: programme and project portfolio

Although project income and expenditure levels were relatively low in 2020, IUCN has made significant progress in building a healthy project portfolio. IUCN has seen an unprecedented growth in its project portfolio with CHF 221 million of new projects signed in 2020. At the end of 2020, the value of the project portfolio stood at CHF 575 million and has since increased to CHF 655 million (March 2021). The European Commission (EC) is IUCN's largest donor, followed by the government of Germany, the Green Climate Fund (GCF), Global Environment Fund (GEF) and the US Government. The project portfolio is projected to grow by a further CHF 100 million by the end of 2021.

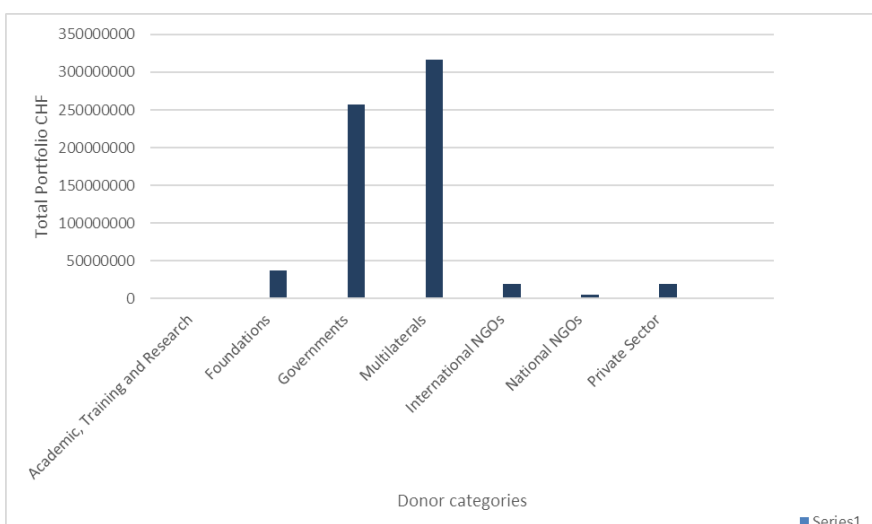


Much of this growth in the portfolio has been driven by projects funded by the Global Environmental Facility (GEF) and the Green Climate Fund (GCF). Since its accreditation to the GEF in 2014 and to the GCF in 2016, IUCN has built a strong portfolio aimed at transforming landscapes and seascapes, improving their governance and management, and harnessing private sector engagement and investment. IUCN is increasingly identified as the “go to” agency for specific initiatives developed by the countries supported by the funds or the funds themselves. As a result, GEF and GCF funding reached USD 190 million by the end of 2020. These projects leverage significant additional public and private sector investment which does not flow through IUCN’s books.

The GCF portfolio has developed substantially over the past four years with 7 projects approved, totalling USD 140 million. New projects are in development to support climate change adaptation plans in Rwanda and Tanzania, coastal resilience in Oceania and Myanmar, and the fight against desertification in the Sahel.

Historically, IUCN’s largest donors have been governments. With the growth of the GCF, GEF and EC portfolios, multilateral institutions are now IUCN’s largest source of funding.

IUCN sources of funding (March 2021)





Increasing transparency with donors

IUCN continues to be strongly committed to the principle of transparency and accessibility and launched the [Open Project Portal](#) in March 2021. Published data includes budget and expenditure, timelines, beneficiary/recipient countries, donor contributions to IUCN programme targets and SDGs. A second phase will provide further data relating to project results, procurement and social and environmental safeguards.

Programme implementation

In 2020, IUCN made further progress in the implementation of the IUCN Programme 2017-2020. Of the 30 programme targets, 18 have been achieved and an additional 8 are on track to be achieved. Only four targets have made slower progress than was envisaged.

