



## UNIÓN INTERNACIONAL PARA LA CONSERVACIÓN DE LA NATURALEZA

### 70ª Reunión de la Junta Directiva del Consejo de la UICN

Celebrada a distancia el 6 de junio de 2017

## DECISIONES

### Aprobación del orden del día

#### DECISIÓN B/70/1 DE LA JUNTA DIRECTIVA

La Junta Directiva del Consejo de la UICN,  
aprueba el orden del día de su 70ª Reunión. (Anexo 1)

### Actas resumidas de la 69ª Reunión de la Junta Directiva

#### DECISIÓN B/70/2 DE LA JUNTA DIRECTIVA

La Junta Directiva del Consejo de la UICN,  
aprueba las actas resumidas de su 69ª Reunión con modificaciones. (Anexo 2)

### Estados Financieros Auditados de la UICN para 2016

#### DECISIÓN B/70/3 DE LA JUNTA DIRECTIVA

La Junta Directiva del Consejo de la UICN,  
*por recomendación del* Comité de Finanzas y Auditoría,  
aprueba los Estados Financieros Auditados para 2016, señalando que la aprobación final corresponde al Congreso Mundial de la Naturaleza 2020 de la UICN, tal como se dispone en el artículo 20 (d) de los Estatutos. (Anexo 3)

### Reglamento Financiero de las Comisiones

#### DECISIÓN B/70/4 DE LA JUNTA DIRECTIVA

La Junta Directiva del Consejo de la UICN,  
*por recomendación del* Comité de Finanzas y Auditoría,  
aprueba el Reglamento Financiero de las Comisiones. (Anexo 4)

### Modificaciones al Manual del Consejo y el Código de Conducta para los Consejeros de la UICN

#### DECISIÓN B/70/5 DE LA JUNTA DIRECTIVA

La Junta Directiva del Consejo de la UICN,  
*por recomendación del* Comité de Ética del Consejo de la UICN,  
decide incluir las disposiciones presentadas en las recomendaciones EC/1/1 y EC/1/4 del Comité de Ética en el Manual del Consejo y el Código de Conducta para los Consejeros. (Anexo 5)



## 70<sup>th</sup> Meeting of the Bureau of the IUCN Council

Remote meeting held on 6 June 2017 from 11:00 am to 12:30 UTC/GMT

### Agenda

Agenda Items
<p><b>Item 1: President's opening remarks and approval of the agenda</b></p>
<p><b>Item 2: 2016 IUCN Audit Financial Statements and the Report of the External Auditors, taking into account the recommendations of the Finance and Audit Committee</b></p> <p>Documents:</p> <ol style="list-style-type: none"> <li>1. B/70/2/1 Report of the FAC meeting of 30 May 2017 with FAC's recommendations to the Bureau;</li> <li>2. B/70/2/2 Document FAC/62/2 with the Chief Financial Officer's review of the audited financial statements, the draft audit opinion and the Consolidated Financial Statements 2016 (as revised following the FAC meeting);</li> <li>3. B/70/2/3 PPT External auditors' report to Council and FAC.</li> </ol>
<p><b>Item 3: Approval of the Commission Financial Rules</b></p> <p>Documents: B/70/3/1 Commission Financial Rules (release 2 v 7 as revised following the FAC meeting)</p> <p>For the FAC's recommendations to Bureau, see B/70/2/1 Report of the FAC meeting of 30 May 2017.</p> <p>Note that sections 1 to 4 of the Commission Financial Rules covering the use of Commission Operating Funds and funds flowing through the Secretariat in support of Commission activities were part of the first release of these Rules approved by Council in April 2016. This second release presented for approval contains <u>new sections 5 to 8</u> covering funds flowing through other organizations in support of Commission activities raised in the name of IUCN and in-kind support provided by other organizations in support of Commission activities.</p>
<p><b>Item 4: Approval of minutes of the 69<sup>th</sup> Bureau Meeting and update on follow-up actions with timelines, incl. dates for the next meeting of the Bureau to be held in person</b></p> <p>Documents: B/70/4/1 Summary minutes of the 69<sup>th</sup> Meeting of the Bureau (15-16 May 2017) (The draft summary minutes are under review by the Bureau)</p>
<p><b>Item 5: Brief Report from the first formal meeting of Ethics Committee held on 23<sup>rd</sup> May 2017</b></p> <p>Document: B/70/5/1 - IUCN-Ethics-1-2017-Minutes with Annex 1</p>



INTERNATIONAL UNION FOR CONSERVATION OF NATURE

69<sup>th</sup> Meeting of the Bureau of the IUCN Council  
held in person on 15-16 May 2017 at the IUCN Headquarters, Gland (Switzerland)

Summary Minutes

Approved by the Bureau of the IUCN Council at its 70<sup>th</sup> Meeting on 6 June 2017

*Present:* see [Annex A](#) attached hereafter

Preliminary note:

- a. Unless stated otherwise, all decisions of the Bureau were adopted by consensus
- b. To avoid unnecessary repetition, the present summary minutes do not summarize presentations if their content is reflected in the documents or PowerPoint presentations to which reference is made in, or which are annexed to the present summary minutes

**Monday 15 May 2017 from 9:00 to 18:00**

**Agenda Item 1. President's opening remarks and approval of the agenda [Bureau document B/69/1 Rev1 dated 9 May 2017]**

Welcoming the members of the Bureau and the Director General, the IUCN President explained that, this being the first meeting of the Bureau in the current quadrennium and also the first meeting since the previous Council enhanced the level of responsibility of the Bureau, this face-to-face interaction would allow Bureau members to develop an effective working relationship. This Bureau meeting includes consideration of several strategic matters as well as the follow-up to the February Council decisions. He appreciated the Director General's prompt support to make the necessary arrangements for the meeting despite the short notice. Following the Paris Agreement and the global commitment to SDGs, it was important to seize the momentum to make IUCN more relevant than ever before. While remaining accountable to Council who ultimately takes the decisions, the Bureau must now implement its enhanced role in order to enable the Council to effectively and efficiently assume its strategic direction and oversight functions. The IUCN President assigned to Jennifer Mohamed-Katerere the task of supporting the Secretary of Council with recording the decisions and preparing the minutes of the Bureau meeting.

At the invitation of the IUCN President, the Bureau approved the agenda (Rev1 dated 9 May 2017) with the addition of a new Item 7 (all remaining agenda items to be renumbered): Letter of 11 May 2017 from the Chairs of the IUCN Commissions to the President and the Director General and the Director General's response of 13 May 2017. [The letters were distributed during the Bureau meeting]. A member of the Bureau expressed concern that the agenda did not provide sufficient time to reflect on the rapidly changing external environment and risks involved, and how IUCN was to respond to these challenges in order to remain relevant.

[Later during the Bureau meeting, a new Item 10.3 was added: Letter A. Claparols on behalf of the Ecological Society of the Philippines, 15 January 2017]

**BUREAU DECISION B/69/1**

The Bureau of the IUCN Council,  
adopts the agenda of its 69<sup>th</sup> Meeting. ([Annex 1](#))

**Agenda Item 2. Update on the follow-up to the outcomes of the 92<sup>nd</sup> Council Meeting and, as required, consideration of any recommendations for decision of the Bureau [Bureau document B/69/2/1 Follow-up to the 92<sup>nd</sup> Council Meeting – list of pending issues - status 8 May 2017]**

The Secretary to Council introduced the list of actions required as recorded in the decisions and summary minutes of the 92<sup>nd</sup> Council Meeting (incl. the reports of the standing committees to Council).

During the discussion, it was observed that the recommendations of the previous Council concerning the elaboration of detailed procedures to harmonize the Commissions' nominations process in order to give full effect to Regulation 30bis should be approved in 2018 and not left to 2019. The question was also raised as to whether the GCC was best placed to undertake this work. The Legal Adviser clarified that it was the role of the GCC (as per the TOR approved at the 92<sup>nd</sup> Council Meeting) to support the Council in relation to governance matters of the Union, including statutory and regulations reforms as required. In addition, she recommended the Bureau to follow the nomenclature of Council subsidiary bodies adopted by the Council with the enhanced practices and reforms of IUCN's governance in 2016.

The proposal was made that the Bureau facilitates the identification of all governance issues that may need update or reform during the 2017-20 term and to formulate a proposal for a process and timeline for each issue, in order for the Council and its committees to timely discuss the most appropriate way to address those issues and, where appropriate, begin the formulation of concrete proposals including, as required, amendments to the Statutes, Rules and Regulations, the Council's Code of Conduct and the Council Handbook.

The Bureau agreed to establish a small group chaired by Jennifer Mohamed-Katerere, with Antonio Benjamin (co-chair) and one or two Councillors and/or external individuals to be proposed by the President, if so required, and with the support of Sandrine Friedli Cela (IUCN Legal Adviser) and Luc De Wever (Secretary to Council), with the purpose of identifying areas for further improvement of IUCN's governance beyond the reforms approved by the 2016 Congress and the "Enhanced practices and reforms of IUCN's governance" approved by Council in April 2016. The small group shall report back to the Bureau in November 2017 with its findings, following which the Bureau will recommend to Council, for each of the reforms identified, a process with timeline leading to the formulation of concrete proposals including, where required, proposed amendments to the Statutes, Rules and/or Regulations and any other instruments that may be considered necessary.

With reference to changes in the membership of Council's standing committees that had occurred during and following the Council, the IUCN President informed the Bureau that he had consulted the Vice-Presidents and agreed with them that the membership of the Council's standing committees should be in accordance with the provisional membership as presented by the Vice-Presidents to Council prior to the first meeting of the committees of 8 February 2017 - which was largely based on the preferences expressed by Council members. With the exception of Norbert Baerlocher, appointed by Council as Councillor from the State in which IUCN has its seat, who - following a request from his authorities - will be a member of the Finance and Audit Committee. If a certain topic to be discussed by another committee appeals to a Council member who's not a member of the committee concerned or if the topic is related to his/her specific unique expertise or the business that s/he is in charge of within the Union, s/he may attend and intervene at that specific session upon the consent of the chairs of both committees concerned, but the voting rights and official membership of that Councillor will remain in their original committee. The role of the standing committees is to make recommendations to Council and so, all Council members have the opportunity to participate in the decision-making process of all proposals, whichever committee has prepared them. The Bureau consented to this procedure and process and no objection was received.<sup>1</sup>

**Agenda Item 3. Presentation on the enhanced responsibilities of the Bureau, as approved by the last Council specially to apprise the new members** [[PPT presentation B/69/3 – Responsibilities of the Bureau](#)]

The Secretary to Council made a brief presentation to recall the decisions of the 88<sup>th</sup> Council Meeting (April 2016) to enhance the role of the Bureau and delegate more to the standing committees with the view to enabling the Council to be more strategic and exercise high-level oversight.

During the discussion, the following observations were made:

- Council approval of committee reports including of draft Council decisions without discussion requires an extra effort by all Council members to provide input to the work of the committees of which they are not a member; this necessitates bringing the committee agenda and documents to the attention of all Council members in advance of the meeting and prompt sharing of all the information made available during the committee meetings;
- Opportunities to review the impact of the governance reforms of 2016 include: 1) the external evaluation of IUCN governance to be commissioned by Council every 4 years in time to be reviewed by Council at mid-term (see Council Handbook p. 5); 2) the annual report on evaluations which will include an update on the follow-up to the Management's Response to the 2015 External Evaluation of Aspects of IUCN's Governance; and 3) the small group set up by the Bureau under Agenda Item 2 (referred to above).

**Agenda Item 4. Strategic session to discuss and appraise IUCN's performance** [[PPT presentations B/69/4 a + c PPT - Framework funding; B/69/4 b PPT - Expansion of IUCN financing avenues; and B/69/4 d PPT - Information Systems Presentation](#)]

Following the Director General's (DG) introduction of Agenda Items 4 a) to c) [*Cf. the PPT presentations referred to above*], the following points were raised during the discussion:

- In response to questions about the risk assessment following reductions in framework income, the limits of GEF income because of the ceilings involved and the uncertainties around GCF funding, the DG explained that an integrated risk management framework will be rolled out in the Secretariat, developed by Sharon Fitzpatrick, the Head of Oversight, and benchmarks for monitoring income will be developed. The risk management framework should ideally also include the Commissions which manage funds. It will enable the Finance and Audit Committee and Council to fully engage in the assessment of and response to strategic risks.
- In response to a question regarding the US continued contribution to the GCF and how this might affect the contribution of others, the DG responded that while there has been a clear agreement among the GCF donors on formula based burden sharing, the DG was cautiously optimistic that the international community would live up to the commitments made, even if the US were to withdraw.
- With respect to non GEF and non GCF resources, the DG, referring among others to the EU (The Biodiversity and Protected Areas Management Programme - Biopama project) and Germany, also noted positive trends in our relations with other donors. The discussion with Norway and the EU demonstrates the need for IUCN to be considered as an

<sup>1</sup> Note from the Secretary to Council: It means in practice that, after agreement with him, Michael Hosek will be a member of the Programme and Policy Committee (PPC) instead of the Governance and Constituency Committee (GCC) as had been recorded in Council decision C/92/3 (Annex 4).

International Organization; this would pave the way for in-budget contributions, which in turn requires that IUCN continues to effectively address the weaknesses in IUCN's systems identified by the EU audit (the 2014 "pillar assessment").

