

WORKING FOR CONSERVATION

Programme Report 2006



PREAMBLE

The Programme Report 2006 provides a summary of progress with the implementation of the IUCN Programme 2005–2008, in particular to the framework donors and the member organizations of the World Conservation Union. This report presents concrete results and impacts of our work, although reporting on measured achievements depends to a large degree on a shift from the current objective-based Programme to a results-oriented Programme. The IUCN Programme 2009–2012, to be approved by the Members' Assembly in October 2008, will be structured to ensure that in the future IUCN reports give precedence to results, outcomes and impacts of its thematic and regional activities.

EXECUTIVE SUMMARY

The IUCN Programme 2005–2008 set out to deliver results in six main areas, based on the strategy that improving knowledge and governance, and empowering people leads to significant improvements in the wellbeing of nature and people. It allows the Union to effectively plan and implement its work.

Yet, there is another way to present it: to identify what conservation contributes to addressing other societal concerns, and how we can help tackle wider challenges exactly because they currently have such considerable impacts on the sustainable management of our natural resources.

IUCN continues to be both the facilitator that bridges different communities and issues, and the implementer that works with a wide range of stakeholders to take action. This report demonstrates the necessity and success of conservation efforts, and underlines their relevance to the issues of climate change, poverty, the greening of economies and markets, and better ways for international cooperation.

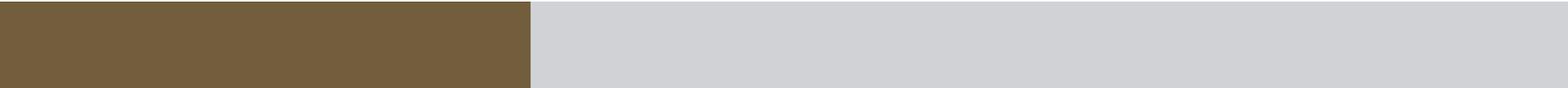


TABLE OF CONTENTS

P.2	FOREWORD
P.3	PREFACE
P.4	OUR SIX COMMISSIONS CLARIFY GLOBAL CONSERVATION AGENDAS
P.6	OUR MEMBERS
P.7	OUR DONORS AND PARTNERS
P.10	HIGHLIGHTS OF THE YEAR 2006
P.18	KEY PUBLICATIONS AND CRITICAL REPORTS
P.19	WORKING ON GLOBAL CHALLENGES
P.20	TACKLING POVERTY
P.22	DEMONSTRATING THE VALUE OF NATURE
P.25	STABILIZING CLIMATE CHANGE
P.27	IMPROVING GOVERNANCE AND DEMOCRACY
P.31	WORKING ON REGIONAL PRIORITIES
P.32	AFRICA
P.34	THE AMERICAS
P.36	ASIA
P.38	WEST AND CENTRAL ASIA – NORTH AFRICA
P.40	EUROPE, RUSSIA AND CIS
P.42	MEDITERRANEAN
P.43	OCEANIA
P.44	FINANCIAL STATEMENT 2006



FOREWORD

Dear Friends,

As I started at the helm of this wonderful organization in January of 2007, this Programme Report for 2006 has to begin with words of thanks to our previous Director General Achim Steiner and Ibrahim Thiaw as acting Director General for the last half of the year.

Achim has done a tremendous job at moving the Union back towards reclaiming its leadership in the practice, science and policy of conservation and sustainable development. Further, he and Ibrahim have brought IUCN's unique role back to centre stage: they have kept our focus on the Union's vital role as a platform for exchange and collaboration between our volunteer experts in the IUCN Commissions and our member organizations to tackle today's conservation challenges.

This progress report demonstrates the results that the Union can deliver when members, commissions, partners and the secretariat work together to find scientific consensus, formulate sound policy advice, and create partnerships to tackle conservation challenges in the field.

These results also prove that the IUCN Programme from 2005 to 2008, adopted by members at our Bangkok Congress in 2004, was a major improvement over previous plans: it has provided for collaboration on a wide range of local and global conservation priorities to deliver change towards our vision.

However, we do need to admit that much remains to be done to translate our actions into real impacts. In order to achieve this, we need to restrain our tendency to be too many things to too many people, and rise to the challenge of demonstrating the relevance of conservation to other societal issues.

As we look over the shoulders of this Programme Report 2006 towards the next World Conservation Congress, in October 2008 in Barcelona, Spain, and the regional members' consultations that take place before then, I am confident that the IUCN Programme for 2009–2012 will again be a major leap forward.

