

WORLD CONSERVATION CONGRESS
9–15 October 2025, Abu Dhabi, United Arab Emirates

Report of the IUCN Treasurer on the Finances of IUCN in the Intersessional Period 2021–2024

Action Requested: The World Conservation Congress is requested to TAKE NOTE of the attached report on IUCN's finances for the period 2021–2024 presented by the IUCN Treasurer.

The Director General has reviewed in comprehensive detail the financial performance of IUCN for the four years to 2024, the Financial Plan for 2026 to 2029 and the financial strategy supporting the 20-year Strategic Vision.

My report will supplement her analysis and as required by the IUCN Regulations, provide a qualitative assessment of the financial health of the organisation, on the audited financial statements from 2021 to 2024 and on Financial Plan up to 2029.

It is important to consider at the outset, the changing geopolitical context on which our numbers and our assumptions for our financial future are based. These are as follows.

For the four years to 2024, despite the impact of COVID-19, the start of the war in Ukraine and rising inflationary pressures, there was broad governmental consensus on our environmental challenges, backed by long-term financial commitments by most developed economies to provide lasting solutions to those problems.

By 2025, the broad consensus and the commitment had eroded. Many of the governments which made those commitments are now facing difficult budgetary choices, as economic headwinds increase. Slowing economic growth is resulting in stagnant tax revenue at a time when new tariff regimes are posing challenges to international trade. Defence expenditure is increasing sharply in many nations, while the costs of rising national debts and aging populations are mounting. Spending priorities are changing as a result. The extent of long-term governmental funding commitments to official development assistance and to environmental goals can no longer be taken for granted.

This is the context in which IUCN is reviewing the financial foundations it has built over many years, and the sustainability of the funding needed to make its 20-year vision a reality.

Let me first summarise our financial performance over the last four years, which is the base on which we will build our future.

Audited financials 2021 to 2024

In summary, the key metrics of the Income Statement discussed below illustrate the financial performance each year of the range of our activities. These are broadly shown under three categories: firstly, Project outcomes; secondly, External operating incomes (also described as unrestricted income) minus expenses not directly related to projects; and finally, Other Income derived mainly from financial markets.

The Balance Sheet reflects the cushion of reserves we have available to meet both unexpected risks and future investment for growth and development.

Project outcomes

The project portfolio, funded largely by governments and multilateral agencies, grew by nearly 50% during this four-year period, to around CHF 1 billion. The portfolio is geographically widely dispersed.

Member participation in projects is increasing, as is the number and proportion of larger projects funded typically by the Global Environment Fund and the Green Climate Fund. Cost recoveries from projects grew robustly, from CHF 39m in 2021 to CHF 59m in 2024, reflecting both the growth in the portfolio and tighter internal recovery processes. Risk mitigation procedures also continue to be strengthened, and adequate provisioning is made for identified losses. Risks inherent in the scale and scope of the project portfolio, but which have not yet materialised, are included in setting the target for Reserves at CHF 36m. This target will be recalibrated periodically as circumstances change.

Unrestricted income and expenses

Unrestricted income is comprised mainly of membership dues and framework income from a relatively small number of donor governments. This has remained flat during this four-year period and amounted to CHF 34m in 2024. The great majority of these revenues are contributed by national governments. Stagnant unrestricted revenues create strategic constraints. These arise for example from capacity limitations in responding to issues such as the shifts called for in the 20-year Strategic Vision or to investing in organisational development, growth and programme priorities that are not covered by donor funding. Increasing the amount of unrestricted scope and diversifying its sources are two critical challenges IUCN faces in the next few years.

From unrestricted income are deducted unrestricted expenses, namely those costs which are not project related, i.e. expenses which support the general infrastructure of the organisation. This resulted in healthy operational surpluses of over CHF 4m per annum for the first three years of this period, and which increased to CHF 7m in 2024.