- Exploring the identification of new donors beyond the traditional ones, the DG noted that the days of easy access to unrestricted funding are coming to a close and the focus is therefore on maintaining the current donors and on targeting those that might be interested. Further, considerable effort is being invested in developing relations with new philanthropists but it will take time and requires due diligence.
- Questioned about the level of involvement of IUCN Members in the implementation of the IUCN Secretariat managed project portfolio, the DG recalled that a Project Portal based mechanism of self-reporting by the senior management revealed that an average of 60% of projects involved IUCN Members. With over 1,400 members, however, the DG highlighted that it needs to be understood that most members will not be involved in IUCN project activities.
- In response to a question of activities undertaken by IUCN members, the DG recalled that, funds allowing, the Portal will be expanded such that by 2020 IUCN Members can report directly into the Portal about their contributions to Programme results.
- With respect to databases and systems, questions were asked about the extent of engagement with the full diversity of members (including small national NGOs, IPOs and Women's Organizations) and not only large well-established organizations. The DG acknowledged that these indicators were not well included in the current monitoring system and encouraged Council and Bureau to continue challenging the Secretariat as to the level of ambition regarding the systems required to provide the adequate data we need (including e.g. the type of Member organizations such as indigenous peoples' organisations, the organisations meeting gender and other criteria etc.). But she also stressed, and as demonstrated during the Council Retreat in February 2017, that the roll out of the Project Portal has been and will continue to be a massive undertaking for the Secretariat.
- With respect to on-granting, the DG emphasized that on-granting programs remain important and strategic although with modest amounts involved and that different donors have different requirements with respect to fiduciary controls. In addition, as donor governments are accountable for the resources, they generally prefer competitive bidding for on-granting as opposed to sole-sourcing. As a consequence, therefore, it is not always a given that an IUCN member will be the selected partner.
- On the question how well IUCN advocates for itself and the conservation imperative, the Bureau members and the DG stressed the important achievement of having mapped the IUCN programme against SDGs and using this as a base for broader communication action.
- Concerned to avoid having to dig further into the reserves, Bureau members considered 2017 a particularly important year and suggested that a mechanism be developed to keep the Bureau informed and engaged with support in achieving targets and in reporting to Council.

The Bureau concluded, following comprehensive discussions on the financial challenges facing IUCN and the response pathway being followed, that a liaison group comprised of members of the Bureau (to be finalized by the President after consultations) will be established with the purpose of gathering further relevant information for establishing time bound financial targets and keeping track of progress towards the achievement of these targets in order to report back to the Bureau and, if required, composing a draft formal decision for Council. The IUCN President requested Ayman Rabi to chair the group.

Following the Chief Financial Officer's (CFO) introduction of Agenda Items 4 d) [Cf. the PPT presentations referred to above], the following points were raised during the discussion:

- In response to questions, the CFO explained that it is not possible to say what the costs of Information Systems (IS) were prior to 2014 because there was no common way across the many IUCN offices of accounting for them in view of the absence of standard reporting and accounting standards prior to that time. IUCN now has a common accounting system enabling it to know and control IS related costs. System changes in the regional/country offices are implemented in a way that allows training and feedback which is resulting in a high degree of satisfaction once the staff see the actual benefits. The Secretariat now has statistics on Members' use of the Union Portal. Members' uptake should become much better. That is why the Secretariat is working towards making the Portal more user-friendly by e.g. improving the search capacity.
- In response to a question on fraud detection, the CFO noted that for fraud detection, the Secretariat relies more on the control environment than on the actual information system itself: managers must review and investigate unusual transactions. The Finance Hubs that are being created will be important in this regard as adequate segregation of duties is particularly challenging for smaller offices.
- With regard to the Project Portal, the DG explained that the donors are impressed with the progress made as they are now able to receive data by SDG and other criteria. In the period 2017-20, the Secretariat will be experimenting with a self-reporting tool for IUCN Members to input their contributions so that by IUCN should be able to report the total of the Union membership contribution towards the 2030 goals. Bureau members commended the Secretariat for the progress made with Information Systems, global connectivity and Project Portal. In response to a suggestion to make Skype for Business available to all Commission members so that global "webinars" can be held periodically, the DG explained that the license required for every user would make the cost prohibitive but in the same way as the Secretariat does, presentations are at times taped and could be made available cost permitting.
- On the question that the .5% charge on projects (approved by Council in 2014 to enhance IS services) was not viable in the Region and that the same services would be obtained cheaper in the local market, the DG and CFO stressed the

imperative of modernizing what was a deeply fragmented and unconnected organization that was highly exposed to data loss and inability to monitor and report on a growing portfolio. The CFO also noted that it is difficult to place a value on the vastly enhanced centralized Information Services that guarantee global connectivity and business continuity as these values are not easily measured (providing a more secure IS environment preventing the loss of data because of hacking etc.). Further baseline data are lacking to compare against the level of services available in the regions prior to 2014, nevertheless a key objective is to provide an increased level of Information Services on an on-going basis at a reduced transfer cost and time for the regions (55 offices) and HQ. Costs will be monitored and reported.

**Agenda Item 5. Other strategic issues** [*PPT presentations [B/69/5 a PPT - Organisational change process](#) and [B/69/5 b, c and d PPT - HR Topics](#)*]

Following the Director General's presentation of the Organisational Change Process [*Cf. the PPT presentations referred to above*], the following points were raised during the discussion:

- The DG explained that the change process of the IUCN Secretariat is necessary in order to be able to continue serve the IUCN membership. In 2015, her first year as IUCN's DG, the donors called the DG to order for serious weaknesses in IUCN's reporting. According to members of the Secretariat's Leadership Team at that time, the reductions in Framework funding had been anticipated since 2012 but apart from general budget cuts across the entire Secretariat, no other measures had been taken to address this issue. IUCN aspires to become again the recipient of choice in donor capitals.
- In response to terms such as decentralization/centralization, the DG emphasized the importance of speaking of IUCN as a platform to service our Members and donors in return for the grants and membership dues they provide to further our conservation and environmental mission. While decentralisation is IUCN's strength, IUCN cannot be effective without centralized financial, procurement and HR systems etc. because IUCN will not be successful without an accurate reporting system that satisfies donors' strict audit and accounting needs. Unfortunately, some consider this bureaucratic, however, as anyone will know managing tax payers resources requires fiduciary controls, timeliness and accuracy. The DG mentioned that she already saw indications of donors' increased respect for IUCN as a result of progress made with systems development.
- In response to a question how the functions related to social policy and indigenous peoples were going to be transitioned after the sudden announced departure of a long-serving staff member, the DG explained that IUCN must not only maintain its current expertise on social science but that IUCN must significantly expand it, ensuring that our approaches to rights, gender, equitable governance and indigenous peoples are consistent with IUCN's Resolutions and that they are systematically applied across all our conservation activities. The DG was asked what provision had been made to ensure that IUCN can continue to serve at the same level and she advised the Bureau that a P2 position had been created. She referred for more detail to her letter to the Commission Chairs [*Cf. document [B/69/7 Commission Chairs' letter and Director General's response 13 May 2017](#)*]. The DG assured the Bureau that the relationship with the Human Rights Council in Geneva and the United Nations Indigenous People's Forum in New York will be enhanced and that there are strong opportunities and cost savings for basing staff in the US.
- To the question what actually drives the change process and whether staff affected by the redundancies are valued for their contribution to IUCN, the DG reiterated that the change process is about achieving greater impact, effectiveness as well as efficiencies in IUCN's systems in order to deliver more expeditiously on the IUCN Programme, more than it is about restructuring. The number of redundancies has been and is expected to be kept small. Bureau members expressed concern about high-level redundancies in the organization without prior information to the President or Bureau and reiterated that the President and Bureau if engaged, could provide advice and help smooth transitions.
- The CFO added that he expected the mid-term budget review to show a projected year-end deficit that is lower than the CHF 2.0 m approved as part of the 2017 budget. The results will be communicated to the FAC as soon as they are available.
- Concerned to exercise sufficient governance oversight and accountable to Council and ultimately the IUCN membership for ensuring that the change process made the Union more united and effective, Bureau members requested that a mechanism be designed to keep the Bureau and Council informed on the purpose and impact of the change process, enabling them to understand the changes, respond to questions and concerns from the membership and provide input where required, recognizing that the DG remains responsible for the change process.
- The DG appreciated the opportunity for exchange at this first Bureau meeting and, in addition to the DG's monthly reports, presentations made in Council and the present Bureau meeting, would be happy to communicate more to the Bureau on key issues with the exception of staffing issues.
- The IUCN President thanked the Bureau and the DG and Secretariat for a very constructive, frank and insightful exchange of views. The importance of the change process required a thorough discussion with a view to building consensus on many fundamental issues such as the core strength / efficiency of IUCN, which justified the convening of a face-to-face meeting. The Bureau felt accountable to Council and ultimately to the IUCN Members to provide a solid base for understanding and trust among all parts of IUCN.

Following the Director General's presentation of the HR Topics [*Cf. the PPT presentations referred to above*], the following points were raised during the discussion:

- In response to the question whether the staff morale has improved since the staff survey, the DG explained that there was a sense of a heightened anxiety around December 2016 but since global town halls have been held periodically,

with the confidential (external) listening post becoming operational which since January 2017, has been followed up by the DG's monthly response to all (anonymous) questions and, together with all other documents of the change process, made available in the Union Portal, and since Mark Smith is available for any questions or inputs, the comments from staff had changed in tenor, from concern to asking constructive questions to better understand the actual changes being rolled out.

- In addition, there has been positive response to some of the changes being rolled out that seek to address areas that have been un-transparent in the past such as, for example, no consistency of promotions across the Secretariat.
- In response to the questions around the Staff Survey, the DG responded on her interpretation of some of the low and the high scores. She further noted that measures are being taken to increase visibility and effective communication, such as the minutes of the LT meetings which are being posted in the Union Portal accessible to all staff worldwide and the town halls that are becoming more important communication tools. The DG was confident that with the changes she was making, the IUCN Secretariat would become a significantly different organisation without having to resort to massive firing. She also informed the Bureau of her intent to roll out the full Staff Survey every year
- With respect to the (last) slide about the requirements for reporting to the FAC on HR issues, the Bureau members agreed to the DG preparing a collation of documents considered relevant for the FAC to exercise its oversight role in addition to the revision of the Staff Rules which have not been updated since 2003, and subsequently to request the FAC whether it wishes to receive additional information.
- The DG informed the Bureau that since the beginning of 2017, IUCN was granted an exemption from the restrictions of Swiss immigration laws which had limited IUCN's ability to recruit from countries outside the EU. This will enable to increase diversity when recruiting Gland based staff. The DG acknowledged that greater regional diversity of staff in Gland needed to be achieved.
- Several Bureau members asked the DG to engage with the Bureau in making changes to staff at a senior level given the potential impacts on staff morale and potential implications for the delivery of the Programme.

After a detailed discussion of the organizational change process, the valuable and incisive findings of the December 2016 staff survey, and other HR related matters, the Bureau decided to establish a liaison group composed of members of the Bureau (to be finalized by the President after consultations), with the purpose of serving as contact point of further exploring the current HR procedures and policies, rules and practices applied within IUCN with the objective of reporting back to the Bureau with its recommendations and, if required, composing a draft decision for Council with the objective of reporting back to the Bureau as appropriate and making recommendations to Council if necessary. The President requested Ali Kaka to chair the group.

## Tuesday 16 May 2017 from 9:00 to 15:00

**Agenda Item 6. Update on work by the Standing Committees of the Council including required intervention/decisions by the Bureau:**

### **1. Finance and Audit Committee (FAC)**

Ayman Rabi, Chair of the Finance and Audit Committee (FAC) announced that the FAC will hold a conference call on 30 May 2017 to review the 2016 financial statements and the external auditors' report. On 15 May, he had had a brief meeting with the auditors who confirmed that the audit will be ready in the following week. Swiss law required the Bureau's approval of the audit financial statements before the end of June. He was confident that also the Commission Financial Rules would be ready for review by the FAC at its forthcoming meeting. The outstanding issue about the socially responsible investment policy referred from the previous Council will be taken up by the FAC in November.

During the discussion, the following matters were raised:

- The Director General noted that, as the February Council was an inaugural meeting, and the Secretariat therefore did not know ahead of the meeting who the FAC members would be, the FAC could not receive the level of financial information it would normally receive ahead of each meeting in accordance with the Strategic Planning and Reporting Framework approved by Council and which a member of the Bureau who was also a member of the FAC 2013-16 considered very adequate. The Chair of FAC was concerned to receive financial updates as part of a regular communication flow in addition to formal reports.
- The CFO will distribute the audited financial statement to FAC and Bureau as soon as they are available.
- On the issue of the long time it required to conclude a Doodle poll to determine meeting dates, the IUCN President requested Council members to be responsive and answer such requests as quickly as possible. A Bureau member suggested that the small group set up to identify governance reforms also considers whether the rule sanctioning repeated absence from Council is still relevant.

### **2. Programme and Policy Committee (PPC)**

Jan Olov Westerberg, Chair of the PPC, informed the Bureau that he had consulted the PPC on follow-up issues from the 92<sup>nd</sup> Council meeting, in particular the ToR of the task forces:

- The Climate Change TF: draft ToR had been received from the core group established by the PPC in February 2017 and chaired by Angela Andrade, with Kristen Walker, Ana Tiraa and Carlos Durigan as members, with support from Sandeep Sengupta on behalf of the Secretariat;
- The Urban TF: draft ToR were being prepared by Jonathan Hughes;

iii. The Private Sector TF: draft ToR were being prepared by Jonathan Hughes with the support of John Robinson. A discussion was being held on the need for thematic Council Focal Persons. The Chair of PPC's personal view was that Regulation 45bis should be amended in order to make it more generic and allow Council to formalize the appointments it considers necessary, such as the one about Gender identified in February, for which Jesca Osuna was nominated. The Chair of PPC was going to discuss with his colleagues of the FAC and GCC how to resolve overlap between Council committees (e.g. obsolete Congress Resolutions and indigenous peoples' organisations). Also the possible overlap between TF and Secretariat needed to be addressed. He was going to meet with Cyrie Sendashonga to discuss the calendar for the preparation of the IUCN Programme 2021-24 as well as the PPC's role in the Commission planning and reporting process (as per the Strategic Planning and Reporting Framework approved by Council in 2016). He intended to convene a remote meeting of the PPC in June. As time for education of new Council members was short last February, the Chair of PPC proposed that the committees be given 2 days to meet in advance of the 93<sup>rd</sup> Council meeting.