An effective and efficient Secretariat is a condition to making that leap to higher ground. Some of the changes required are already under way, and I can assure

you that we will continue to make the necessary changes in our operations so that our promise to our members and the wider world becomes a reality.

An exciting and focused Programme implemented by a highly professional Secretariat will continue the course that I have come to lead, and which I believe is the fundamental desire of all our members: to bring the Union back to the apex of decision making and action with regards to conservation and sustainable development.

That, I firmly believe, is where we belong and where we can be before too long!

Julia Marton-Lefèvre
Director General



PREFACE

In early 2006 I met local communities whose livelihoods had been improved and I saw bird populations that had flourished through ecosystem restoration in the Senegal Delta. It provided a graphic demonstration of how good ecosystem management can improve both human and environmental wellbeing.

During that same trip, I met with the President of Mauritania. He asked the World Conservation Union to use its convening power and scientific credibility to help assist with a complex and controversial issue of off-shore oil and gas extraction and its potential impacts on the environment and local livelihoods.

In only a few days, I experienced a cross-section of the issues that IUCN's Programme engages in – from local community management of resources, to river basin management, to national and international energy and development policies.

You will find many examples in this progress report of how the Programme links IUCN's core work on biodiversity with social and economic processes that impact on the natural environment. IUCN does this by adding value to its members and partners, by linking practice and policy, by sharing knowledge and by building capacity of key actors on sustainable development.

The Programme Report 2006 encourages us to reflect on the progress we have made with the IUCN Programme 2005–2008. It also reminds us to use the lessons learned so far to plan the next programme. We have made tremendous progress towards fully realizing our ability to catalyse global change. But determining which issues we should focus on remains a challenge, because of the complexity and number of environmental problems we face today.

Our response to the rapid increase in interest in climate change provides a good example of how IUCN adapts to address issues of societal importance. Global warming is having a direct impact on biodiversity and also works in concert with other direct drivers such as land use change and invasive species to disrupt ecosystem functioning. But where should IUCN put its effort? Promoting mitigation of greenhouse gas emissions? Assisting to develop market-based mechanisms for carbon trading? Working with scientists and businesses to develop and share technology? Or, reducing emissions from deforestation and degradation of ecosystems? Striking a balance between these issues and being able to make a difference is a key challenge.

At this half way point in the Programme for 2005–2008, I have marked three areas for investment if we are to realize

our goals. Sound conservation and development decisions depend on reliable, useable, accurate and timely biodiversity information and knowledge. We have made substantial progress with the Species Information Service, Conservation Commons and other tools, but more resources are needed to enable IUCN members, Commissions, partners and the Secretariat to mainstream biodiversity knowledge and make it more accessible to a wide range of actors.

IUCN's investments in new areas of work and new ways of doing business are helping integrate the work of members, Commissions and the Secretariat on issues such as poverty reduction through conservation and energy, ecosystems and livelihoods, and in engaging business as a positive force for biodiversity conservation. However, to bring these efforts to a scale that makes a global impact requires greater investment.

Finally, to deliver the Programme and to better demonstrate accountability and clear outcomes demand improved information technology systems so that we can take advantage of recent developments and improve our efficiency.

William Jackson
Director of Global Programme



OUR SIX COMMISSIONS CLARIFY GLOBAL CONSERVATION AGENDAS

IUCN Commissions unite 10,000 volunteer experts from a range of disciplines who assess the state of the world's natural resources and provide the Union with sound know-how and policy advice on conservation issues. By improving knowledge and information in their specialties, Commissions illuminate powerful linkages across disciplines and inform decision making in the practice and policy of natural resource management.

Holly T. Dublin, Chair of the IUCN Species Survival Commission (SSC)

When working with individual species, evidence of the impact of our work is sometimes hard to explain or only evident in the years to come. With that in mind, there still is notable progress. We secured a mandate for the delivery of species-based biodiversity indicators based on the IUCN Red List of Threatened Species for measuring progress towards the 2010 target. The Red List for 2006 generated six times more website traffic, and raised the media profile of the Commission and the Red List as the global standard for reporting the conservation status of over 40,000 species. From assessment we went to action.

