

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

Report of the statutory auditor  
to the Council

on the consolidated financial statements 2022

# Report of the statutory auditor

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

Gland

### Report on the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of IUCN, International Union for Conservation of Nature and Natural Resources and its subsidiaries (the organization), which comprise consolidated balance sheet, consolidated income and expenditure statement, consolidated funds and reserve statement, consolidated cash flow statement and notes, including a summary of significant accounting policies, for the year ended 31 December 2022.

In our opinion, the accompanying consolidated financial statements comply with Swiss law and the consolidation and valuation principles described in the notes.

#### Basis for opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the 'Auditor's responsibilities for the audit of the consolidated financial statements' section of our report. We are independent of the organization in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

The Council is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the consolidated financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Council's responsibilities for the consolidated financial statements

The Council is responsible for the preparation of the consolidated financial statements in accordance with the provisions of Swiss law, and for such internal control as the Council determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Council is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

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### **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the organization to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the organization audit. We remain solely responsible for our audit opinion.

We communicate with the Council or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on other legal and regulatory requirements**

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

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

PricewaterhouseCoopers SA

Marcello Stimato  
Licensed audit expert  
Auditor in charge

Hamza Benhlal

Genève, 26 May 2023

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

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

## CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022

Report Currency: CHF ('000)

	Notes	31.12.2022	31.12.2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and short term bank deposits	III	91,414	74,316
Financial assets	IV	13,498	16,034
Membership dues receivables (net)	VI	907	611
Staff receivables	VII	466	273
Receivables from partner organisations	VIII	-	135
Advances to implementing partners and grantees	IX	26,575	17,610
Prepayments		968	1,083
Donor funds receivable	X	8,812	8,584
Project agreement receivables	XI	13,594	9,885
Framework agreements receivables	XII	-	640
Other account receivables		2,342	1,892
<b>Total Current assets</b>		<b>158,576</b>	<b>131,063</b>
<b>Non-current assets</b>			
Fixed assets (net)	XIII	23,784	24,607
Intangible assets (net)	XIV	365	251
<b>Total Non-current assets</b>		<b>24,149</b>	<b>24,858</b>
<b>TOTAL ASSETS</b>		<b>182,725</b>	<b>155,921</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Current liabilities</b>			
Membership dues paid in advance		2,341	2,705
Accounts payable and accrued liabilities	XV	15,994	13,180
Social charges payable		426	726
Payable to partner organisations	VIII	105	-
Project agreement advances	XI	104,149	82,707
Deferred unrestricted income	XIX	6,758	3,132
Deferred income buildings	XIX	471	467
New building loan	XX	175	252
Advances from hosted organisations	XVII	184	220
Miscellaneous current liabilities		824	253
<b>Total Current liabilities</b>		<b>131,427</b>	<b>103,642</b>
<b>Provisions</b>			
Projects in deficit	XVIII	765	1,065
Staff leave and repatriation		2,001	2,306
Staff termination	XVIII	2,018	1,971
Other provisions		380	-
<b>Total Provisions</b>		<b>5,164</b>	<b>5,342</b>
<b>Non-current liabilities</b>			
Long-term deferred income	XIX	13,367	12,154
New building loan	XX	9,799	11,799
<b>Total Non-current liabilities</b>		<b>23,166</b>	<b>23,953</b>
<b>Funds and Unrestricted Reserves</b>			
Designated reserves	XXI	2,942	2,380
Unrestricted reserves	XXI	20,026	20,604
<b>Total Funds and Unrestricted Reserves</b>		<b>22,968</b>	<b>22,984</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<b>182,725</b>	<b>155,921</b>

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

## CONSOLIDATED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

Report Currency: CHF ('000)