During the discussion, the following points were raised:

- The Chair of PPC agreed to transmit to PPC Antonio Benjamin's proposal to include in the ToR of the Climate Change TF that each Commission be invited to appoint one Commission member to the TF.
- The ToR of the task forces will also provide for the membership of Secretariat staff. The IUCN President added that, contrary to Council and Council committees which are in charge of Union wide oversight and strategic direction and can therefore only have elected members, the task forces worked on specific time-bound issues and so provided more flexibility, with Councillors, Secretariat staff members and Commission members participating on an equal footing.
- The IUCN President suggested to the Chairs of the committees that it is not necessary to restrict the search for task force chairs to the committee itself, but to reach out for the most experienced, willing and capable person from within the wider Council.
- Task forces are a very good mechanism to actively engage a broader range of people to further Council's agenda, leaving the decision-making to Council.

### 3. Governance and Constituency Committee (GCC)

Jennifer Mohamed-Katerere, Chair of GCC, referred to the report for the background information on the draft decisions presented to the Bureau for approval. [\[B/69/6.3/1 – GCC Recommendations to the Bureau on membership admissions and changes of category\]](#)

#### Consideration of 14 membership applications submitted by 31 December 2016

During the discussion, the following issues were raised:

- The objections to the application from the David Suzuki Foundation is related to the question whether the applicant opposes to IUCN's Sustainable Use Policy and the SSC Guidelines on trophy hunting (in relation to trophy hunting of grizzly bears).
- As has been the case for the application of the International Fund for Animal Welfare (IFAW) discussed during the February 2017 Council, an extra effort is required to increase Councillors' understanding of the policies and guidelines before a decision on substance can be taken. A Council discussion has therefore been opened in the Union Portal on IFAW's application. This issue touches upon the very DNA of IUCN as we witnessed during the discussion about Motion 007 in Hawaii and during the online discussion and forthcoming vote of the IUCN membership on the question of reversing Council's admission of BFF. The GCC's role was to lead and prepare a good discussion in Council.
- The Chair of GCC advised that the Chair of the SSC/CEESP Specialist Group on Sustainable Use and Livelihoods be invited to assist the GCC and possibly also Council, by electronic communication or in person.
- The suggestion was made to improve the sophistication of IUCN's guidelines and our assessments, and to broaden the discussion about hunting as a sustainable use tool beyond SSC in order to include wider considerations and input such as WCEL which has been considering ethical aspects.
- The GCC had decided to look into ways to strengthen the due diligence as part of the admission process.

#### **BUREAU DECISION C/69/2**

The Bureau of the IUCN Council,

*on the recommendation of the Governance and Constituency Committee (GCC),*

1. approves the admission of 12 organizations and/or institutions applying for IUCN membership in accordance with Regulation 18 (**Annex 2**<sup>2</sup>);
2. notes the GCC's deferral of its consideration of the membership applications from:
  - a. Asociación para la Protección de los Recursos Naturales Renovables (Guatemala) until further information will have been received enabling the GCC to verify that the conditions for admission are fulfilled; and
  - b. David Suzuki Foundation (Canada), which received objections from IUCN Members, until the 93<sup>rd</sup> meeting of IUCN Council (November 2017).

Consideration of the membership applications from Tajjin (AITA Foundation), China and Window to Environment Association, Lebanon, deferred by the 92<sup>nd</sup> Council in February 2017

During the discussion, the following issues were raised:

<sup>2</sup> Annex 2 also includes 10. Window to Environment Association, Lebanon which is the object of Bureau decision B/69/3.



- The key question for Council to resolve in this and potential other future cases involving the topic of hunting is whether a Member or an applicant is automatically disqualified if they do not endorse all or part of IUCN's policy. The answer to this question may empower a small group within IUCN to block admissions thereby reducing the diversity of IUCN's membership.
- The Chair of GCC requested approval of the draft decision while noting in the summary minutes that the GCC is preparing a Council discussion on these issues in order to enable Council to take a decision in November 2017.

#### **BUREAU DECISION C/69/3**

The Bureau of the IUCN Council,

*on the recommendation of the Governance and Constituency Committee (GCC),*

1. approves the admission of Window to Environment Association<sup>3</sup>, Lebanon, in accordance with Regulation 18;
2. notes the GCC's deferral of its consideration of the objections to the membership application of Tajjin (AITA Foundation), China, until the 93<sup>rd</sup> Council meeting in November 2017 in order to consider further information requested on the IUCN Sustainable Use Policy.

#### Change of membership category of two current IUCN Members

#### **BUREAU DECISION C/69/4**

The Bureau of the IUCN Council,

*on the recommendation of the Governance and Constituency Committee (GCC),*

approves the request from two current IUCN Members, Turtle Conservancy, USA and the Arab Network for Environment and Development, Egypt, to change their membership category from National Non-governmental Organisation (NGO) to International Non-governmental Organisation (INGO).

#### Name change of one current IUCN Member

#### **BUREAU DECISION C/69/5**

The Bureau of the IUCN Council,

*on the recommendation of the Governance and Constituency Committee (GCC),*

takes note of the change of name of one current IUCN Member from "Kaz Dagı ve Madra Dagı Belediyeler Birliđi" (Union of Municipalities for Kaz and Madra Mountains) to "Ege ve Marmara Cevre Belediyeler Birliđi" (Union of Municipalities for Aegean and Marmara Environment), Turkey.

The Chair of GCC informed the Bureau of work in progress in GCC:

- WCC-2016-Res-003 about including regional authorities in IUCN: a pre-working group established by GCC in February 2017 under the lead of the Deputy Chair of GCC is preparing decisions for GCC and Council to take in November on the WG ToR and membership.
- Performance Tools of the Council Handbook: a small group of GCC members assisted by the Secretariat has developed proposals now under consideration by the GCC, for consideration by the Bureau at its next meeting.
- The Union Development Group is preparing a detailed membership survey to provide the basis for preparing the new membership strategy.
- The Chair of GCC was consulting with other Committee Chairs regarding the allocation of Resolutions pertaining to constituency matters that needed to be declared obsolete in response to WCC-2016-Res-001.

**Agenda Item 7. Letter of 11 May 2017 from the Chairs of the IUCN Commissions to the President and the Director General and the Director General's response of 13 May 2017 ([B/69/7 Commission Chairs' letter and Director General's response 13 May 2017](#))**

Antonio Benjamin, Chair of the World Commission on Environmental Law (WCEL) and representative of the Commission Chairs in the Bureau, introduced the letter from the Commission Chairs and the Director General summarized her response to the Chairs.

During the discussion, the following points were raised:

- As also highlighted in her response to the Chairs, the Director General appreciates the Chairs' reaching out to her. However, looking ahead, she suggested that when and if issues crop up, they simply reach out to her more quickly so that these can be resolved along the way. To this end, she has contacted all Chairs to set up regular monthly phone calls.
- Explaining why Commission Financial Rules were required regarding cash income and expenditure received / incurred by other entities on behalf of IUCN Commissions and in-kind support received from other entities, the Director General referred to the Statutes and the Regulations, which state that the Chairs "shall ensure that there is proper authorization of expenditure for Commission activities and operations and that there is proper accounting of all Commission funds" (Regulation 82) and that "the Council shall adopt financial rules for the Commissions to facilitate their capacity to raise funds and manage these with autonomy." (Regulation 83) The DG further referred to the European Union's 2014 audit ("pillar assessment") which was part of the standard procedure on IUCN's way to achieving International Organization

<sup>3</sup> See Annex 2 for more information about this organization.

status with the EU which, if granted, would enable massive EU budget support for IUCN. To get there, all risks identified by the audit must be addressed, including effective Commission operating rules which fall outside the Director General's remit. It is on this background that she requested the Bureau's approval of rules that have been under development since the end of 2014.

- Both Antonio Benjamin and the Director General expressed confidence that the issues raised in the Chairs' letter could be resolved and committed to working out the issues as per the letter exchange.
- Also confident that solutions could be found for the outstanding issues with regard to the Commission Financial Rules prior to the FAC meeting of 30 May 2017, the Chair of the FAC offered to contribute. It was agreed to convene a remote meeting of the Chairs with the Chief Financial Officer (CFO) with the participation of the Chair of the FAC. The CFO will provide a detailed response to the Chairs' comments prior to the meeting.
- On the issue of the turn-around for Secretariat approval of contracts, the Director General and the Legal Adviser clarified that the normal turn-around for a standard contract is 2-3 weeks. In addition, the Legal Adviser explained that other factors have to be taken into consideration, in particular when contracts entail unclear or controversial clauses or other complexities, where more time is required for internal clarifications as well as for negotiations with the other party until final clearance by the Office of the Legal Adviser and the different units involved (programme, finance and/or HR) and signature. In such cases, everyone involved should be informed of the estimated time required for approval.
- The Bureau agreed that in regard to the contract sign off process the secretariat must set a time threshold to finalize the sign off with partners, as long pending contracts may adversely affect the ability of IUCN to raise funds.

The Bureau noted with appreciation the recent correspondence between the Commission Chairs and the DG over a range of important endemic issues and encouraged the need to have timely communication channels established with the Bureau especially on financial and HR issues including the removal/departure of any senior leadership staff. In this regard, the liaison groups referred to under Agenda items 4 and 5 (above) were asked to work with the Secretariat and, if required, to provide recommendations for the Bureau to consider.

#### **Agenda Item 8. Follow-up to Council's discussion on its Strategic objectives and priorities for 2017-20, if required further after discussion on items 4 and 5 above**

The IUCN President recalled the discussion during the 92<sup>nd</sup> Council Meeting which was a very productive first step in the process leading to the definition of strategic priorities and measurable objectives for the Council for the next 4 years. [*cf. the Summary Minutes of the 92nd Council Meeting, pp. 11-12*]

During the discussion, the following points were made:

- While the 1<sup>st</sup> and 3<sup>rd</sup> strategic priority areas identified during the 92<sup>nd</sup> Council Meeting (income stability and implementation of the One Programme Approach) had already been the focus of the Director General and the Bureau, the 2<sup>nd</sup> priority area, the need for a stronger value proposition required more attention. Peter Cochrane volunteered to prepare a conversation starter on the value proposition;
- Pointing at the close link between the strategic risk analysis and strategic priorities, the suggestion was made that each Council meeting should have a strategic session, not only to discuss the strategic risks but also to define IUCN's forward looking response to each risk, align Council's priorities and objectives accordingly and take stock of progress at each Council meeting;
- Reference was made to the Hawai'i commitments on which IUCN needed to define its course of action;

While concluding that the formulation of Council's strategic priorities required more reflection, the IUCN President emphasized the importance of a strong value proposition in order to speak with one voice, and encouraged the standing committees of the Council to think more strategically and not only mitigate risk but also capture opportunity.

#### **Agenda Item 9. Future Agenda and priorities for the Bureau in the period until the next Council meeting**

The IUCN President reminded the Bureau that it will need to convene a remote meeting following the FAC's meeting on the 30 May 2017 to consider the recommendations of the FAC regarding the IUCN 2016 Audit Financial Statements and the Report of the External Auditors, as well as the Commission Financial Rules. He requested the Secretary to Council to issue a Doodle poll to determine a date between 6 and 9 June.

There was general agreement in the Bureau to convene another face-to-face meeting of the Bureau within 3 months, to use the existing momentum to further build its cohesion, strengthen its role and support of the Director General to ensure a smooth transition process. The Director General agreed to the proposal and assured the Bureau that the Secretariat would find ways to cover the cost of the meeting. Another proposal by the Chair of the PPC that a two-day meeting of the standing committees be convened as part of the 93<sup>rd</sup> Council meeting in November 2017, as opposed to a one day meeting, was deferred until 2018 so that adequate budgetary allocations could be made.

In response to a query from a Bureau member about the formal signing of the Code of Conduct the meeting was informed that this had already been done as part of the formalities of the nomination of Councillors prior to the elections held at the 2016 WCC. However, the matter could be further clarified by the Ethics Committee.

The suggestion was made for Bureau to facilitate the development of the value proposition, with the assistance of the Secretariat and the CEC.

## Agenda Item 10. Any other item with the permission of the Chair

### 10.1 Calendar of Council meetings 2017-20 [[Bureau document B/69/9.1/1 Calendar for IUCN Council meetings 2017-20](#)]

The Secretary to Council introduced the Bureau document explaining the linkages between the proposed calendar of Council meetings in 2018, 2019 and 2020, the timing on Council's agenda of strategic, oversight and fiduciary functions and the proposed timing of key process preparing the 2020 Congress.

During the discussion, the following observations were made:

- It would be useful to complete the calendar with detailed milestones for the work of Council committees, the reform of Statutes, Rules and Regulations, the development of the IUCN Programme 2021-24, the Bureau meetings (albeit on a tentative basis) etc.;
- While welcoming an early launch of the motions process, and noting that for very specific reasons only the European Regional Conservation Forum happened very late in 2015, the scheduling of some Regional Conservation Forums in early 2020 (also a Congress year) might be a budgetary restraint for some IUCN Members;
- The Programme and Policy Committee needs to consider an adequate process for the development of the next IUCN Programme, preparing in time for Council's strategic session (95<sup>th</sup> Council Meeting) while taking into account the need to have relevant results on the implementation of the IUCN Programme 2017-20 which has just begun, and the need to involve the IUCN membership more effectively, which is to happen in a dynamic way instead of a one-time occasion to comment during a RCF.
- The timeline needs to be communicated to the IUCN membership.

The IUCN President supported the planning but warned that we need to ensure a relevant motions process, Programme and value proposition that raises IUCN's profile, attracts high level participants at the 2020 Congress, helps move forward IUCN's finances and strengthens cooperation with the private sector.

#### **BUREAU DECISION C/69/6**

The Bureau of the IUCN Council, approves the time slots for the ordinary meetings of the Council in 2018-20 as presented in Bureau document B/69/9.1/1 "Calendar for IUCN Council meetings 2017-20" within which the precise dates will be determined, subject to adaptation as required to take into account important events that may be scheduled in the meantime.