While the progress that has been made is commendable, it also illustrates the organisation's financial dependency on the project portfolio as well as unrestricted revenues sourced from a few governments.

Other income mainly reflects revenues derived from investments and from foreign exchange gains and losses, resulting from the changing value of transactional currencies compared with the reporting currency, namely the Swiss Franc.

Outcomes have been volatile, reflecting market conditions at each year end. Thus, investment and foreign exchange losses in 2022 totalled CHF 3m which significantly reduced the operating surplus for that year. Outcomes have been more stable since then. With the adoption of the Swiss GAAP, translation losses on foreign exchange are now charged to reserves rather than to the Income statement. Mitigating actions include natural hedges against foreign exchange losses and a conservative investment policy. However, while market-related risks may be minimised, they cannot be totally avoided or forecast with accuracy. Reserves are therefore also necessary to absorb market shocks.

Financial strategy supporting the 20-year Strategic Vision and the Financial Plan 2026–2029

The vision statement sets out IUCN's ambitious and transformational conservation goals to 2045. The financial strategy annex describes a three-step pathway to building the financial resources needed to achieve these goals. The statement recognises that our current business model, which relies directly or indirectly on funding from a relatively small number of governments and multilateral agencies, will not provide us with sufficient resources to deliver on that vision. As mentioned in the vision statement, we need to evolve and innovate, modernising our approach to fundraising and prioritising the use of resources. Real cultural and organisational change will be needed to translate ambition into reality and to implement the 20-year Strategic Vision via new projects and direction.

Reality is a moving target. Recent geopolitical changes have added both complexity and urgency to the task of implementation.

How is all this to be achieved?

In the immediate future, it has been agreed that five actions need to be taken, described as the Big Five. These actions will need to be systematically incorporated into annual budgets which connect with the Financial Plan and the Strategic Vision.

The Big Five are:

1. Both increasing and diversifying unrestricted income in particular

This is an essential but complex task to achieve. Funding from philanthropic foundations and the private sector will likely require new product offerings and structures, as well as new skill sets, together with technological and organisational changes, supported by an appropriate level of funding.

2. Managing costs

Costs are being well controlled under the present business model. However, as we transition to a different model, additional investment will be needed to support new fundraising initiatives. Choices will need to be made. Finite resources will need to be allocated between current spending on the needs of the existing business model and investment for growth and development, while at the same time building reserves.

This is the difficult but necessary balancing act which needs to be performed in each of the years going forward.

3. Building reserves

Council and the Secretariat have focused closely on this objective in recent years, with considerable success. We are much closer to the reserves target of CHF 36m than we were a few years ago. The target needs to be recalibrated periodically to ensure that we are neither over nor underestimating the risks and investment expenditure on which the reserve target is based.

Sufficient surpluses will need to be generated each year to ensure the right balance is maintained between the competing needs of the present and the future, while building our cushion of reserves.

4. Managing risk

A large proportion of reserves is earmarked against risks in the project portfolio. While growing the portfolio, we need also to manage growth within prudent limits, with strong processes which minimise the risk embedded in its scale and its scope. Balancing project growth, risk and reward will need focus and attention in the years ahead.

5. Increasing cost recovery

Much progress has been made, as demonstrated by the cost recovery numbers in the Income statement. It is essential for the financial health of the organisation that progress be sustained.

Conclusion

The vision statement illustrates the problems faced by our planet and the vital role that IUCN will play in finding solutions.

However, these ambitious goals cannot be achieved unless they are matched by equally ambitious funding plans and strategies.

Geopolitical trends and pressures underline the need for urgency of action.

We need to move quickly from financial strategy to implementation. While much work has been done, much more remains to be done. The coming quadrennial period is a critical time in our journey to financial sustainability.

We are building on solid financial and reputational foundations. Our network of Members and branches, backed by the expertise of Commissions, is unique. On such a strong base and with coordinated efforts by Members, Commissions, Council and the Secretariat, I am confident our goals can be systematically and speedily achieved.