	Notes	2022			2021		
		Secretariat Unrestricted	Project Agreements	Total	Secretariat Unrestricted	Project Agreements	Total
<b>EXTERNAL OPERATING INCOME</b>							
Membership dues		13,463	-	13,463	12,549	-	12,549
Retention of staff income tax	XXIII	1,671	-	1,671	1,700	-	1,700
Agreements income		200	124,262	124,462	596	98,144	98,740
Framework income	XXIV	12,430	1,317	13,747	13,647	-	13,647
Other operating income	XXV	4,426	1,854	6,280	4,790	5,549	10,339
<b>TOTAL EXTERNAL OPERATING INCOME</b>		<b>32,190</b>	<b>127,433</b>	<b>159,623</b>	<b>33,282</b>	<b>103,693</b>	<b>136,975</b>
<b>INTERNAL ALLOCATIONS</b>							
Unrestricted allocations to projects		(2,292)	2,292	-			
Cross charges from projects		42,667	(42,667)	-	38,108	(38,108)	-
Other internal allocations		1,797	(1,797)	-	1,176	(1,176)	-
<b>TOTAL INTERNAL ALLOCATIONS</b>		<b>42,172</b>	<b>(42,172)</b>	<b>-</b>	<b>39,284</b>	<b>(39,284)</b>	<b>-</b>
<b>OPERATING EXPENDITURE</b>							
Staff costs		58,684	9,800	68,484	57,310	8,458	65,768
Consultants		1,726	22,135	23,861	1,572	22,057	23,629
Grants to partners		323	14,167	14,490	306	4,138	4,444
Travel		2,134	11,848	13,982	1,135	8,157	9,292
Workshops and conferences		301	3,651	3,952	257	2,793	3,050
Publications and printing costs		365	2,710	3,075	347	2,072	2,419
Office and general administrative costs		3,140	5,722	8,862	3,155	5,191	8,346
Vehicles & equipment – costs & maintenance		1,070	10,570	11,640	957	8,301	9,258
Professional fees or costs		489	1,703	2,192	682	1,601	2,283
Depreciation and amortisation		2,050	63	2,113	2,068	1	2,069
<b>TOTAL OPERATING EXPENDITURE</b>		<b>70,282</b>	<b>82,369</b>	<b>152,651</b>	<b>67,789</b>	<b>62,769</b>	<b>130,558</b>
<b>NET OPERATING SURPLUS</b>		<b>4,080</b>	<b>2,892</b>	<b>6,972</b>	<b>4,777</b>	<b>1,640</b>	<b>6,417</b>
<b>OTHER INCOME – EXPENDITURE</b>							
Interest income	XX	440	10	450	206	45	251
Financial charges	XX	(567)	(190)	(757)	(415)	(261)	(676)
Capital gains (losses)	IV	(1,663)	-	(1,663)	308	-	308
Net (losses) on foreign exchange		(1,294)	(2,600)	(3,894)	(43)	(1,281)	(1,324)
Exchange differences on revaluation of project balances	XXV	-	(369)	(369)	-	208	208
Net movements in provision and write-offs		(1,012)	257	(755)	(2,018)	849	(1,169)
2021 Congress	XXVIII	-	-	-	2,873	(1,200)	1,673
<b>TOTAL OTHER INCOME – EXPENDITURE</b>		<b>(4,096)</b>	<b>(2,892)</b>	<b>(6,988)</b>	<b>911</b>	<b>(1,640)</b>	<b>(729)</b>
<b>NET SURPLUS/ (DEFICIT) FOR THE YEAR</b>		<b>(16)</b>	<b>-</b>	<b>(16)</b>	<b>5,688</b>	<b>-</b>	<b>5,688</b>
<b>Allocation and appropriations to designated reserves</b>							
Allocations to designated reserves		(826)	-	(826)	(1,320)	-	(1,320)
Appropriations from designated reserves		1,045	-	1,045	322	-	322
Appropriations from unrestricted reserves		800	-	800	-	-	-
<b>Net allocations/appropriations to reserves</b>		<b>1,019</b>	<b>-</b>	<b>1,019</b>	<b>(998)</b>	<b>-</b>	<b>(998)</b>
<b>RESULTS FOR THE YEAR AFTER CHANGES IN RESERVES</b>		<b>1,003</b>	<b>-</b>	<b>1,003</b>	<b>4,690</b>	<b>-</b>	<b>4,690</b>

**CONSOLIDATED FUNDS AND RESERVE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

Report Currency: CHF ('000)

	Balance at 1 January	Allocations	Appropriations	Other movements	Results for the year	Balance at 31 December
<b>2022</b>						
<b>Designated reserves</b>						
Reserve for statutory meetings	328	500	-	-	-	828
Other designated reserves	1,147	326	(1,045)	781	-	1,209
Renovation Fund	905	-	-	-	-	905
<b>Total designated reserves</b>	<b>2,380</b>	<b>826</b>	<b>(1,045)</b>	<b>781</b>		<b>2,942</b>
<b>Unrestricted reserves</b>						
Currency Translation Reserve	-	-	-	-	-	-
IUCN Fund	8,621	-	-	-	-	8,621
Retained surpluses	11,983	-	(800)	(781)	1,003	11,405
<b>Total unrestricted reserves</b>	<b>20,604</b>	<b>-</b>	<b>(800)</b>	<b>(781)</b>	<b>1,003</b>	<b>20,026</b>
<b>Total reserves</b>	<b>22,984</b>	<b>826</b>	<b>(1,845)</b>	<b>-</b>	<b>1,003</b>	<b>22,968</b>
<b>2021</b>						
<b>Designated reserves</b>						
Reserve for statutory meetings	93	235	-	-	-	328
Other designated reserves	1,590	1,075	(322)	(1,196)	-	1,147
Renovation Fund	895	10	-	-	-	905
<b>Total designated reserves</b>	<b>2,578</b>	<b>1,320</b>	<b>(322)</b>	<b>(1,196)</b>	<b>-</b>	<b>2,380</b>
<b>Unrestricted reserves</b>						
Currency Translation Reserve	347	-	-	(347)	-	-
IUCN Fund	8,621	-	-	-	-	8,621
Retained surpluses	6,097	-	-	1,196	4,690	11,983
<b>Total unrestricted reserves</b>	<b>15,065</b>	<b>-</b>	<b>-</b>	<b>849</b>	<b>4,690</b>	<b>20,604</b>
<b>Total reserves</b>	<b>17,643</b>	<b>1,320</b>	<b>(322)</b>	<b>(347)</b>	<b>4,690</b>	<b>22,984</b>



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022**

Report Currency: CHF ('000)