### 10.2 Announcement about the Council's Ethics Committee

The IUCN President informed the Bureau of his meeting with the Vice-Presidents to constitute the Ethics Committee of Council with the following division of responsibilities relating to Ethics Issues within the said committee:

1. VP John Robinson (North and South America / All Commissions of IUCN)
2. VP Ali Kaka (Africa and Western Asia / the Regions)
3. VP Ana Tiraa (Pacific / In charge of reporting)
4. VP Malik Amin Aslam, Chair (Asia / IUCN Secretariat).

The Bureau acknowledged this decision and no objection was made.

### 10.3 Letter from The Ecological Society of the Philippines dated 15 January 2017

The IUCN President requested the inclusion of this item in the Bureau agenda. The Secretary to Council summarized A. Claparols's letter and the draft response prepared in cooperation with the Legal Adviser and reviewed by the President and Vice-Presidents. The Bureau requested that a more focused draft response be circulated to the members of the Bureau for further consideration.

#### **Closure**

In his closing statement, the President thanked the Bureau members and the Director General for a successful meeting which demonstrated the close cooperation between the President, the Bureau and the Director General based on a shared and deep belief in IUCN, its values and mission, as well as mutual trust, open and honest discussion and constructive communication.

The Director General thanked the President and the Bureau for the very constructive meeting, the mutual trust as we all work for the better of IUCN, and the Bureau's support. The Director General was pleased to announce that the agreement with WWF International was a fact and the office move scheduled for October 2017.



**List of attendees at the  
69<sup>th</sup> Meeting of the Bureau of the IUCN Council, 15-16 May 2017**

**PRESIDENT**

- Mr ZHANG Xinsheng, China

**VICE-PRESIDENTS**

- Mr Malik Amin Aslam Khan, Pakistan
- Mr Ali Kaka, Kenya

**TREASURER**

- Mr Patrick de Heney, Switzerland/United Kingdom (present for Agenda Items 6 and 7)

**COMMISSION CHAIR**

- Mr Antonio Herman Benjamin, Chair of the World Commission on Environmental Law (WCEL) (participated remotely for Agenda Items 1 to 7)

**REGIONAL COUNCILLORS**

- Mr Peter Michael Cochrane, Australia
- Mr Rustam Sagitov, Russian Federation

**CHAIRS OF THE STANDING COMMITTEES OF THE IUCN COUNCIL**

Programme and Policy Committee (PPC):

- Mr Jan Olov Westerberg, Sweden (present for Agenda Items 4 (d) to 10)

Finance and Audit Committee (FAC):

- Mr Ayman Rabi, Palestine

Governance and Constituency Committee (GCC):

- Ms Jennifer Mohamed-Katerere, South Africa

**DIRECTOR GENERAL**

Ms Inger Andersen

**OTHERS**

Ms Sandrine Friedli Cela, IUCN Legal Adviser

Mr Mike Davis, Chief Financial Officer (present for Agenda Items 1 to 7)

Mr Nick Bertrand, Chief of Staff, Director General's Office

Mr Enrique Lahmann, Global Director Union Development Group (present for Agenda Item 6.3)

Ms Louise Imbsen, Governance Assistant

Mr Luc De Wever, Senior Governance Manager, Secretary to Council

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

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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(Approved by the Bureau of the IUCN Council on 6 June 2017)

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

## CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2016

Report Currency: CHF ('000)

	Notes	31.12.2016	31.12.2015
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and short term bank deposits	III	37,777	33,859
Financial assets	IV	14,005	14,492
Membership dues receivables (net)	VI	1,592	2,022
Staff receivables	VII	649	519
Receivables from partner organisations	VIII	277	773
Advances to implementing partners	IX	7,722	7,900
Prepayments		756	1,736
Donor funds receivable		2,793	2,649
Project agreements receivables	X	16,300	12,258
Framework agreements receivables	XI	-	623
Other account receivables		966	821
<b>Total Current assets</b>		<b>82,837</b>	<b>77,652</b>
<b>Non-current assets</b>			
Fixed assets (net)	XII	31,864	33,234
Intangible assets (net)	XIII	975	1,565
<b>Total Non-current assets</b>		<b>32,839</b>	<b>34,799</b>
<b>TOTAL ASSETS</b>		<b>115,676</b>	<b>112,451</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Current liabilities</b>			
Membership dues paid in advance		1,977	2,011
Accounts payable and accrued liabilities	XIV	7,593	6,431
Social charges payable		608	331
Project agreements advances	X	50,179	47,976
Deferred income framework agreements	XVIII	103	-
Deferred income buildings	XVIII	511	645
New building loan	XIX	171	167
Hosted organisation advances	XVI	589	729
Miscellaneous current liabilities		225	82
<b>Total Current liabilities</b>		<b>61,956</b>	<b>58,372</b>
<b>Provisions</b>			
Projects in deficit	XVII	1,495	1,064
Staff leave and repatriation		2,042	1,331
Staff termination	XVII	1,450	1,495
Other provisions		39	207
<b>Total Provisions</b>		<b>5,026</b>	<b>4,097</b>
<b>Non-current liabilities</b>			
Deferred income buildings	XVIII	17,085	17,708
New building loan	XIX	11,298	11,469
<b>Total Non-current liabilities</b>		<b>28,383</b>	<b>29,177</b>
<b>Funds and Unrestricted Reserves</b>			
Designated reserves	XX	849	6,770
Unrestricted reserves	XX	19,462	14,035
<b>Total Funds and Unrestricted Reserves</b>		<b>20,311</b>	<b>20,805</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<b>115,676</b>	<b>112,451</b>

See notes to the consolidated financial statements as indicated

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

## CONSOLIDATED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

Report Currency: CHF ('000)

	Notes	2016			2015		
		Secretariat Unrestricted	Project Agreements	Total	Secretariat Unrestricted	Project Agreements	Total
<b>EXTERNAL OPERATING INCOME</b>							
Membership dues		12,932	-	12,932	12,495	-	12,495
Retention of staff income tax	XXI	1,319	-	1,319	1,375	-	1,375
Agreements income		90	94,453	94,543	450	95,343	95,793
Framework income	XXII	13,877	-	13,877	15,958	-	15,958
Other operating income	XXIII	3,514	3,670	7,184	3,772	761	4,533
<b>TOTAL EXTERNAL OPERATING INCOME</b>		<b>31,732</b>	<b>98,123</b>	<b>129,855</b>	<b>34,050</b>	<b>96,104</b>	<b>130,154</b>
<b>INTERNAL ALLOCATIONS</b>							
Cross charges from projects		36,722	(36,722)	-	34,110	(34,107)	3
Other internal allocations		250	(250)	-	314	(317)	(3)
<b>TOTAL INTERNAL ALLOCATIONS</b>		<b>36,972</b>	<b>(36,972)</b>	<b>-</b>	<b>34,424</b>	<b>(34,424)</b>	<b>-</b>
<b>OPERATING EXPENDITURE</b>							
Staff costs		53,003	6,771	59,774	51,562	4,994	56,556
Consultants		1,802	18,272	20,074	1,747	18,540	20,287
Grants to partners		627	5,595	6,222	812	4,161	4,973
Travel		3,017	15,226	18,243	3,522	14,904	18,426
Workshops and conferences		523	2,675	3,198	606	1,482	2,088
Publications and printing costs		296	2,660	2,956	427	1,968	2,395
Office and general administrative costs		3,995	3,159	7,154	3,730	3,142	6,872
Vehicles & equipment - costs & maintenance		927	4,722	5,649	1,041	3,083	4,124
Professional fees or costs		661	632	1,293	496	552	1,048
Depreciation and amortization		3,206	5	3,211	2,938	8	2,945
<b>TOTAL OPERATING EXPENDITURE</b>		<b>68,057</b>	<b>59,717</b>	<b>127,774</b>	<b>66,880</b>	<b>52,834</b>	<b>119,714</b>
<b>NET OPERATING SURPLUS/(DEFICIT)</b>		<b>647</b>	<b>1,434</b>	<b>2,081</b>	<b>1,594</b>	<b>8,846</b>	<b>10,441</b>
<b>OTHER INCOME/(EXPENDITURE)</b>							
Interest income	XIX	553	30	583	625	10	635
Financial charges	XIX	(557)	(245)	(802)	(596)	(180)	(776)
Capital gains/(losses)	IV	86	-	86	(278)	-	(278)
Net gains/(losses) on foreign exchange		(396)	(89)	(485)	(211)	(40)	(251)
Exchange differences on revaluation of project balances	XXIV	-	324	324	-	(876)	(876)
Net movements in provision and write-offs		(2,163)	189	(1,974)	(1,108)	325	(783)
2016 Congress project surplus	XXVI	1,643	(1,643)	-	-	-	-
<b>TOTAL OTHER INCOME/(EXPENDITURE)</b>		<b>(834)</b>	<b>(1,434)</b>	<b>(2,268)</b>	<b>(1,568)</b>	<b>(761)</b>	<b>(2,329)</b>
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>(187)</b>	<b>-</b>	<b>(187)</b>	<b>26</b>	<b>8,085</b>	<b>8,111</b>

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

## CONSOLIDATED FUNDS AND RESERVE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

Report Currency: CHF ('000)

	Designated Reserves					Unrestricted Reserves			Total	
	Reserve for Statutory Meetings	Other Designated Reserves	Programme Reserves	Renovation Fund	Total Designated Reserves	Currency Translation Reserve	IUCN Fund	Retained Surpluses		Total Unrestricted Reserves
<b>Balance as at 1 January 2015</b>	<b>946</b>	<b>458</b>	<b>5,301</b>	<b>768</b>	<b>7,473</b>	<b>1,195</b>	<b>8,621</b>	<b>3,049</b>	<b>12,865</b>	<b>20,337</b>
Net surplus/(deficit) for the year	-	-	-	-	-	-	-	26	26	26
Foreign exchange gain/(loss)	-	-	-	-	-	441	-	-	441	441
Allocation to renovation fund	-	-	-	57	57	-	-	(57)	(57)	-
Allocation to other designated reserves for WCEL	-	138	-	-	138	-	-	(138)	(138)	-
Release from other designated reserves for External review	-	(55)	-	-	(55)	-	-	55	55	-
Release from reserve for statutory meetings for Congress	(367)	-	-	-	(367)	-	-	367	367	-
Release from Reserve for statutory meetings for Regional Conservation Forums	(476)	-	-	-	(476)	-	-	476	476	-
<b>Balance as at 31 December 2015</b>	<b>103</b>	<b>541</b>	<b>5,301</b>	<b>825</b>	<b>6,770</b>	<b>1,636</b>	<b>8,621</b>	<b>3,778</b>	<b>14,035</b>	<b>20,805</b>
<b>Balance as at 1 January 2016</b>	<b>103</b>	<b>541</b>	<b>5,301</b>	<b>825</b>	<b>6,770</b>	<b>1,636</b>	<b>8,621</b>	<b>3,778</b>	<b>14,035</b>	<b>20,805</b>
Net surplus/(deficit) for the year	-	-	-	-	-	-	-	(187)	(187)	(187)
Foreign exchange gain/(loss)	-	-	-	-	-	(307)	-	-	(307)	(307)
Allocation to renovation fund	-	-	-	24	24	-	-	(24)	(24)	-
Release from other designated reserves	-	(541)	-	-	(541)	-	-	541	541	-
Release from reserve for statutory meetings	(103)	-	-	-	(103)	-	-	103	103	-
Release from Programme reserves	-	-	(5,301)	-	(5,301)	-	-	5,301	5,301	-
<b>Balance as at 31 December 2016</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>849</b>	<b>849</b>	<b>1,329</b>	<b>8,621</b>	<b>9,512</b>	<b>19,462</b>	<b>20,311</b>



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

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

Report Currency: CHF ('000)

	Notes	2016	2015
<b>Cash flow from operations</b>			
<b>Surplus/Deficit from operations</b>		(187)	26
Effect of exchange rate	XXIV	(307)	441
<b>Net balance from operations</b>		<b>(494)</b>	<b>1,170</b>
Depreciation of fixed assets	XII	2,602	2,318
Amortisation and write-down of intangible assets	XIII	671	768
Increase / (decrease) in provisions for projects in deficit	XVII	431	137
Increase / (decrease) in the provision for staff termination	XVII	(45)	(343)
Increase / (decrease) in staff leave and repatriation liabilities		711	(160)
Increase / (decrease) in other provisions		(168)	99
(Increase) / decrease in membership dues receivables (net)	VI	430	634
(Increase) / decrease in staff receivables	VII	(130)	(197)
(Increase) / decrease in receivables from partner organisations	VIII	496	(259)
(Increase) / decrease in advances to implementing partners	IX	178	(1,685)
(Increase) / decrease in project agreement receivables	X	(4,042)	(1,314)
(Increase) / decrease in framework agreements receivable	XI	623	(623)
(Increase) / decrease in other accounts receivable		(145)	321
(Increase) / decrease in prepayments		980	-
(Increase) / decrease in donor funds receivable		(144)	29
Increase / (decrease) in membership dues paid in advance		(34)	560
Increase / (decrease) in accounts payable and accrued liabilities	XIV	1,162	1,449
Increase / (decrease) in social charges payable		277	(232)
Increase / (decrease) in project agreement advances	X	2,203	9,399
Increase / (decrease) in miscellaneous current liabilities		143	(81)
Increase / (decrease) in hosted organisations advances	XVI	(140)	(159)
(Gain)/loss on disposal of fixed assets	XII	43	70
<b>Total cash flow from operations</b>		<b>5,608</b>	<b>11,198</b>
<b>Cash flow from investing activities</b>			
Purchase of fixed assets	XII	(1,275)	(2,588)
Net movement in financial assets	IV	487	(1,360)
Purchase of intangible assets	XIII	(81)	-
<b>Total cash flow from investing activities</b>		<b>(869)</b>	<b>(3,948)</b>
<b>Cash flow from financing activities</b>			
Increase / (decrease) in loan	XIX	(167)	1,826
Increase / (decrease) in current deferred income	XVIII	(31)	(125)
Increase / (decrease) in long-term deferred income	XVIII	(623)	(2,915)
<b>Total cash flow from financing activities</b>		<b>(821)</b>	<b>(1,214)</b>
<b>Net cash inflow for the year</b>		<b>3,918</b>	<b>6,036</b>
<b>Cash and short term deposits at the beginning of the year</b>	III	<b>33,859</b>	<b>27,823</b>
<b>Cash and short term deposits at the end of the year</b>	III	<b>37,777</b>	<b>33,859</b>

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

Notes to the financial Statements for the Year ended 31 December 2016  
All amount in CHF ('000) unless otherwise stated

## I. ACTIVITY

IUCN, International Union for Conservation of Nature and Natural Resources was constituted by statutes adopted in 1948 at a conference convened by the Republic of France, with membership comprised of states, governmental agencies, and international and national non-governmental organizations. IUCN has been registered in Gland, Switzerland as an association under article 60 of the Swiss Civil Code. 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 financial assets and loans that are measured at revalued amounts or at fair values. The financial statements are prepared for the first time in accordance with the provisions of the Swiss Code of Obligations changes introduced on 1 January 2013. The law requires adoption for consolidated financial statements on 1 January 2016 at the latest. The financial figures of previous year in the balance sheet and income statement have been prepared according to the new structure. There were no changes in valuation, however reclassifications were made in the comparative balance sheet to be consistent with the current year's presentation and in compliance with the new Swiss accounting law (Note II 14).

