



IUCN, International Union for Conservation of Nature and Natural Resources

Management report for the year ended 31 December 2017

2017 Results

IUCN ended the year with a net surplus of CHF 1.1m and with total income of CHF 125m, a similar level to 2016.

Restricted income reached CHF 95m in 2017. This was, supported by a stable and growing project portfolio. Several major funding agreements were secured during the year, notably from the European Commission, the Global Environment Facility and government agencies of Germany, the United States of America and Sweden.

Some members with significant payment arrears at the time of the 2016 Congress were rescinded in 2017. This resulted in a marginally lower unrestricted income of 30m in 2017 of compared to CHF 32m in 2016. This is an anticipated cyclical event. Membership dues are expected to grow in the coming years as new members join the Union.

New multi-year funding agreements were signed with IUCN Framework partners providing unrestricted programmatic income of CHF 13m. The level is expected to remain stable over the next 3 years as the majority of partners have now committed funding up to and including 2020.

Income from ODA (Government and multilateral agencies) accounted for 73% of total income, up from 65% in 2016, reflecting an increased commitment and trust by donors to channel official development funds through IUCN. Income from foundations and the private sector remained stable.

The full amount of the surplus of CHF 1.1m has been transferred to designated reserves to support Regional Conservation Forums scheduled to take place in 2019, the 2020 World Conservation Congress and ongoing investment in information systems.

Programme implementation

IUCN's delivery model continues to evolve with an increasing emphasis on "wholesale" delivery (the use of partners for programme delivery). This is evidenced by a year-on-year increase of 24% in the value of the project portfolio under implementation (from CHF 294m to CHF 366m), combined with a decrease in the number of active projects (from 298 to 262), equating to an increase in average project size.

There was a continued trend towards implementing thematic initiatives and a move away from stand-alone initiatives. In addition, the GEF (Global Environment Fund) project portfolio continued to grow with an increase in value of 25% in 2017.

In terms of project outputs, IUCN showed strong contribution to the SDGs, the Aichi Targets and the Targets of the IUCN Programme 2017-2020, especially to the ones in which IUCN has built its niche.

In 2017, there was steady progress in the implementation of the IUCN Programme 2017-2020. 70% of the programme targets are on track or have been achieved. The IUCN Programme, including 30 programme targets, was adopted by Members at the IUCN World



Conservation Congress 2016. To operationalize these targets, 55 indicators were developed, with accompanying baselines and 2020 target values.

In 2017, 42% of IUCN's projects engaged Members in direct project implementation through contractual agreements. 19% of total project portfolio expenditure was spent through Members, 2% through National and Regional Committees and 8% through Commissions.

Over the last two years, IUCN has invested in the development of a Project Management Information System: the Programme and Project Portal - an online, centralized information system that is the primary source of all project, programme and portfolio information. Data generated through the Portal enables quantitative reporting on the progress towards achieving IUCN's 30 Programme Targets.

Risk management

Over the course of 2017, IUCN paid increasing attention to risk and risk management, and 2018 should see the formalisation of a comprehensive risk management framework.

A significant milestone has been reached with the development of an Enterprise Risk Management Policy along with a Risk Appetite Statement. The Policy constitutes a first attempt at formalising Enterprise Risk Management and follows best practice of other organisations as well as relevant standards, notably ISO 31000-Risk Management.

The policy aims to drive effective and accountable decision making and management practices by ensuring that Enterprise Risk Management practices are consistently applied to IUCN processes and operations.

Organizational change

In 2017, IUCN continued to re-evaluate and improve Secretariat functions – a process initiated in 2015. This included putting in place standardised approaches to improve operational effectiveness, cost recovery from projects, fundraising and programme delivery. A 'Global Programme Operations Unit' and service hubs for finance, human resources and information systems were established in Bangkok and Costa Rica to ensure a consistent and efficient implementation of processes in IUCN Headquarters and across its regional offices. New systems-related enhancements will help increase automation and improve efficiency in staff-time management, contract management and travel, and procurement processes. Reforms to programme delivery were introduced to consolidate thematic programmes worldwide, enhance coherence across IUCN's Secretariat, Members and Commissions, and maximise IUCN's impact globally.

Outlook

The outlook for 2018 is positive. 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. The expenditure budget for 2017 is CHF 151m, a significant increase on 2016.

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