	Notes	2022	2021
<b>Cash flow from operations</b>			
<b>Surplus/(deficit) from operations</b>		(16)	5,688
Effect of exchange rate	XXI	-	(347)
<b>Net balance from operations</b>		<b>(16)</b>	<b>5,341</b>
Depreciation of fixed assets	XIII	1,940	1,892
Amortisation and write-down of intangible assets	XIV	113	178
Increase / (decrease) in provisions for projects in deficit	XVIII	(300)	(3,621)
Increase / (decrease) in staff leave and repatriation liabilities		(305)	14
Increase / (decrease) in the provision for staff termination	XVIII	47	281
Increase / (decrease) in other provisions		380	-
(Increase) / decrease in membership dues receivables (net)	VI	(296)	461
(Increase) / decrease in staff receivables	VII	(193)	(39)
(Increase) / decrease in receivables from partner organisations	VIII	240	(74)
(Increase) / decrease in advances to implementing partners	IX	(8,965)	(5,325)
(Increase) / decrease in prepayments		115	1,729
(Increase) / decrease in donor funds receivable	X	(228)	(2,430)
(Increase) / decrease in project agreement receivables	XI	(3,709)	4,831
(Increase) / decrease in framework agreements receivable	XII	640	(439)
(Increase) / decrease in other accounts receivable		(453)	(695)
Increase / (decrease) in membership dues paid in advance		(364)	448
Increase / (decrease) in accounts payable and accrued liabilities	XV	2,814	1,996
Increase / (decrease) in social charges payable		(300)	501
Increase / (decrease) in project agreement advances	XI	21,442	9,778
Increase / (decrease) in miscellaneous current liabilities		572	(145)
Increase / (decrease) in hosted organisations advances	XVII	(37)	118
(Increase) / decrease in financial assets		2,536	(14)
Increase / (decrease) in current deferred income	XIX	3,626	(1,844)
Increase / (decrease) in deferred income	XIX	(456)	(467)
(Gain) / loss on disposal of fixed assets	XIII	4	(6)
<b>Total cash flow from operations</b>		<b>18,847</b>	<b>12,469</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets	XIII	(1,132)	(709)
Proceeds on disposal of fixed assets		11	12
Purchase of intangible assets	XIV	(227)	(153)
<b>Total cash flow from investing activities</b>		<b>(1,348)</b>	<b>(850)</b>
<b>Cash flow from financing activities</b>			
Loan repayment	XX	(401)	(401)
<b>Total cash flow from financing activities</b>		<b>(401)</b>	<b>(401)</b>
<b>Net cash inflow for the year</b>		<b>17,098</b>	<b>11,218</b>
<b>Cash and short term deposits at the beginning of the year</b>	III	<b>74,316</b>	<b>63,098</b>
<b>Cash and short term deposits at the end of the year</b>	III	<b>91,414</b>	<b>74,316</b>

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

Notes to the Consolidated Financial Statements for the Year ended 31 December 2022

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 organisations, 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. In certain countries, multiple project offices may exist.

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 Country Office
  - Nepal Country Office
  - Pakistan Country Office
  - Sri Lanka Country Office
  - Thailand Country Office
  - Vietnam Country Office

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

Notes to the Consolidated Financial Statements for the Year ended 31 December 2022

All amounts in CHF ('000) unless otherwise stated

- Eastern and Southern Africa Region
  - Eastern and Southern Africa Regional Office (Kenya)
  - Ethiopia Project Office
  - Kenya Country Office
  - Malawi Project Office
  - Mozambique Country Office
  - Rwanda Country Office
  - South Africa Country Office
  - Tanzania Country Office
  - Uganda Country Office
  - Zimbabwe Project Office
- Eastern Europe and Central Asia Regional Office (Serbia)
- Europe Regional Office (Germany)
- Centre for Mediterranean Cooperation (Spain)
- North America Regional Office
  - North America Regional Office (USA)
  - Permanent Mission to the UN Representation Office (New York)
- Oceania Regional Office
  - Oceania Regional Office (Fiji)
  - Samoa Project Office
  - Solomon Islands Project Office
  - Vanuatu Project Office
- Mexico, Central America and the Caribbean Region
  - Regional Office for Mexico, Central America and the Caribbean (Costa Rica)
  - Barbados Project Office
  - El Salvador Country Office
  - Guatemala Country Office
  - Honduras Country Office
  - Mexico Project Office
  - Saint Kitts and Nevis Project Office
- South America Regional Office (Ecuador)
- Cambridge Office (United Kingdom)
- West and Central Africa Region
  - West and Central Africa Regional Office (Senegal)
  - Burkina Faso Country Office
  - Cameroon Country Office
  - Chad Project Office
  - Ghana Project Office
  - Guinea Project Office
  - Guinea Bissau Country Office
  - Mali Country Office
  - Mauritania Country Office
  - Niger Country Office
  - Senegal Country Office
- West Asia Regional Office
  - West Asia Regional Office (Jordan)
  - Saudi Arabia Project Office

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

Notes to the Consolidated Financial Statements for the Year ended 31 December 2022

All amounts in CHF ('000) unless otherwise stated

Other entities:

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

### 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 recognised 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 recognised 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 restrictions in their use in terms of geography or thematic area.

Unrestricted Framework agreements income is recognised in the income statement once the agreement has been signed and in accordance with the amounts specified in the agreement for each calendar year. In the event that the framework income is not fully utilised in the calendar year, it is recorded as deferred income.

Restricted Framework agreements income is recorded as Projects agreements income and is recognised as expenditure is incurred and the conditions fulfilled.