### 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.

Branches:

- Asia Regional Office
  - Asia Regional Office (Thailand)
  - Bangladesh Country Office
  - Cambodia Country Office
  - China Country Office
  - India Country Office
  - Indonesia Project Office
  - Lao PDR Country Office
  - Maldives Project Office
  - Myanmar Project Office
  - Nepal Country Office
  - Pakistan Country Office
  - Sri Lanka Country Office
  - Thailand Country Office
  - Vietnam Country Office
- Eastern and Southern Africa Regional Office
  - Eastern and Southern Africa Regional Office (Kenya)
  - Djibouti Project Office
  - Mozambique Country Office
  - Rwanda Project Office
  - South Africa Country Office
  - Tanzania Country Office
  - Uganda Country Office
  - Zimbabwe Country Office

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

Notes to the financial Statements for the Year ended 31 December 2016

All amount in CHF ('000) unless otherwise stated

- Eastern Europe and Central Asia Regional Office (Serbia)
- Environmental Law Centre (Germany)
- Mediterranean Office (Spain)
- Oceania Regional Office (Fiji)
- Mexico, Central America and the Caribbean Regional Office
  - Mexico, Central America and the Caribbean Regional Office (Costa Rica)
  - El Salvador Project Office
  - Guatemala Project Office
  - Honduras Project Office
  - Mexico Project Office
- South America Regional Office
  - South America Regional Office (Ecuador)
  - Brazil Country Office
- UK Species Programme (United Kingdom)
- Western and Central Africa Regional Office
  - Western and Central Africa Regional Office (Burkina Faso)
  - Burkina Faso Country Office
  - Cameroon Country Office
  - Democratic Republic of Congo Country Office
  - Ghana Project Office
  - Guinea Project Office
  - Guinea Bissau Country Office
  - Mali Country Office
  - Mauritania Country Office
  - Niger Project Office
- West Asia Regional Office (Jordan)
- Washington, DC Office

## Other entities:

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

## 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).

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

Notes to the financial Statements for the Year ended 31 December 2016  
All amount in CHF ('000) unless otherwise stated

## 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 ledger in which they reside. Project balances in currencies other than CHF are translated to CHF at the year-end exchange rate. The resulting net unrealised gain or loss is recognized 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 recognized 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 general restrictions in their use in terms of geography or thematic area.

Framework agreements income is recognized in the income statement as unrestricted income once the agreement has been signed and in accordance with the amounts specified in the agreement for each calendar year. Framework agreements income received in advance of the period to which it relates is recorded as deferred unrestricted income.

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

Notes to the financial Statements for the Year ended 31 December 2016  
All amount in CHF ('000) unless otherwise stated

## Framework 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 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 donor 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 recognized 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 capitalised when the purchase price is one thousand CHF or above, or the equivalent in other currencies, and when ownership resides with IUCN.

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

Notes to the financial Statements for the Year ended 31 December 2016  
All amount in CHF ('000) unless otherwise stated

## 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) Depreciation

Fixed assets are depreciated over their estimated useful lives on the following basis:

Computer hardware	3 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

## d) 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.

## 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 5 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.

Membership dues outstanding for:

Four years or more	100%
Three years	60%
Two years	40%
One year	20%

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.

### 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.

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

Notes to the financial Statements for the Year ended 31 December 2016

All amount in CHF ('000) unless otherwise stated

## 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 had not been used by staff at the year-end. Staff members are not allowed to carry forward from one year to another a cumulative leave balance of more than 10 days and any outstanding leave days are normally covered as part of the normal staff notice period. 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 IUCN on behalf of hosted organisations are recorded on the balance sheet as hosted organisation advances.

## 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.

#### 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.

#### Retained surpluses

The Retained surpluses represent other unrestricted reserves.

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

Notes to the financial Statements for the Year ended 31 December 2016

All amount in CHF ('000) unless otherwise stated

## 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.

### Programme reserves

Programme reserves are funds set aside for specific future programme activities or for when unrestricted income is received in one financial year but the associated expenditure is planned in a future financial year.

### 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.

## 15. New Swiss accounting law

The most significant impact of adoption of the new Swiss accounting law (see Note II. 1. Accounting convention) is the change to full accrual accounting for project agreements. Project expenditure, including expenditure incurred by implementing partners, is recognised in the year the expenditures occur. Project agreement income is recognised to match related project expenditure for the year.

The following prior year balance comparatives have been reclassified on the balance sheet to be consistent with the current year's presentation and to be in compliance with the new Swiss accounting law:

	<b>2015</b>	<b>2015</b>
	<b>Revised</b>	<b>Published</b>
<b>Assets:</b>		
Prepayments	1,736	-
Other accounts receivable	821	2,557
Project agreement receivables	12,258	-
<b>Liabilities:</b>		
Project agreement advances	(47,976)	-
<b>Restricted reserves:</b>		
Restricted reserves	-	(35,718)
	<hr/>	<hr/>
	(33,161)	(33,161)



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

Notes to the financial Statements for the Year ended 31 December 2016

All amount in CHF ('000) unless otherwise stated

### 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.

REGION OR OFFICE	2016	2015
Asia	2,975	3,203
Eastern and Southern Africa	2,191	973
Eastern Europe and Central Asia	65	20
Europe	664	1,584
Environmental Law Centre, Bonn	270	426
Headquarters	22,466	20,334
Mediterranean	726	1,545
Mexico, Central America and the Caribbean	2,632	1,680
Oceania	785	509
South America	395	28
United Kingdom	692	532
United States	1,332	590
Western and Central Africa	2,566	2,264
West Asia	18	171
<b>Balance at 31 December</b>	<b>37,777</b>	<b>33,859</b>

### IV. FINANCIAL ASSETS

	2016	2015
Bonds	8,366	8,763
Microfinance	2,793	3,480
Equities	1,457	1,491
Convertibles	626	631
Other Investments	763	127
<b>Balance at 31 December</b>	<b>14,005</b>	<b>14,492</b>

At 31 December 2016, an unrealized foreign exchange gain of CHF 14 (2015 – CHF 59 loss) was recognised on the investment portfolio.

During the 2016 year, CHF 86 of capital gains (2015 - CHF 278 loss) was realised on the sale of investments.

The Government of Zimbabwe appropriated USD bank accounts of IUCN in 2008. In 2015, treasury bills were issued to IUCN as compensation for the appropriation. The treasury bills have maturity dates from 2017 to 2019. The treasury bills are recorded at estimated fair value.

### V. DERIVATIVE FINANCIAL INSTRUMENTS

There were no forward currency contract commitments held at 31 December 2016 (2015 – CHF 7,388).

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

Notes to the financial Statements for the Year ended 31 December 2016

All amount in CHF ('000) unless otherwise stated

## VI. MEMBERSHIP DUES RECEIVABLE AND PROVISION

	2016	2015
Gross membership dues receivable	4,285	3,649
Provision for dues in arrears	(2,693)	(1,627)
<b>Net membership dues receivable at 31 December</b>	<b>1,592</b>	<b>2,022</b>

The provision for membership dues in arrears has been calculated in accordance with the policy described in Note II.10 (a).

	2013 and prior	2014	2015	2016	Total
State member	300	453	593	1,669	3,015
Government agencies	95	96	144	330	665
International NGOs	10	8	8	19	45
National NGOs	95	65	82	210	452
Affiliates	31	17	22	38	108
<b>Total membership dues receivable</b>	<b>531</b>	<b>639</b>	<b>849</b>	<b>2,266</b>	<b>4,285</b>
Provision for membership dues	(531)	(562)	(646)	(954)	(2,693)
<b>Net membership dues receivable</b>	<b>-</b>	<b>77</b>	<b>203</b>	<b>1,312</b>	<b>1,592</b>

### Movement in provision for membership dues

	2016	2015
<b>Balance at 1 January</b>	1,627	1,121
Addition to provision	1,269	511
Write off of deficits against provision	(203)	(5)
<b>Balance at 31 December</b>	<b>2,693</b>	<b>1,627</b>

## VII. STAFF RECEIVABLES

Staff receivables comprise travel advances, payroll advances and loans to staff outstanding as at 31 December. Amounts due to staff are netted off against amounts due from staff.

	2016	2015
Net travel advances	533	449
Payroll advances and staff loans	116	70
<b>Balance at 31 December</b>	<b>649</b>	<b>519</b>

## VIII. RECEIVABLES FROM PARTNER ORGANISATIONS

Receivables from partner organisations represent balances due from organisations associated with IUCN that are outstanding as at 31 December.

	2016	2015
<b>RAMSAR Convention Secretariat</b>	<b>277</b>	<b>773</b>

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

Notes to the financial Statements for the Year ended 31 December 2016

All amount in CHF ('000) unless otherwise stated

### 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.

	2016	2015
Asia	450	739
Eastern and Southern Africa	396	940
Eastern Europe and Central Asia	-	12
Environmental Law Centre, Bonn	-	166
Headquarters	4,924	3,874
Mediterranean	61	140
Mexico, Central America and the Caribbean	239	627
South America	69	601
United Kingdom	251	25
United States	299	70
West Asia	127	103
Western and Central Africa	906	603
<b>Balance at 31 December</b>	<b>7,722</b>	<b>7,900</b>

### X. 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.

	2016	2015
Project agreement receivables	(16,300)	(12,258)
Project agreement advances	50,179	47,976
<b>Balance at 31 December</b>	<b>33,879</b>	<b>35,718</b>

### XI. 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 2016 there was CHF nil receivable compared to CHF 623 receivable at 31 December 2015.

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

Notes to the financial Statements for the Year ended 31 December 2016  
All amount in CHF ('000) unless otherwise stated

## XII. 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, 2014</b>	<b>27,178</b>	<b>13,775</b>	<b>3,703</b>	<b>9,624</b>	<b>54,280</b>
Additions	-	-	1,208	1,380	<b>2,588</b>
Disposals	-	-	-	(175)	<b>(175)</b>
Change in functional currency adjustment	-	-	-	(297)	<b>(297)</b>
<b>Balance as at 31 December, 2015</b>	<b>27,178</b>	<b>13,775</b>	<b>4,911</b>	<b>10,532</b>	<b>56,396</b>
Additions	-	-	157	1,118	<b>1,275</b>
Disposals	-	-	(15)	(1,794)	<b>(1,809)</b>
<b>Balance as at 31 December, 2016</b>	<b>27,178</b>	<b>13,775</b>	<b>5,053</b>	<b>9,856</b>	<b>55,862</b>
<b>Depreciation:</b>					
<b>Balance as at 31 December 2014</b>	<b>(7,922)</b>	<b>(5,010)</b>	<b>(628)</b>	<b>(7,685)</b>	<b>(21,245)</b>
Charge for the year 2015	(544)	(575)	(227)	(972)	<b>(2,318)</b>
Disposals	-	-	-	163	<b>163</b>
Change in functional currency adjustment	-	-	(6)	244	<b>238</b>
<b>Balance as at 31 December 2015</b>	<b>(8,466)</b>	<b>(5,585)</b>	<b>(861)</b>	<b>(8,250)</b>	<b>(23,162)</b>
Charge for the year 2016	(544)	(575)	(281)	(1,202)	<b>(2,602)</b>
Disposals	-	-	15	1,751	<b>1,766</b>
<b>Balance as at 31 December 2016</b>	<b>(9,010)</b>	<b>(6,160)</b>	<b>(1,127)</b>	<b>(7,701)</b>	<b>(23,998)</b>
<b>Net book value:</b>					
<b>Balance as at 31 December 2015</b>	<b>18,712</b>	<b>8,190</b>	<b>4,050</b>	<b>2,282</b>	<b>33,234</b>
<b>Balance as at 31 December 2016</b>	<b>18,168</b>	<b>7,615</b>	<b>3,926</b>	<b>2,155</b>	<b>31,864</b>

Fixed assets purchased using unrestricted funds are depreciated over their estimated useful lives as per Note II.8.

### 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.

### 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.

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

Notes to the financial Statements for the Year ended 31 December 2016  
All amount in CHF ('000) unless otherwise stated

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 4,092 and in-kind donations of CHF 1,787.

## XIII. INTANGIBLE ASSETS

As at 31 December 2016 expenditure of CHF 4,698 (2015 - CHF 4,605) had been incurred on the development and implementation of an ERP system and portal applications. The ERP system went “live” at the IUCN Headquarters in July 2011 and has been depreciated from this point. In 2016, there was no write off of integration tools and code no longer in use (2015 - CHF 290).