Table 1: Traffic light assessment of progress of the IUCN Programme 2017-2020

Target achieved 2017 – 2020	Progress towards target	Progress towards target but at an insufficient rate	No significant overall progress	No Progress	
#	Target description			2019	2020
1	The IUCN Red List of Threatened Species™: global assessments of 160,000 species completed including reassessments to generate indicators and at least 75 % of countries with national and regional Red Lists use the IUCN Red List Categories and Criteria.				
2	The IUCN Red List of Ecosystems: ensure global assessment of risk of collapse of 25% of the world's ecosystems according to an agreed global ecosystem classification.				
31	Protected Planet documents accurate and up-to-date information on protected areas under Aichi Target 11, including coverage, management effectiveness, governance, ecological representativeness, connectivity, other effective area-based conservation measures, as well as outcomes and other metrics for Green Listing.				
4	2,500 Key Biodiversity Areas (KBAs) are identified and the current datasets are updated against the new KBA standard to document all sites contributing significantly to the global persistence of biodiversity.				
5	IUCN knowledge, including gender-specific knowledge as appropriate, on the value and conservation of nature is generated and communicated to influence key global, regional and local decisions and actions.				
6	The implementation of commitments under biodiversity-related conventions and international agreements is accelerated.				
7	New legislation and policies are developed (and implemented), and existing laws and policies are enforced, to address illegal wildlife trafficking.				
8	The development and implementation of standards, safeguards, natural capital metrics, incentives and the development of relevant regulatory frameworks (in the public, private and financial sectors) are recognised and put into practice.				
9	Targeted conservation actions lead to the recovery of species and ecosystems.				
10	Protected area networks are expanded to conserve areas of particular importance for biodiversity through effectively and equitably managed, ecologically representative and well-connected systems of protected areas and other effective area-based conservation measures.				
11	Invasive alien species and pathways are identified and prioritised, priority species are controlled or eradicated, and measures are in place to manage pathways to prevent their introduction and establishment				
12	NatureForAll raises awareness of nature and its values and enables more people to experience, connect with, and take action to conserve nature				
13	IUCN tools, methodologies and approaches for assessing and improving natural resource governance are available and used.				
14	Natural resource governance systems assessed (through testing of methodologies) under different management regimes, including protected areas, and corresponding improvement plans developed				
15	Community-led, cultural, grassroots or protected area governance systems that achieve the effective and equitable governance of natural resources are recognised (as best practices/pilot testing), supported and promoted, while respecting the rights of nature				
16	Intervention points in which rights regimes related to natural resources are clear, stable, implementable, enforceable and equitable have increased and are effectively integrated with other rights regimes – particularly for women, indigenous people, youth and the poor – have increased				
17	The capacity of institutions (including protected area and customary institutions) to undertake decision making in a participatory, inclusive, effective and equitable manner is enhanced, especially for facilitating the active participation of women, youth and indigenous peoples as key stakeholders.				
18	Intervention points in which natural resource governance has the capacity to halt illegal natural resource use, through the promotion of rule of law and access to justice, have increased				
19	Legal and institutional frameworks for an increased number of transboundary areas, including protected areas, are established and deliver effective and well-implemented natural resource governance				
20	International governance mechanisms for marine areas beyond national jurisdiction, Antarctica and the Arctic are strengthened, including the establishment of marine protected areas				
21	The accountability of governments in relation to their commitments under environmental agreements and related policy frameworks is enhanced.				
22	IUCN and partners are equipped to systematically collect and compile disaggregated data that enables the assessment of the material benefits and cultural values that flow from ecosystems to, inter alia, indigenous peoples and local communities				

¹The 2020 update is pending, though it is expected to be met.

23	IUCN and partners have a peer-reviewed framework and tools to guide the targeting of nature-based solutions and assessment of nature-based solutions effectiveness in contributing to relevant SDGs and Aichi Targets at national or sub-national levels		
24	Key nature-based solutions interventions promoted by IUCN, (e.g. Forest Landscape Restoration, Disaster Risk Reduction, and Mangroves for the Future, river basin management and protected areas) are equipped to systematically assess and monitor the requisite in-country enabling frameworks, including legal, customary, institutional and resourcing mechanisms for implementation		
25	Legal, policy and institutional mechanisms (at the national and sub-national level) that support and reward ecosystem stewardship by local communities and other resource managers for the delivery of societal benefits have been piloted and documented		
26	Mechanisms to facilitate the active participation of women, youth and indigenous peoples as key stakeholders in the design and implementation of nature-based solutions are tested, evaluated and promoted		
27	Additional international or national financial mechanisms that encourage the deployment of nature-based solutions are established and /or strengthened		
28	New national, sub-national or corporate planning and investment frameworks are effectively implemented in productive ecosystems to contribute to biodiversity conservation, sustainably deliver ecosystem goods and services and promote 'land degradation neutrality'.		
29	Restoration processes and methodologies make demonstrable contributions to the restitution of key ecosystem services in degraded landscapes, watersheds and seascapes.		
30	Legal, customary and institutional mechanisms and resourcing are effectively implemented to maintain intact, natural and semi-natural ecosystems that deliver benefits to society, including existing and new protected areas.		

Outlook

The Covid-19 pandemic has continued to impact implementation in the first half of 2021. Although funding is strong and the portfolio healthy, implementation remains a challenge. Project activities could be further delayed, particularly those that involve field-based work and physical workshops and meetings. Much depends on the speed of the roll out of vaccination programmes and the containment of new variants. Consequently, although the budget for 2021 foresees a significantly higher level of expenditure than that of 2020, this may not be reached. Even with these constraints, expenditure levels are expected to be higher than in 2020 and are expected to grow strongly in 2022.