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 recognised 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.

**9. Fixed assets****a) Purchased assets**

Purchased fixed assets are recorded at historic cost and 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) 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.

**d) 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

**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 2 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.

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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.

### 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.

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### 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. If the translation of balances in ledger currency exceeds the balance on the currency translation reserve the amount is recognised as part of net gains/losses on foreign exchange on the income and expenditure statement.

### 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.

### 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.

<b>REGION OR OFFICE</b>	<b>2022</b>	<b>2021</b>
Asia	3,555	5,605
Eastern and Southern Africa	3,693	2,471
Eastern Europe and Central Asia	190	156
Europe	13,537	4,179
Environmental Law Centre, Bonn	156	175
Headquarters	57,468	52,121
Mediterranean	1,098	576
Mexico, Central America and the Caribbean	2,439	2,043
Oceania	3,383	1,477
South America	493	413
United Kingdom	242	448
United States	813	1,201
Western and Central Africa	3,096	3,171
West Asia	1,251	280
<b>Balance at 31 December</b>	<b>91,414</b>	<b>74,316</b>



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### IV. FINANCIAL ASSETS

	2022	2021
Bonds	7,497	8,881
Structured Products	285	316
Equities	2,562	3,469
Microfinance	1,514	1,380
Convertibles	-	688
Other Investments	1,640	1,300
<b>Balance at 31 December</b>	<b>13,498</b>	<b>16,034</b>

At 31 December 2022, an unrealized foreign exchange loss of CHF 86 (2021 – CHF 39 loss) was recognised on the investment portfolio.

During the year, the investment portfolio recorded a capital loss of CHF 1,663 (2021 – CHF 308 gain).

At 31 December 2022, the investment portfolio included bank balances of CHF 1,459 (2021 – CHF 686). These are included under cash and short-term bank deposits.

### V. DERIVATIVE FINANCIAL INSTRUMENTS

The following forward currency contract commitments existed at 31 December 2022:

	Other currency	CHF	Maturity date
Conversion of USD to CHF	1,260	1,232	10.02.2023
Conversion of EUR to CHF	1,450	1,380	20.01.2023

The contracts for the conversions of USD and EUR to CHF are all forward currency contracts.

### VI. MEMBERSHIP DUES RECEIVABLE AND PROVISION

	2022	2021
Gross membership dues receivable	1,922	2,150
Provision for dues in arrears	(1,015)	(1,539)
<b>Net membership dues receivable at 31 December</b>	<b>907</b>	<b>611</b>

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

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2022	2020 and prior	2021	2022	Total
State member	111	171	500	782
Government agencies	33	138	183	354
Subnational Governments	0	0	21	21
Indigenous peoples	1	1	10	12
International NGOs	3	21	93	117
National NGOs	23	104	441	568
Affiliates	0	6	62	68
<b>Total membership dues receivable</b>	<b>171</b>	<b>441</b>	<b>1,310</b>	<b>1,922</b>
Provision for membership dues	(171)	(304)	(540)	(1,015)
<b>Net membership dues receivable</b>	<b>0</b>	<b>137</b>	<b>770</b>	<b>907</b>

2021	2019 and prior	2020	2021	Total
<b>Total membership dues receivable</b>	<b>794</b>	<b>545</b>	<b>811</b>	<b>2,150</b>
Provision for membership dues	(794)	(478)	(267)	(1,539)
<b>Net membership dues receivable</b>	<b>0</b>	<b>67</b>	<b>544</b>	<b>611</b>

### Movement in provision for membership dues

	2022	2021
<b>Balance at 1 January</b>	1,539	1,826
Addition to/(release from) provision	574	(287)
Write off of deficits against provision	(1,098)	-
<b>Balance at 31 December</b>	<b>1,015</b>	<b>1,539</b>

## VII. STAFF RECEIVABLES

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

	2022	2021
Travel advances	435	262
Payroll advances and staff loans	31	11
<b>Balance at 31 December</b>	<b>466</b>	<b>273</b>

## VIII. RECEIVABLES FROM/PAYABLE TO PARTNER ORGANISATIONS

This balance represents balances due or from partner organisations associated with IUCN that are outstanding as at 31 December. The balance at the end of December 2022 represents a payable to Ramsar of CHF 105 (2021 - CHF 135 receivable).

	2022	2021
<b>RAMSAR Convention Secretariat</b>	<b>(105)</b>	<b>135</b>

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### 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.

	2022	2021
Asia	3,338	1,207
Eastern and Southern Africa	5,304	1,625
Europe	46	122
Headquarters	8,236	6,920
Mediterranean	60	102
Mexico, Central America and the Caribbean	879	486
Oceania	918	849
United Kingdom	(13)	49
United States	679	128
West Asia	1,115	1,532
Western and Central Africa	6,013	4,590
<b>Balance at 31 December</b>	<b>26,575</b>	<b>17,610</b>

Headquarters manages a significant number of grant making programmes. Although the programmes are managed by Headquarters, the grants themselves are made to organisations globally. Grants are recorded as advances to implementing partners until the expenditure incurred by the grantees is reported as spent to IUCN.

### X. DONOR FUNDS RECEIVABLES

Donor funds receivables represents funds requests sent to donor. The receivable is net of provisions for amounts IUCN considers may not be settled.