### Movement in Intangible assets

	2016	2015
<b>Purchase value:</b>		
Balance at 1 January	4,327	4,605
Additions	81	12
Write-down	-	(290)
<b>Balance at 31 December</b>	<b>4,408</b>	<b>4,327</b>
<b>Amortisation:</b>		
Balance as of 1 January	(2,762)	(2,272)
Charge for the year	(671)	(678)
Write-down	-	188
<b>Balance at 31 December</b>	<b>(3,433)</b>	<b>(2,762)</b>
<b>Net Book Value at 31 December</b>	<b>975</b>	<b>1,565</b>

## XIV. 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 7,593 as at 31 December 2016 (2015 – CHF 6,431), CHF 3,342 (2015 - CHF 2,169) is related to Headquarters and the balance to regional and country offices.

## XV. PENSION FUND OBLIGATIONS

IUCN operates different pension plans, which conform to the legal regulations in the respective countries. On 31 December 2016, the liability to the pension schemes amounted to CHF 60 (2015 CHF 26).

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

Notes to the financial Statements for the Year ended 31 December 2016  
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## XVI. HOSTED ORGANISATIONS ADVANCES

Hosted organisation advances represent funds held by IUCN on behalf of hosted organisations.

	2016	2015
Balance at 1 January	729	888
Income	5,204	4,597
Expenditure	(4,950)	(4,547)
	983	938
Movement on funds held	(394)	(209)
<b>Balance at 31 December</b>	<b>589</b>	<b>729</b>

## XVII. 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

	2016	2015
<b>Balance at 1 January</b>	<b>1,064</b>	<b>927</b>
Additions to provision	835	499
Utilization of provision	(404)	(362)
<b>Balance at 31 December</b>	<b>1,495</b>	<b>1,064</b>
<b>Region</b>	<b>2016</b>	<b>2015</b>
Asia	108	-
Eastern and Southern Africa Region	10	160
Eastern Europe and Central Asia	16	16
Headquarters	938	737
Oceania	277	39
Western and Central Africa	73	112
West Asia	73	-
<b>Balance at 31 December</b>	<b>1,495</b>	<b>1,064</b>

### 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

	2016	2015
<b>Balance at 1 January</b>	<b>1,495</b>	<b>1,838</b>
Additions to provision	1,016	1,017
Utilization of provision	(1,061)	(1,360)
<b>Balance at 31 December</b>	<b>1,450</b>	<b>1,495</b>

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

Notes to the financial Statements for the Year ended 31 December 2016  
All amount in CHF ('000) unless otherwise stated

## XVIII. DEFERRED INCOME

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

	2016	2015
Deferred unrestricted income	103	-
US deferred rent	31	80
Donations for construction of HQ building extension		
Donations in cash	2,956	3,058
Donations in kind	344	558
Donation in cash for renovation of original building	527	375
	<b>3,827</b>	<b>3,991</b>
Headquarters original building	8,017	8,325
Interest free government loan	5,721	5,957
<b>Total</b>	<b>17,699</b>	<b>18,353</b>
<b>Current</b>		
Deferred unrestricted income	103	-
Buildings:		
Original building	339	329
Building extension	172	316
<b>Total buildings</b>	<b>511</b>	<b>645</b>
<b>Total current deferred income</b>	<b>614</b>	<b>645</b>
<b>Non-current</b>		
US deferred rent	31	80
Original building	7,709	8,017
Building extension	9,345	9,611
<b>Total long term deferred income</b>	<b>17,085</b>	<b>17,708</b>
<b>Total deferred income</b>	<b>17,699</b>	<b>18,353</b>

IUCN Washington DC Office entered into a long term rental contract and benefits from lower rental costs at the beginning of the ten year contract. In 2014, the lease was extended and will expire in 2025. The office is paying an annual increase in rent of 4%, which is higher than annual inflation estimated at 1.75%. The difference of the low initial rental costs and the higher annual rental increases is recorded as deferred income to straight line the cost over the rental period to 2025.

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 XII 3).

The deferred income on the government loan represents the difference between the fair value of the loan CHF 11,469 (2015 - CHF 11,636) and the outstanding cash value of the loan CHF 17,190 (2015 - CHF 17,593) (see Note XIX). 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.

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

Notes to the financial Statements for the Year ended 31 December 2016  
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## XIX. NEW BUILDING LOAN

### Headquarters building extension loan

	2016	2015
Current	171	167
Non-current	11,298	11,469
<b>Balance at 31 December</b>	<b>11,469</b>	<b>11,636</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 11,469 (2015 - CHF 11,636). The outstanding cash value of the loan has been discounted at a rate of 2% (2015 - 2%) which represents the market interest rate for a 10-year loan based on current market conditions. The difference of CHF 5,721 (2015 - CHF 5,957) 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 XVIII).

The value of the interest that would have been paid on an equivalent commercial loan of 2% is estimated at CHF 344 (2015 - 2%, CHF 352). This has been recorded in the income and expenditure statement under Interest income to recognize the benefit of the interest free loan and under financial charges to recognize the interest that would have been paid.

## XX. 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 396 (2015 - loss of CHF 211).

Exchange gains and losses on consolidation and translation of ledgers maintained in other currencies to CHF are taken to the currency translation adjustment reserve. The net movement during 2016 was a loss of CHF 307 (2015 - gain of CHF 441).

### 2. Designated reserves

#### a) Reserve for statutory meetings

In 2016, CHF 103 (2015 – CHF 843) was released from the Reserve for statutory meetings to Retained surpluses to cover costs for the 2016 Congress.

#### b) Other designated reserves

CHF 541 (2015 – allocation to reserve CHF 83) was released from Other designated reserves to the Retained surpluses in respect of the World Commission on Environmental Law CHF 445 (2015 - allocation to reserve CHF 138) and External review CHF 96 (2015 – CHF 55).

#### c) Programme Reserves

The balance of Programme Reserves were transferred into Retained surpluses in line with the IUCN Reserve policy.



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

Notes to the financial Statements for the Year ended 31 December 2016  
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## d) Renovation fund

A net allocation of CHF 24 (2015 - CHF 57) was made from Retained surpluses to the Renovation fund to cover future renovation costs of the IUCN Headquarters building.

## XXI. RETENTION OF STAFF INCOME TAX

Swiss Government tax rebates amounted to CHF 1,319 (2015 – CHF 1,375) 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.

## XXII. 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 307 (2015 - CHF 310).

## XXIII. OTHER OPERATING INCOME

Other operating income of CHF 3,514 (2015 - CHF 3,772) shown under Secretariat unrestricted funds includes overhead and management fees from Ramsar of CHF 536 (2015 - CHF 546), rental income of CHF 866 (2015 - CHF 793) and recognition of deferred income of donations for the headquarters original building and building extension CHF 645 (2015 - CHF 670). The balance of other operating income is made up of miscellaneous external income received by IUCN both at Headquarters and other offices around the world.

## XXIV. EXCHANGE DIFFERENCES ON REVALUATION OF PROJECT BALANCES

Project balances are expressed in the currency of the country ledger. At the end of the year, project balances expressed in non CHF ledgers are 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 (Restricted operating reserves) 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.

## XXV. AUDIT FEE

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

	2016	2015
Consolidated financial statement audit	189	208
Other audits	126	19

## XXVI. 2016 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 2016 Congress held in Hawai'i, USA resulted in a surplus of CHF 1,643. The surplus has been allocated to unrestricted reserves.

## XXVII. 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 and is a joint venture between WWF International and IUCN. The IUCN Secretariat hosts TRAFFIC operations in its offices in Ecuador, 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.

### 2. Transactions with related parties

During the course of the year IUCN made contributions of CHF 1,443 to the Commissions (2015 - CHF 1,443). The amount is distributed across the expenditure headings that reflect the nature of the expenses incurred by the Commissions.

During the year and as part of the services IUCN provides to Ramsar, IUCN received funds of CHF 5,729 (2015 – CHF 6,285) and incurred payments of CHF 5,650 (2015 - CHF 7,448) on behalf of Ramsar. At year-end the balance held in trust for Ramsar amounted to CHF 4,599 (2015 - CHF 4,652). 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 536 (2015 - CHF 546) for the services provided to Ramsar and which are included in Other operating income.

During the year IUCN made contributions of CHF 275 to TRAFFIC International (2015 - CHF 275).

During the year IUCN received funds from the International Union for the Conservation of Nature and Natural Resources - US of USD 1,259 (CHF 1,254) and in 2015, USD 1,328 (CHF 1,319) was received.

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

Notes to the financial Statements for the Year ended 31 December 2016

All amount in CHF ('000) unless otherwise stated

## Summary of legally controlled entities:

Company	Year-end closing	Currency	Capital	Share of capital	
				2016	2015
The International Union for the Conservation of Nature and Natural Resources, Registered Trustees, (WASAA Trust Fund, Nairobi)	31.12	KES	243,563	100%	100%
IUCN, Bureau de Représentation auprès de l'Union Européenne aisbl	31.12	EUR	77	100%	100%
Associação IUCN	31.12	BLR	247	20%	20%
IUCN UK (A Company Limited by Guarantee)	31.12	GBP	34	NA	NA
IUCN Maldives	registered				
IUCN PNG "Mangrove Rehabilitation and Management Project Association	dormant				

## XXVIII. OPERATING LEASES

At 31 December 2016, IUCN has future minimum office rental commitments amounting to CHF 5,973 relating to expected rental fees until the end of the lease contract expiring from March 2017 to December 2025.

IUCN has leasing contracts for office equipment and vehicles amounting to CHF 136 expiring June 2017 to October 2019.

## XXIX. BANK GUARANTEE

At 31 December 2016, IUCN had bank guarantees totalling EUR 2,071 (CHF 2,220) (2015 - EUR 2,071 – CHF 2,242) in favour of an IUCN donor. Cash for an equivalent amount is pledged at the corresponding bank.

## ANNEX A - CORE FUNDS UNDER FRAMEWORK AGREEMENTS

	2016	2016	2015	2015
	Secretariat Unrestricted expenditure	Framework income allocation	Secretariat Unrestricted expenditure	Framework income allocation
<b>Amounts in CHF ('000)</b>				
Central and West Africa Region	4,272	882	4,409	969
Eastern and Southern Africa Region	4,355	827	3,745	890
Asia Region	7,798	1,115	8,228	1,284
Meso America and Caribbean	3,979	545	3,784	572
South America and Brazil	1,190	481	1,182	504
European Regional Office, Brussels	820		894	
Eastern Europe and Central Asia Regional Office	396		316	
West Asia Region	1,218	439	1,216	436
Mediterranean Cooperation Centre	1,035		1,217	
Oceania	1,910	442	1,718	463
Washington DC Office	1,125		961	
<b>Sub Total Regional Components</b>	<b>28,097</b>	<b>4,731</b>	<b>27,670</b>	<b>5,117</b>
Director's Office, Biodiversity Conservation Group	466	493	494	529
Species Programme	3,243	803	3,459	884
Protected Areas Programme	1,347	541	1,230	580
World Heritage Programme	1,038	407	1,011	437
Traffic International	573	275	530	275
<b>Sub Total Biodiversity Conservation Group</b>	<b>6,667</b>	<b>2,518</b>	<b>6,724</b>	<b>2,705</b>
Director's Office, Nature-based Solutions Group	523	441	542	473
Ecosystem Management Programme	1,418	260	1,410	280
Forest & Climate Change Programme	2,908	382	2,519	411
Marine & Polar Programme	1,521	445	1,857	477
Water & Food Security Programme	1,114	356	1,125	383
Business & Biodiversity Programme	1,344	401	1,474	481
Economics and Social Science Programme	1,585	818	1,574	876
<b>Sub Total Nature-based Solutions Group</b>	<b>10,411</b>	<b>3,103</b>	<b>10,501</b>	<b>3,381</b>
Director's Office, Programme & Policy Group	427	480	406	490
Science and Knowledge Unit	842	795	761	824
Global Policy Unit	609	574	686	693
Environmental Law Programme	1,153	504	1,146	533
GEF Coordination Unit	669	684	747	773
<b>Sub Total PPG - Programme &amp; Policy Group</b>	<b>3,700</b>	<b>3,037</b>	<b>3,746</b>	<b>3,313</b>
Commission on Education and Communication	229	232	239	232
Commission on Ecosystem Management	244	232	194	232
World Commission on Environmental Law	175	244	106	244
World Commission on Protected Areas	231	242	241	242
Species Survival Commission	277	261	282	261
Commission on Environment, Economics and Social Policy	224	232	191	232
<b>Sub Total Commissions</b>	<b>1,378</b>	<b>1,443</b>	<b>1,253</b>	<b>1,443</b>
Director's office, Union Development Group	1,638	-	1,575	215
Governance	652		604	
<b>Sub Total Union Development</b>	<b>2,291</b>	<b>-</b>	<b>2,179</b>	<b>215</b>
Directorate	1,558	159	1,663	161
Office of the Legal Adviser	511		475	
Oversight Unit	246		216	
Planning, Monitoring & Evaluation Unit	539	654	513	633
Global Communications Unit	1,252	167	1,058	176
Finance Group	2,159		2,250	
Human Resources Management Group	1,252		1,152	
Strategic Partnerships Unit	638		746	
General Services Unit	3,066		3,096	
Information Systems Group	4,249		3,970	
<b>Sub Total Corporate Support Units</b>	<b>15,471</b>	<b>981</b>	<b>15,140</b>	<b>970</b>
<b>OVERALL TOTAL</b>	<b>68,015</b>	<b>15,811</b>	<b>67,212</b>	<b>17,144</b>
Non-operating expenditure	42		(331)	
<b>Operating expenses as per the Income &amp; Expenditure Statement</b>	<b>68,057</b>	<b>15,811</b>	<b>66,881</b>	<b>17,144</b>
<b>Reconciliation of Framework Income to the Financial Statements</b>				
		<b>2016</b>		<b>2015</b>
<b>Overall Total allocations as above</b>		<b>15,811</b>		<b>17,144</b>
Realised foreign exchange on cash contributions		6		-
Surplus/(Deficit) at year-end transferred to reserve		(1,941)		(1,186)
<b>Total Funding Framework Agreements</b>		<b>13,877</b>		<b>15,958</b>

## ANNEX A - INCOME UNDER FRAMEWORK AGREEMENTS

Amounts in CHF ('000)

<b>Framework Agreement Partners</b>	<b>2016</b>	<b>2015</b>
Ministry of Foreign Affairs (DANIDA) - Denmark	3,527	3,464
Environment Agency – Abu Dhabi (EAD) – United Arab Emirates	-	1,000
Agence Française de Développement (AFD), Ministry of Foreign Affairs and International Development (MAEDI), Ministry of Environment, Energy and the Sea (MEEM), Ministry of Overseas Territories (MOM) – France	924	933
MAVA Fondation pour la Nature - Switzerland	1,000	1,000
Ministry of Environment, Republic of Korea (MOE) - Korea	600	600
Ministry of Foreign Affairs - Finland	375	757
Norwegian Agency for Development Cooperation (NORAD) - Norway	2,507	2,514
Swedish International Development Agency (Sida) - Sweden	2,893	3,489
Swiss Agency for Development and Cooperation (SDC) - Switzerland	2,050	2,200
<b>Total Income under Framework Agreements</b>	<b>13,877</b>	<b>15,958</b>

### Note:

Framework income allocations are made on the basis of budgeted income at the start of the year. The difference between allocations made and actual income received is taken to unrestricted reserves. This is compensated by balances on other funding sources to arrive at the overall result for the year.