	2022	2021
Donor funds receivables	9,214	9,647
Provision for doubtful receivables	(402)	(1,063)
<b>Balance at 31 December</b>	<b>8,812</b>	<b>8,584</b>

### XI. 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.

	2022	2021
Project agreement receivables	13,594	9,885
Project agreement advances	(104,149)	(82,707)
<b>Balance at 31 December</b>	<b>(90,555)</b>	<b>(72,822)</b>

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The project agreement receivables are presented net of provisions for amounts IUCN has assessed to be doubtful from donors to cover expenditures already incurred.

	2022	2021
Project agreement receivables	16,354	12,136
Provision for doubtful receivables	(2,760)	(2,251)
<b>Balance at 31 December</b>	<b>13,594</b>	<b>9,885</b>

### XII. 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 2022 there was CHF nil receivable compared to CHF 640 receivable at 31 December 2021.

### XIII. FIXED ASSETS

#### 1. Movement in fixed assets

	Building Infrastructures	Building Installations	Other Land and Buildings	Vehicles, Equipment, Furniture & Fixtures	Total
<b>Purchase value:</b>					
<b>Balance as at 31 December, 2020</b>	<b>27,178</b>	<b>13,775</b>	<b>5,461</b>	<b>10,102</b>	<b>56,516</b>
Additions	-	-	396	313	709
Disposals	-	-	0	(218)	(218)
<b>Balance as at 31 December, 2021</b>	<b>27,178</b>	<b>13,775</b>	<b>5,857</b>	<b>10,197</b>	<b>57,007</b>
Additions	-	-	112	1,020	1,132
Disposals	-	-	-	(213)	(213)
<b>Balance as at 31 December, 2022</b>	<b>27,178</b>	<b>13,775</b>	<b>5,969</b>	<b>11,004</b>	<b>57,926</b>
<b>Depreciation:</b>					
<b>Balance as at 31 December, 2020</b>	<b>(11,186)</b>	<b>(8,460)</b>	<b>(2,229)</b>	<b>(8,847)</b>	<b>(30,722)</b>
Charge for the year	(544)	(575)	(268)	(505)	(1,892)
Disposals	-	-	-	214	214
<b>Balance as at 31 December, 2021</b>	<b>(11,730)</b>	<b>(9,035)</b>	<b>(2,497)</b>	<b>(9,138)</b>	<b>(32,400)</b>
Charge for the year	(544)	(575)	(280)	(541)	(1,940)
Disposals	-	-	-	198	198
<b>Balance as at 31 December, 2022</b>	<b>(12,274)</b>	<b>(9,610)</b>	<b>(2,777)</b>	<b>(9,481)</b>	<b>(34,142)</b>
<b>Net book value:</b>					
<b>Balance as at 31 December, 2021</b>	<b>15,448</b>	<b>4,740</b>	<b>3,360</b>	<b>1,059</b>	<b>24,607</b>
<b>Balance as at 31 December, 2022</b>	<b>14,904</b>	<b>4,165</b>	<b>3,192</b>	<b>1,523</b>	<b>23,784</b>

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

#### 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.

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### 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.

#### 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.

## XIV. INTANGIBLE ASSETS

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

### Movement in Intangible assets

	2022	2021
<b>Purchase value:</b>		
Balance at 1 January	5,099	4,946
Additions	227	153
<b>Balance at 31 December</b>	<b>5,326</b>	<b>5,099</b>
<b>Amortisation:</b>		
Balance as of 1 January	(4,848)	(4,670)
Charge for the year	(113)	(178)
<b>Balance at 31 December</b>	<b>(4,961)</b>	<b>(4,848)</b>
<b>Net Book Value at 31 December</b>	<b>365</b>	<b>251</b>

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### XV. 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 15,994 as at 31 December 2022 (2021 – CHF 13,180), CHF 6,908 (2021 – CHF 6,691) is related to Headquarters and the balance to regional and country offices.

	2022	2021
Accounts payable and supplier accruals	7,505	6,215
Year-end accruals for implementing partners	8,489	6,965
<b>Balance at 31 December</b>	<b>15,994</b>	<b>13,180</b>

### XVI. PENSION FUND OBLIGATIONS

IUCN operates different pension plans in different countries, each conforming to the legal regulations in the respective country. On 31 December 2022, the liability to the pension schemes amounted to CHF nil (2021 – CHF 3).

### XVII. ADVANCES FROM HOSTED ORGANISATIONS

At 31 December 2022 IUCN held funds advanced from hosted organisations of CHF 184 (2021 – CHF 220) advanced to hosted organisations).

### XVIII. 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

	2022	2021
<b>Balance at 1 January</b>	<b>1,065</b>	<b>4,686</b>
Additions to provision	383	2,258
Utilisation of provision	(835)	(892)
Reversal of Congress provision	-	(1,673)
Movement on reclassified doubtful receivables	152	(3,314)
<b>Balance at 31 December</b>	<b>765</b>	<b>1,065</b>
<b>Region</b>	<b>2022</b>	<b>2021</b>
Asia	-	118
Eastern and Southern Africa Region	142	426
Europe	5	3
Headquarters	87	43
Mediterranean	43	45
Oceania	25	12
United States	-	26
Western and Central Africa	463	392
West Asia	-	-
<b>Balance at 31 December</b>	<b>765</b>	<b>1,065</b>

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In 2022, provisions of CHF 2,223 (2021 – CHF 3,314) were reclassified and netted off donor funds receivable CHF 251 (2021 – CHF 1,063 – Note X) and project funds receivable CHF 2,172 (2021 – CHF 2,251 – Note XI).