# Commission Financial Rules

Release 2 v 30 May 2017

Approved by the Bureau of the IUCN Council on 6 June 2017

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# Commission Financial Rules

## 1. Purpose

The purpose of these financial rules is to provide guidance to Commissions on the management of income raised and expenditure incurred for Commission activities. This includes both income and expenditure passing through the IUCN Secretariat and recorded in its books and that received/incurred by other entities on behalf of Commissions.

## 2. Scope

These financial rules cover:

1. The use of Commission Operating Funds
2. Project income and expenditure received / incurred by the Secretariat for Commission activities
3. Cash income and expenditure received / incurred by other entities on behalf of IUCN Commissions
4. In-kind contributions from other organisations to Commission activities
5. Partnership arrangements

## 3. Commission Operating Funds

### a. Purpose

Commissions Operating Funds (COF) provides support for Commission networks to function effectively. The COF is intended primarily to support Commission governance and management.

### b. Eligible use

The COF is intended for the following purposes<sup>1</sup>:

- Commission Steering Committee meetings (travel and accommodation of Steering Committee members; meeting venue and related costs)
- Support to Chair including:
  - Local staff support (non IUCN), if necessary
  - Office support (office rent, fax, phone, email, photocopying, etc.)
  - Travel to Commission meetings
  - Travel to key policy meetings (e.g. COPS of CBD, CITES)
  - Travel to IUCN and other meetings relevant to the work of the Commission
- Travel support to the Deputy Chair, Other Steering Committee members, or other Commission members appointed by the Commission chair when representing the Commission at IUCN governance meetings, IUCN management meetings or key external meetings.
- Meeting and administration costs to support subsidiary Commission structures
- Costs of internal Commission communications such as newsletters, website development and maintenance
- Cost of participation in IUCN external reviews and evaluations

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<sup>1</sup> Taken from Council decision made at the 58<sup>th</sup> meeting of Council, June 2003 (see appendix) with minor edits.

### **c. Accountability**

The Commission Chair is accountable for the proper use of the COF, including ensuring that the funds are used for their intended purpose, in accordance with applicable IUCN policies and procedures, and that all expenditure is supported by appropriate, auditable evidence.

Commission Operating Funds are funded from IUCN core income. Consequently, COF expenditures are subject to the same level of oversight and fiduciary control as any other IUCN expenditure.

### **d. Budget**

The Commission Chair will submit a budget for the use of the COF on an annual basis, working with the Commission Focal Point to ensure that it is consistent with the joint Commission-Secretariat workplan. It should be submitted ahead of the year to which it relates to the Chief Financial Officer at the Secretariat in accordance with budget instructions issued by the Secretariat.

The Chief Financial Officer will review the budget and check that it is in compliance with the eligible use criteria detailed in section 3. b.

Allocations to the COFs will be proposed by the Director General, following consultation with the Commission Chairs, as part of her/his submission of a draft consolidated budget to Council. Allocations will be deemed to be approved at the point Council approves the consolidated budget.

Any funds unspent at the year-end will be transferred to IUCN reserves, it being understood that the purpose of the annual allocation is to fund the current year's operating expenditure.

In the event of a budget deficit, the excess of expenditure will also be transferred to reserves.

### **e. Expenditure processes**

Expenditure may be incurred by a Commission by:

- Requesting the Secretariat (through the Commission Focal Point or his/her delegated representative) to incur the expenditure on behalf of the Commission, e.g. entering into a consultancy contract on behalf of the Commission, purchasing an air ticket for a Commission member.
- Submitting an expense claim to the Secretariat for expenses incurred by the Commission Chair or other Commission Member which are eligible for reimbursement from the COF.
- Requesting an advance from the Secretariat for planned expenditure, the use of which is justified at a later date by the submission of receipts and other evidence of expenditure to the Secretariat.

All expenditures must be supported by receipts or other evidence of expenditure.

The Commission Chair is responsible for approving all expenditure in relation to the COF prior to submitting disbursement requests to the Secretariat. Disbursements are approved by the Secretariat in accordance with the IUCN Delegation of Authority policy.

### **f. Contracting**

In view of the fact that Commissions are not distinct legal entities they are not able to enter into contracts with other parties. Contracts must therefore be entered into in the name of IUCN.



All contracts and agreements must be signed by a member of the Secretariat staff in accordance with the IUCN Delegation of Authority policy<sup>2</sup>.

Commission members are not allowed to sign contracts on behalf of IUCN as they are not employees of the Swiss IUCN legal entity and have no authority to commit IUCN.

#### **g. Requirement to comply with IUCN procedures**

The Commission Chair must ensure that all expenditure from the COF is incurred in compliance with IUCN Secretariat policies and procedures. In particular:

- The IUCN Procurement Policy
- The IUCN Travel Policy
- IUCN Anti-Fraud Policy
- Code of Conduct of the Members of the IUCN Commissions<sup>3</sup>
- Operational guidelines for business engagement

IUCN operational policies and procedures can be found on the Union Portal at: [Documents: Policies, Procedures, Guidelines, Templates and Tools | Union.](#)

#### **h. Supporting documentation**

All expenditures must be supported by auditable evidence, e.g. invoices, contracts, receipts, all of which should be maintained by the Secretariat.

In the event that a Commission Chair or other Commission members uses his/her own facilities or assets (e.g. house, internet connection, telephone) to support the operations of the Commission, he/she may claim for the cost of use of those facilities to the extent that they are used for Commission operations, e.g. if a Commission Chair uses part of his/her house from which to run Commission activities he/she may claim the cost of the space used. The cost must be supported by a rental agreement with a 3<sup>rd</sup> party together with a calculation of the cost of the space used for Commission activities.

#### **i. Accounting and reporting**

The Secretariat is responsible for maintaining the accounts of each COF in the Secretariat finance system.

Following the closure of the month in the Secretariat financial system the Secretariat will distribute an income and expenditure report to the Commission Chair showing expenditure against budget and details of all transactions.

#### **j. Audit and oversight**

Expenditure in relation to the COFs is subject to the same level of audit and oversight as any other funds managed by the Secretariat. COF income and expenditure is covered in the annual statutory audit of the IUCN Financial Statements and may be subject to internal audit at the discretion of the Head of Oversight and Director General.

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<sup>2</sup> The Delegation of Authority (DOA) is the mechanism by which the Director General authorizes relevant functions or positions – and consequently IUCN staff appointed to fill them - to act for and on behalf of IUCN, to protect the rights of IUCN and to incur obligations and liabilities in the name of IUCN. The DOA defines the limits of authority designated to specified functions or positions within the IUCN Secretariat and establishes the types and maximum financial amount of obligations that may be approved.

<sup>3</sup> approved by the IUCN Council, Decision C 89 3 of 17 August 2016

## **4. Project income and expenditure received / incurred by the Secretariat for Commission activities**

### **a. Purpose**

The Secretariat may receive restricted funds to fund work by Commissions which forms part of the annual workplan approved by Council.

Where the work is to be performed by a Commission, the Secretariat will, with the agreement of the Commission Chair in question, enter into contracts with Commission members, Commission hosts<sup>4</sup>, or other 3<sup>rd</sup> parties for the performance of such work.

### **b. Eligible use**

Funds may only be used for their intended purpose, taking into consideration any donor restrictions.

### **c. Accountability**

Since the donor contract is with the Secretariat, the Secretariat is ultimately accountable to the donor for the correct use of the funds. Should any dispute arise between the Secretariat and the Commission Chair on the use of such funds, the matter will be referred to the Director General to resolve with the Commission Chair in question.

For sub-contracts between the Secretariat and other parties, e.g. Commission members, the recipient of the funds is legally accountable to the Secretariat.

The IUCN Secretariat has authority to take management decisions regarding the use of the funds that are necessary to ensure compliance with IUCN's policies and procedures and the contract with the donor and, ultimately, to protect IUCN's financial, legal and reputational integrity. However, in a normal situation all decisions would be taken jointly with the Commission Chair in question, and the Secretariat would only exert its legal authority if no other option exists.

### **d. Budget**

Funds should be used in accordance with a budget agreed with the donor. The funds should be credited to a project in the Secretariat financial system and a Secretariat project manager appointed to manage the budget. A separate project may be opened up for an individual donation, or funds may be pooled if they are for a similar purpose and provided that such pooling does not conflict with any donor imposed conditions.

### **e. Approval of expenditure**

Expenditure must be approved in accordance with the IUCN Secretariat Delegation of Authority policy and associated approval rules. These require that all project related expenditures are approved by the appointed project manager. In view of the joint nature of the project, the project manager will seek the agreement of the Commission Chair or his appointed representative prior to approving the expenditure.

### **f. Requirement to comply with IUCN procedures, e.g. procurement, travel, DoA**

All expenditure from funds received by the Secretariat must be made in accordance with IUCN Secretariat policies and procedures. Procurement must follow the Secretariat procurement policy. In particular, IUCN competition rules must be respected before entering into contracts with Commission members for the supply

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<sup>4</sup> A Commission host is an organisation or other legal entity, separate to IUCN, which agrees to provide services to the Commission. This may include in-kind services, e.g. the provision of office space, but also financial services such as receiving income and making payments on behalf of the Commission.

of services, noting the exception to competition provided in paragraph 13(f) of the Procurement Policy relating to contracts to individuals by virtue of the Commission position that they hold.

**g. Supporting documentation**

All expenditures must be supported by auditable evidence, e.g. invoices, contracts, receipts, all of which should be maintained by the Secretariat.

**h. Accounting and reporting**

The Secretariat is responsible for the proper accounting of all donations received and expenditures incurred and for providing both financial and technical reports to the donor. Technical reports may include submissions from Commissions or be wholly written by a Commission, depending on the nature of the project.

## **5. Cash income and expenditure received / incurred by other entities on behalf of IUCN Commissions**

### **a. Overview**

An IUCN Commission may raise funds in the name of the Commission which would then be received and managed by an entity independent of IUCN on its behalf and according to its instructions.

The independent entity is accountable to IUCN for the proper management of the funds entrusted to it, while the Commission on whose behalf these funds are managed remains accountable to donors for the proper use of the funds, which means ultimately IUCN as the IUCN Commissions have no legal personality of their own. It is therefore in the interest of IUCN as a whole to ensure that there are controls in place to ensure good custodianship of the funds.

Funds raised may be 1) single donations for one-off events and time-bound activities, or 2) longer commitments covering periods of one year or more, as is the case, e.g., of several Specialist Groups of the SSC. In the first case the entity receiving the funds would therefore agree to act as a simple "Trustee" in accordance with the instructions of the Commission Chair. In the second case it would agree to "host" the activities of the Commission Specialist Group and provide different types of hosting services under specific terms and conditions, so acting as a "Host Organisation".

The funds may be given in support of the general objectives and work of the Commission (unrestricted), or in support of a specific activity of a Commission (restricted).

### **b. Single donations for single events or time bound activities**

For donations of CHF 10,000 and up to CHF 100,000 a letter of agreement between the donor and the Trustee should be entered into, clearly stating that the purpose of the funds is to support an IUCN Commission activity. The letter must be copied to the Commission Chair and, in addition, when the donation relates to the activity of a Commission Specialist Group, to the Chair of the Specialist Group.

It is the responsibility of the Commission Chair to ensure that letters of agreement are in place, and that a record is kept of all such letters.

For single donations over CHF 100,000 advice should be sought from the Secretariat before entering into any contractual arrangements.

Similarly, for single events or time bound activities (e.g. conferences) where no individual donation exceeds CHF 100,000 but the combined cash donations exceed CHF 100,000, the Secretariat should be informed in writing of the amount raised for such event and the donors with their respective amounts listed (as above, letters of agreement will be required for donations of CHF 10,000 and up to 100,000).

In parallel to the receipt of funds, the Trustee may have to enter into contracts with Commission members or other 3rd parties for the performance of the work of the Commission. All expenditures incurred by the Trustee on behalf of a Commission must be authorised by a Commission representative.

### **c. Hosting**

Where another entity independent from IUCN agrees to manage the operations of a Commission sub-group, and the annual amount of cash contributions is expected to exceed CHF 100,000, a hosting agreement between IUCN (through the Secretariat) and the Host Organization is required.

Since Commissions are not distinct legal entities they cannot receive income or incur expenditure in their own name. Therefore they must operate within the legal framework of another entity ("host"). Where feasible and where it makes operational sense a Commission should work within the framework of the IUCN Secretariat (See section 4). However, a Commission may also operate under a Host Organisation or other legal entity

separate from IUCN where this is advantageous, e.g. where the Host Organisation has specific expertise that would benefit the Commission.