### 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

	2022	2021
<b>Balance at 1 January</b>	<b>1,971</b>	<b>1,690</b>
Additions to provision	1,046	1,026
Utilization of provision	(999)	(745)
<b>Balance at 31 December</b>	<b>2,018</b>	<b>1,971</b>

## XIX. DEFERRED INCOME

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

	2022	2021
Deferred unrestricted income	6,758	3,132
Donations for construction of HQ building extension		
Donations in cash	2,347	2,449
Donations in kind	169	195
Donation in cash for renovation of original building	356	372
	<b>2,872</b>	<b>3,016</b>
Headquarters original building	6,167	6,475
Interest free government loan	4,799	3,130
<b>Total</b>	<b>20,596</b>	<b>15,753</b>
<b>Current</b>		
Deferred unrestricted income	6,758	3,132
Buildings:		
Original building	308	339
Building extension	162	128
<b>Total buildings</b>	<b>471</b>	<b>467</b>
<b>Total current deferred income</b>	<b>471</b>	<b>3,599</b>
<b>Non-current</b>		
Original building	5,859	6,167
Building extension	7,508	5,987
<b>Total long term deferred income</b>	<b>13,367</b>	<b>12,154</b>
<b>Total deferred income</b>	<b>20,596</b>	<b>15,753</b>

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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).

The deferred income on the government loan represents the difference between the fair value of the loan CHF 9,974 (2021 – CHF 12,048) and the outstanding cash value of the loan CHF 14,773 (2021 – CHF 15,178) (see Note XX). 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.

### XX. NEW BUILDING LOAN

#### Headquarters building extension loan

	2022	2021
Current	175	249
Non-current	9,799	11,799
<b>Balance at 31 December</b>	<b>9,974</b>	<b>12,048</b>

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 9,974 (2021 – CHF 12,048). The outstanding cash value of the loan has been discounted at a rate of 2.25% (2021 – 1.25%) which represents the market interest rate for a 10-year loan based on current market conditions. The difference of CHF 4,799 (2021 – CHF 3,130) 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 XIX).

The impact of changing the discount rate from 1.25% to 2.25% in 2022 was a decrease in the fair value of the loan of CHF 1,822 and a corresponding increase 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 2.25% is estimated at CHF 333 (2021 – CHF 190). This has been recorded in the income and expenditure statement under Interest income to recognise the benefit of the interest free loan and under financial charges to recognise the interest that would have been paid.

### XXI. 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 1,294 loss (2021 – loss of CHF 43).

Exchange gains and losses on consolidation and translation of ledgers maintained in other currencies to CHF are taken to the currency translation adjustment reserve. In 2022, the translation of balances to reporting currency resulted in a currency loss of CHF 1,357 (2021 – loss of CHF 874). This amount has been recognised in the income and expenditure statement as part of net gains/losses on foreign exchange as at the end of 2021 the balance on the currency translation adjustment reserve was nil.

##### Retained surpluses

In accordance with Council decision C107/10 of 18-19 May 2022, CHF 800k was allocated from unrestricted reserves to fund 2022 expenditure to fund Commission events (CHF 0.4m), development of a digital member platform (CHF 0.2m) and The Red List of Threatened Species™ (CHF 0.2m).



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

Notes to the Consolidated Financial Statements for the Year ended 31 December 2022

All amounts in CHF ('000) unless otherwise stated

### 2. Designated reserves

The following allocations and appropriations were made to designated reserves:

	2022		2021	
	Allocations	Appropriations	Allocations	Appropriations
Commission operating funds	251	-	-	(322)
External review	75	-	75	-
Regional conservation fora	250	-	235	-
Renovation fund	250	-	10	-
IUCN 20 year strategic vision	-	45	-	-
Institutional strengthening	-	1,000	1,000	-
<b>Total</b>	<b>826</b>	<b>1,045</b>	<b>1,320</b>	<b>(322)</b>

In accordance with Bureau of Council decision B6/3 of 29 June 2022, CHF 781k was allocated from unrestricted reserves to fund the IUCN 20-year strategic vision.

### XXII. The Coalition for Private Investment in Conservation (CPIC)

In 2022, IUCN received CHF 9,561 (USD 9,950) from two donors for a project titled “The Coalition for Private Investment in Conservation (CPIC)”. The purpose of the project is to scale-up of private investment in conservation. The project involves the creation of an investment fund that will invest in conservation projects. IUCN sits on the investment committee and also provides technical support and advice to the investment managers. In 2022, IUCN transferred CHF 9,561 (USD 9,950) to the investment fund. The transfer has been included in the income statement under the expenditure category “Grants to partners”. The fund provides first loss financing for identified projects.

The duration of the fund is ten years. The balance of the investment fund at the end of its duration, including reflows from projects financed by the fund, will be returned to IUCN and then to the original donors.

### XXIII. RETENTION OF STAFF INCOME TAX

Swiss Government tax rebates amounted to CHF 1,671 (2021 – CHF 1,700) 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.

### XXIV. 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 1,088 (2021 – CHF 635).

### XXV. OTHER OPERATING INCOME

Other operating income of CHF 4,426 (2021 – CHF 4,790) shown under Secretariat unrestricted funds includes overhead and management fees from Ramsar Convention Secretariat of CHF 526 (2021 – CHF 513), rental income of CHF 1,005 (2021 – CHF 987), recognition of deferred income of donations for the headquarters original building and building extension CHF 467 (2021 – CHF 467), and in-kind contributions of staff other than Framework staff in-kind of CHF 569 (2021 – CHF 872). 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.

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

Notes to the Consolidated Financial Statements for the Year ended 31 December 2022

All amounts in CHF ('000) unless otherwise stated

### XXVI. 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.

### XXVII. AUDIT FEE

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

	2022	2021
Consolidated financial statement audit	216	196
Other audits	105	48

### XXVIII. 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.

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

Notes to the Consolidated Financial Statements for the Year ended 31 December 2022

All amounts in CHF ('000) unless otherwise stated

### 2. Transactions with related parties

During the course of the year IUCN made contributions of CHF 1,300 to the Commissions (2021 – 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 6,935 (2021 – CHF 5,545) and incurred payments of CHF 6,840 (2021 – CHF 4,937) on behalf of Ramsar. At year-end the balance held in trust for Ramsar amounted to CHF 6,377 (2021 – CHF 6,946). 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 526 (2021 – CHF 513) for the services provided to Ramsar, which are included in Other operating income.

During the year IUCN made contributions of CHF 200 to TRAFFIC International (2021 – CHF 276) and received fees of CHF 94 (2021 – CHF 88) for hosting TRAFFIC operations.

During the year, IUCN received funds from the International Union for Conservation of Nature and Natural Resources – US of USD 2,241 for projects (CHF 2,069) and for Patrons of Nature USD nil (CHF nil). In 2021, USD 98 (CHF 90) was received for projects and USD 333 (CHF 304) for Patrons of Nature. At the end of 2022, USD 166 (CHF 154) was recorded as a receivable from IUCN-US for Patrons of Nature. In December 2021, the Patrons of Nature receivable was USD nil (CHF nil).

Summary of legally controlled entities:

Company	Year-end closing	Currency	Capital	Share of capital	
				2022	2021
The International Union for the Conservation of Nature and Natural Resources, Registered Trustees, (WASAA Trust Fund, Nairobi)	31.12	KES	232,117	100%	100%
IUCN, Bureau de Représentation auprès de l'Union Européenne asbl	31.12	EUR	707	100%	100%
Associação IUCN	31.12	BLR	1,007	20%	20%
IUCN UK (A Company Limited by Guarantee)	31.12	GBP	86	NA	NA
IUCN Maldives	31.12	MVR	-	100%	100%
IUCN PNG "Mangrove Rehabilitation and Management Project Association	dormant				

### XXIX. 2021 WORLD CONSERVATION CONGRESS

The IUCN World Congress is IUCN's highest governing body. It comprises the duly accredited delegates of the Members of IUCN and takes place every four years.

The 2021 Congress was held in September 2021. The financial result of the Congress was recognised in the income statement in 2021 and allocated to unrestricted reserves.

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

Notes to the Consolidated Financial Statements for the Year ended 31 December 2022

All amounts in CHF ('000) unless otherwise stated

### XXX. STAFF HEADCOUNT

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

	2022	2021
Average employees during the year	967	915

### XXXI. OPERATING LEASES

At 31 December 2022, IUCN has future minimum office rental commitments amounting to CHF 3,668 (2021 – CHF 3,760) relating to expected rental fees until the end of the lease contracts, all of which expires in 1 to 5 years.

IUCN has leasing contracts for office equipment and maintenance amounting to CHF 54 (2021 – CHF 49) expiring in 1 to 5 years.

### XXXII. BANK GUARANTEES

The following are the IUCN bank guarantees in place at 31 December 2022, (2021 – CHF 88) in favour of IUCN donors:

Country	Currency	Amount	Amount in CHF
India	INR	238	3
Germany	USD	25	23
Uganda	UGX	639,216	158
Germany	EUR	30	30
Saudi Arabia	USD	249	230
			<b>444</b>

Cash for an equivalent amount is pledged at corresponding banks.

### XXXIII. SUBSEQUENT EVENTS

There were no subsequent events.

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

## ANNEX A – CORE FUNDS UNDER FRAMEWORK AGREEMENTS

All amounts in CHF ('000)