Before entering into a hosting agreement, the Secretariat will undertake a due diligence review of the proposed Host to ensure that the hosting arrangement would not give rise to any undue reputational, legal or financial risk to IUCN. Ideally, the Host should be an IUCN Member.

The hosting agreement should include, amongst others:

- Objectives of the agreement
- Hosting services
- Responsibilities of the parties
- Hosting fees, if applicable
- Modalities for the receipt of funds and payment of expenditures
- Reporting obligations
- Audit requirements
- Intellectual property rights
- IUCN representative

The Host Organisation may charge a fee for its services or provide them free of charge. In the latter case the organisation is making a contribution to the IUCN Commission in the form of in-kind services. It is the responsibility of the Commission Chair to ensure that hosting agreements are in place, that a record is kept of all hosting agreements, and that they are renewed, amended or terminated as necessary.

A template hosting agreement can be found at [\(Add link\)](#)

In consideration of the importance and the potential risks related to this type of agreements, the agreement should go through the standard contract review and clearance process of the Secretariat as defined in the IUCN [Contract Review Procedure](#).

The following operational aspects shall be considered in the hosting agreement (if relevant):

**i. Receipt of donations in cash by a Host Organisation**

A Host may receive unrestricted or restricted donations on behalf of a Commission. Donations are unrestricted when they are given in support of the general objectives and work of the Commission, and restricted when given for a specific activity, e.g., for a workshop.

For both unrestricted and restricted donations the intended purpose of the donation must be evidenced in writing by the donor.

**ii. Donations from the Host to the Commission**

Where the Host makes a cash donation to the Commission, the donation should be accounted for in the same way as a cash donation from any other donor.

**iii. On-line giving**

The Host Organisation may agree to host a website for the Commission<sup>5</sup>. This may include a page for on-line giving. Donations received through on-line giving will be received by the Host Organisation. It should be made clear on the Commission website that the donations will be received by another entity on behalf of the Commission.

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<sup>5</sup> The websites of SSC Specialist Groups are often hosted by partner organisations.

On-line donations received by the Host should be managed as in i) above, taking into consideration any restrictions made by the giver.

**iv. Provision of services**

The hosting agreement shall specify the kinds of services that the Host Organisation will provide and the types of expenditures that it will incur in the execution of Commission activities.

**a. Staff time**

If the Host dedicates a proportion of the time of its staff to Commission activities, and wishes to recover the cost of the staff concerned from the funds that it manages on behalf of the Commission, a suitable charging mechanism shall be agreed that fairly reflects the employment cost of the staff concerned.

**b. Consultancy contracts**

If the Host contracts a consultant to perform Commission activities the consultancy contracts must be between the Host Organisation and the consultant and shall specify the tasks to be performed for the Commission. The consultant may or may not be a Commission member.

**c. Other expenditure**

Other Commission expenditure, e.g. travel, workshops, meetings should be paid by the Host and charged against the funds held on behalf of the Commission.

**v. Advances**

The Host may give an advance to a Commission member who then clears the advance by providing the Host with receipts and other justification of expenditure once the expenditure has been incurred.

**vi. Authorisation of expenditure**

All expenditures incurred by a Host Organisation on behalf of a Commission must be authorised by a Commission representative (Regulation 82). The Chair may act in the name of the Commission or may delegate authority for the approval of Commission expenditures to other Commission members in accordance with Regulation 78 (a).

**vii. Compliance with IUCN procedures**

The operational policies and procedures of the Host will normally apply to transactions undertaken in the name of the Host on behalf of the Commission. Key policies will be reviewed as part of the due diligence undertaken by the Secretariat, prior to signing a hosting agreement, to ensure that they are consistent with the principles in IUCN Secretariat policies.

In the event that significant weaknesses in the host policies are identified the Secretariat will request that IUCN rules be applied by the host in those specific areas of weakness. This requirement will be included in the hosting agreement.

**viii. Accounting**

The host should account for income and expenditure received on behalf of the Commission separately from its own funds.

#### **ix. Documentation**

Supporting documents for income and expenditure accounted for in the books of the Host Organisation should rest with the Host. The Commission should be given access to documents or be provided with copies on request.

#### **x. Reporting**

The Host Organisation should provide the Commission with an annual report of all income and expenditure received/incurred on behalf of the Commission. More frequent reports may be requested by the Commission, depending on the value of transactions.

#### **d. Direct receipt of donations by Commission members**

Commission members should avoid the direct receipt of donations in support of a particular Commission. In the event that a Commission member is approached by a donor he/she should request the donor to give the funds through an official channel such as the IUCN Secretariat or a Host Organisation. In the event that personal receipt is unavoidable the Commission member should satisfy himself/herself that the donation comes from a known source and that receipt of the donation would not contravene any local laws or ethical principles of IUCN (in particular the *Code of Conduct of the Members of IUCN Commissions*). The Commission member should provide a receipt to the donor and is required to transfer the funds for administration to the IUCN Secretariat or Host Organisation at his/her earliest convenience.

### **6. In-kind contributions from other organisations to Commission activities**

#### **a. Overview**

Commissions receive support from organisations (3<sup>rd</sup> parties independent from IUCN) through a variety of in-kind arrangements not involving the Secretariat. The main arrangements are:

- 1) An organisation provides in-kind support through the provision of office facilities and/or the time of technical and administrative staff. This may be in the form of ongoing support to a Commission subgroup or support for specific meetings or events.
- 2) An organisation provides support to Commission meetings and events through the direct provision of a service or by paying for a service.
- 3) An organisation undertakes Commission activities as part of its normal activities or agrees to undertake additional activities to support a Commission. Two mechanisms are possible:
  - i. The activities undertaken by the organisation are aligned with the objectives or workplan of the Commission and the results of the activities are made available to the Commission; or
  - ii. The organisation actively raises funds in its own name to fund and carry out a Commission activity.

In these situations the donor to the IUCN Commission is the organisation providing the services. The services are funded from funds raised in the name of the organisation as opposed to in the name of the IUCN Commission which is the situation described in section 5 of these financial rules.

#### **b. Requirements**

##### **i. General principles**

In deciding what needs to be tracked and reported the following elements need to be considered:

- 1) The financial value and scale of the benefits being received
  - High value / Large-scale (e.g. IUCN wide) benefits should be reported to the Secretariat.

- Low value / Small-scale benefits (e.g. at the level of a Specialist Group) do not need to be reported to the Secretariat, e.g. the value of office space provided to a Specialist Group member to enable him/her to undertake Commission activities.
- 2) The relevance of the work being performed
- Significant pieces of work undertaken by another organisation that form part of a Commission workplan should be reported to the Secretariat to allow tracking and reporting against the workplan.
  - Work not closely related to a Commission workplan or of relatively low scope and value does not need to be formally reported.
- 3) The risk to IUCN
- Where the risk to IUCN, reputational or otherwise, is significant, arrangements need to be formalised.

## **ii. Provision of office services, technical and administrative support**

For the provision of office services, technical and administrative support that is expected to extend over a period of one year or more, and its monetary value is estimated to exceed CHF 25,000 a Memorandum of Understanding (MoU) detailing the roles and responsibilities of the parties should be entered into by the Commission Chair and the entity providing the in-kind services. The MoU does not require clearance from the Secretariat<sup>6</sup>.

In addition to covering the provision of in-kind services, the MoU can also be used to cover the receipt and use of funds up to an annual maximum of CHF 100,000. In the event that cash contributions are expected to exceed CHF 100,000 a hosting agreement should be put in place (See section 5 c).

The Commission should keep track of all MoUs for its own administrative and management purposes and provide a copy of each MoU to the Secretariat.

A template MoU can be found at [\(Add link\)](#)

## **iii. Support provided by organisations to Commission events and meetings**

An organisation or other 3<sup>rd</sup> party independent from IUCN may provide in-kind services or pay for services themselves for Commission events and meetings, e.g. meetings of the Commission Steering Committee, Colloquiums or Conferences. Those services may include, but not be limited to, provision of venues and related facilities, hotel accommodation and transportation.

The Commission Chair should formalise these arrangements through an exchange of letters for all significant amounts. (As a guide, a value of CHF 10,000 would be considered significant in this context.)

For the provision of in-kind services, for single events (e.g. conferences) where combined in-kind donations are expected to exceed CHF 100,000, advice should be sought from the Secretariat. (See also 5b in respect of cash donations to Commission events).

## **iv. Contribution to a Commission workplan by an organisation acting in its own name**

An organisation may undertake Commission activities as part of its normal activities or agree to undertake additional activities to support a Commission. There is no requirement to enter into an MoU between the Commission Chair and the entity undertaking the work, nor is there a formal reporting requirement. However, depending on the significance of the activities and their relevance to the Commission workplan, the Commission may wish to enter into an agreement with the organisation to detail the scope of work and

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<sup>6</sup> Applicable to all new arrangements and renewals. For existing arrangements where no MOU is in place, they are required to be put in place on a best efforts basis over the course of the 2017-2020 Programme.



reporting requirements. This would allow IUCN to track contributions to the workplan and acknowledge the work undertaken by the organisation.

It is not necessary to attribute a monetary value to in-kind contributions, though the Commission may choose to do so. This could be based on an estimate provided by the organisation undertaking the work or by the Commission itself.

In the event that the funds are being raised in the name of IUCN as opposed to the name of the organisation then the procedure outlined in section 5b applies.

## **7. Partnership arrangements**

An organisation may enter into a partnership with the IUCN Secretariat and relevant Commission for specific deliverables, e.g. Red List Partnership, KBA (Key Biodiversity Areas) Partnership. In these situations resources are pooled for the common interest of the partners.

For partnership arrangements, a formal agreement is required between the IUCN Secretariat and the organisation(s) concerned.

The agreement should cover, amongst others, the work to be performed, timelines, the estimated monetary value of the work, reporting obligations and intellectual property rights.

The agreement will be tailor-made and should go through the standard IUCN contract review and clearance process.

It is understood that these agreements may include both cash and in-kind elements.

## **8. Financial reporting requirements**

Commissions are required to maintain records of income and expenditure received/incurred in cash that are not recorded in the books of the Secretariat. At a minimum, all donations of CHF 10,000 and above should be recorded and reported.

Host organisations, i.e. those organisation receiving CHF 100,000 or more per annum on behalf of an IUCN Commission are required to provide annual reports of income and expenditure received/incurred on behalf of the Commission to the Commission Chair in accordance with the Hosting Agreement.

An annual consolidated financial report of Commission income and expenditure should be provided to the IUCN Secretariat and Council in line with IUCN Regulations 78*bis*. This should include:

- a. All single cash donations of CHF 10,000 and above and related expenditure or activity funded. Lower amounts may also be reported if the information is readily available (see 5b).
- b. All income and expenditure received/incurred through a hosting arrangement (see 5c).

In addition, Commissions are encouraged to report on in-kind contributions, including:

- a. A listing of MoUs for the provision of office services, technical and administrative support (see 6b.ii).
- b. Significant in-kind support provided by organisations to Commission events and meetings either through descriptive reporting or with estimated values where these can be reasonably determined (see 6b. iii).
- c. Significant in-kind contributions to a Commission workplan by organisations acting in their own name either through descriptive reporting or with estimated values where these can be reasonably determined (see 6b. iv).

## **Annex 1**

### **Council Decision (58th meeting of the IUCN Council, June 2003)**

Upon the recommendation of the Finance and Audit Committee, the Council APPROVES the following budget principles to be applied for the submission by the Commission Chairs for the Commission Operating Funds:

1. The Commissions Operations Fund (COF) provides some of the support necessary for Commission networks to function effectively. Commission Chairs understand the COF is intended for Commission governance and management and thus, those activities necessary for a functioning Commission network should be supported by the COF.
2. Governance and management activities include:
  - a. Commission Steering Committee meetings (travel and accommodation support, logistics)
  - b. Support to Chair including:
    - i. Local staff support (non IUCN), if necessary
    - ii. Office support (fax, phone, email, photocopying, etc.)
    - iii. Travel to Commission meetings
    - iv. Travel to key external meetings (e.g. COPS of CBD, CITES)
    - v. Travel to IUCN governance meetings ( global and regional)
  - c. Travel support to Deputy Chair (or other Commission members appointed by the Commission chair) when representing the Commission at Commissions meetings, IUCN governance meetings or key external meetings.
  - d. Other meeting and Office support (as needed) to support subsidiary commission structures.
  - e. Newsletter/main communications organ (production and delivery, either electronic or hard copy); basic communication tools, including via the internet and Commission website development.
  - f. Support to the statutory external review.
3. Programme activities are not funded by the Commission Operating Fund, but included in the Programme budget.

**Modifications to the Council Handbook and Code of Conduct for IUCN Council members**

Approved by the Bureau of the IUCN Council on 6 June 2017

**1. Inclusion of a new paragraph and addition of a new Annex 4 to the Council Handbook**

Insert the following (new) §35 in the Council Handbook:

§35 In Annex 4 hereafter, the Ethics Committee for a record and for additional guidance to the Committee will, from time to time, insert examples of the implementation or interpretation of the Code of Conduct. These examples will be based on determinations made by the Ethics Committee in concrete cases or in response to requests for clarification or guidance from Council.

**2. Inclusion of new provisions in the Code of Conduct for IUCN Council members regarding the conduct in the process of selecting the venue of the next World Conservation Congress**

Include points a. and b. of the Code of Conduct included as Appendix C of the Statement of Requirements for the 2020 IUCN World Conservation Congress, as a new paragraph k. of the Council's Code of Conduct (Part IV – Conduct) with the title “Conduct in the process of selecting the venue of the next World Conservation Congress”, as follows:

*k. Conduct in the process of selecting the venue of the next World Conservation Congress*

- a. No IUCN Council member may obtain property, financial advantage or any other benefit including but not limited to soliciting or accepting any gift, hospitality or value in kind from any Candidate (directly or indirectly) that could be seen as affecting the person's impartiality with regard to the selection process in line with the Code of Conduct for IUCN Councillors.
- b. No IUCN Council member or IUCN staff member may provide support to a Candidate in preparing their proposal.