	2022 Secretariat expenditure - unrestricted	2022 Framework allocation - unrestricted	2021 Secretariat expenditure - unrestricted	2021 Framework allocation - unrestricted
West and Central Africa Region	3,316	252	3,338	666
Eastern and Southern Africa Region	6,605	259	5,644	752
Asia Region	6,043	480	6,354	948
Mexico, Central America and the Caribbean Region	4,337	275	3,796	548
South America Region	1,340	143	989	275
Eastern Europe and Central Asia Region	554	55	550	76
West Asia Region	1,239	137	1,019	298
Centre for Mediterranean Cooperation	1,486	126	1,450	184
Oceania Region	1,402	94	1,466	286
North America Region	1,043	202	824	-
IUCN Europe Regional Office	1,045	413	1,088	-
<b>Sub Total Regional Components</b>	<b>28,410</b>	<b>2,436</b>	<b>26,518</b>	<b>4,033</b>
Nature-based Solutions (NbS) Coordination Hub	-	-	448	381
<b>Sub Total Nature-based Solutions (NbS) Coordination Hub</b>	<b>-</b>	<b>-</b>	<b>448</b>	<b>381</b>
Centre for Economy and Finance - Directorate	311	214	-	-
Economics	996	212	877	427
Enterprise and investment	837	-	1,175	240
Multilateral finance and business development	681	-	480	152
Climate change	932	-	786	89
<b>Sub Total Centre for Economy and Finance</b>	<b>3,757</b>	<b>426</b>	<b>3,318</b>	<b>908</b>
Centre for Society and Governance - Directorate	317	214	-	-
Water and land	795	212	748	238
Environmental law	452	-	1,189	285
Human rights in conservation	809	-	1,011	285
Heritage, culture and youth	942	231	1,064	333
<b>Sub Total Centre for Society and Governance</b>	<b>3,315</b>	<b>657</b>	<b>4,011</b>	<b>1,141</b>
Conservation Action Centre - Directorate	321	214	-	-
Protected and conserved areas	1,634	-	2,149	285
Ocean	1,323	10	1,543	238
Forest and grassland	747	-	1,933	237
Species conservation action	840	-	1,318	147
Traffic	217	200	276	-
<b>Sub Total Conservation Action Centre</b>	<b>5,082</b>	<b>424</b>	<b>7,219</b>	<b>907</b>
Science and Data Centre - Directorate	243	364	301	356
Science	680	212	888	687
Biodiversity assessment and knowledge	1,985	200	1,701	143
Conservation management and assurance	86	-	1,051	455
Knowledge management	1,610	350	-	-
<b>Sub Total Science and Data Centre</b>	<b>4,604</b>	<b>1,126</b>	<b>3,941</b>	<b>1,641</b>
Commission on Education and Communication	248	-	214	-
Commission on Ecosystem Management	136	-	152	-
World Commission on Environmental Law	282	-	383	-
World Commission on Protected Areas	160	-	161	-
Species Survival Commission	239	-	295	-
Commission on Environment, Economics & Social Policy	181	-	291	-
<b>Sub Total Commissions</b>	<b>1,246</b>	<b>-</b>	<b>1,496</b>	<b>-</b>
Director General	2,555	-	1,909	660
International Policy Centre	991	320	874	617
Governance	717	-	484	-
IUCN Academy	368	-	4	-
IUCN 20-year strategic vision	34	-	-	-
Finance for Nature Unit	129	125	-	-
Human Resources Management Group	1,277	225	1,039	-
Global Communications	1,201	-	1,258	593
Strategic Partnerships	1,649	1,695	1,050	1,267
Programme Performance, Monitoring & Evaluation	842	900	676	594
External Review	-	75	-	75
Legal Adviser Office	701	135	623	-
Oversight Unit	153	170	232	-
Global Information Systems	3,698	400	3,835	205
Convenings	740	-	1,055	3
Membership and Commission Support	1,081	775	1,169	-
Corporates Bonn	269	-	-	-
Global Finance Group	1,934	-	1,658	-
Global Programme Operations Unit	2,100	200	1,733	592
General Services Unit	2,918	-	2,817	-
<b>Sub Total Directorate and Support Units</b>	<b>23,357</b>	<b>5,020</b>	<b>20,416</b>	<b>4,606</b>
Other operating expenditure	511	-	423	-
<b>Operating expenses as per the Income &amp; Expenditure Statement</b>	<b>70,282</b>	<b>10,089</b>	<b>67,790</b>	<b>13,617</b>
<b>Allocations to Projects</b>				
Innovation projects		3,120		
Strengthening regional performance management capacity		500		
<b>Total Allocation to Projects</b>		<b>3,620</b>		
<b>Total Allocations</b>		<b>13,709</b>		
<b>Reconciliation of Framework Income to the Financial Statements</b>		<b>2022</b>		<b>2021</b>
<b>Overall Total allocations as above</b>		<b>13,709</b>		<b>13,617</b>
Realised foreign exchange losses on cash contributions		38		30
<b>Total Funding Framework Agreements</b>		<b>13,747</b>		<b>13,617</b>

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

### ANNEX A – CORE FUNDS UNDER FRAMEWORK AGREEMENTS

All amounts in CHF ('000)

	2022	2021
<b>Framework Agreement Partners</b>	<b>TOTAL</b>	<b>TOTAL</b>
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	1,219	1,010
Ministry of Environment, Republic of Korea (MOE) – Korea	697	742
Ministry of Foreign Affairs – Finland	620	752
Ministry of Foreign Affairs of Denmark	2,430	2,807
Norwegian Agency for Development Cooperation (NORAD) – Norway	1,866	2,160
Swedish International Development Agency (Sida) – Sweden	4,039	4,219
Swiss Agency for Development and Cooperation (SDC) – Switzerland	1,876	1,500
U.S. Department of State	549	457
Ministry of Environment, Climate and Sustainable Development of the Grand Duchy of Luxembourg	451	-
<b>Total Funding Framework Agreements</b>	<b>13,747</b>	<b>13,647</b>