The Veterinary Specialist Group contributes to removing the drug responsible for more than 90% reductions of south Asian vulture numbers and is alerting the pharmaceutical industry to similar scenarios for other drugs in future. The first-ever meeting of all 13 Asian elephant range states addressed threats to the continent's largest mammal. A continental strategy for the conservation of African lions was agreed. Specialist Groups and partners continue to tackle the amphibian extinction crisis. We are now laying a sound scientific

basis for climate change adaptation planning by identifying which species are most vulnerable and why. And we clean our own house: SSC became the first Commission to make its operations carbon neutral.

SSC looks forward to building on its strengths to deliver the information, knowledge and expertise needed to guide improved decisions and actions to safeguard biodiversity, and to increase the capacity to tackle emerging challenges.

Nik Lopoukhine, Chair of the IUCN World Commission on Protected Areas (WCPA)

The World Commission on Protected Areas charts innovative ways to ensure that protected areas – the priceless gems of our planet – are conserved for future generations and contribute to the wellbeing of the people that depend on them.

In June, the World Protected Areas Leadership Forum focused on the role of protected areas in improving health, innovative financing and effective management. The creative 'Healthy Parks – Healthy People' initiative by Parks Victoria in Australia incorporates human health into every aspect of protected area management. WCPA, through its far-reaching network, aims to make such initiatives the norm rather than the exception.

WCPA continues to drive the Programme of Work on Protected Areas of the Convention on Biological Diversity. In East Asia, it has updated the Regional Action Plan for Protected Areas as a blueprint for action to 2010. We also pushed stakeholders to use mountain protected areas' connectivity to mitigate climate change impacts.

Finally, we work to build a future pool of experts by engaging youth, for instance at the Youth Forum. They are future protected area professionals who need or may find the tools necessary to manage the challenges of the 21st century.

Sheila Abed de Zavala, Chair of the IUCN Commission on Environmental Law (CEL)

CEL is going through vibrant changes: 450 members in a range of specialist groups work on the promotion of environmental law in their areas of expertise. With an agreed plan of action in hand, and annual meetings of the specialist group chairs, we pay special attention to the Resolutions and Recommendations of the next Congress.

In 2006, we produced a Code of Ethics for Biodiversity that is now being reviewed to arrive at a powerful 'Code of Codes' that can be applied at local, regional and national levels. We work more with other commissions, for instance on the Precautionary Principle Guidelines, on the legal issues related to protected areas, such as land tenure, and on specific legal issues in their work.

For my election, I made the commitment to serve the whole IUCN membership. As a result, we have invited members to express their needs for legal advice by letter and through two meetings in Africa and South America, and asked young law professionals to submit papers and work with us on the most pressing legal challenges.

Through such changes, CEL remains the network of legal excellence, whilst improving its legal support to the work of the entire Union.



Keith Wheeler, Chair of the IUCN Commission on Education and Communication (CEC)

The Commissions help shape the Union and help the Union shape the world. CEC is actively exploring how to effectively do this 'shaping'. We have been experimenting with change processes and learning what works for us and the Union to move people, organizations and societies to sustainable solutions.

We will focus our energy on some of the answers: Dialogue for the co-creation of strategic outcomes; building social capital that increases our capacity to bridge knowledge and action; more innovation and experimentation for improved practice.

Meanwhile, we have also made practical progress. We offer study certificates with the United Nations University that match the IUCN Programme with a network of universities worldwide via distance learning. For the UN Decade of Education for Sustainable Development, we contributed to the UNECE process in Europe, and developed indicators with partners in Asia-Pacific to understand the Decade's impact.

For the Convention on Biological Diversity, a demand-driven toolkit helps coordinators to make National Biodiversity Strategies and Actions Plans more effective. Another highlight is our work to reconnect youth with nature to nurture an environmentally aware and responsible citizenship.

We look forward to continuing with you on our learning journey and re-shaping ourselves so that we can most effectively co-create the world in which we want to live.

Taghi Farvar, Chair of the Commission on Environmental, Economic and Social Policy (CEESP)

We address the concerns of communities and societies about the connection between conservation and crucial socio-economic and cultural concerns, and therefore work to improve the governance of natural resources in different areas and at different levels.

We promoted greater involvement of communities in the management of protected areas and the impacts of mining, also as a way to reduce poverty. We supported regional networks and built their capacities for the co-management of marine protected areas in West Africa, protected areas in Southeast Asia, natural forests in China, and conflict resolution over natural resources in Afghanistan and Madagascar.

Specifically, we helped turn traditional knowledge and management arrangements into effective management arrangements: we did so on the ground in Iran, Afghanistan and Morocco, in policy in Iran, globally for the UNEP Governing Council on tourism, and on oil exploration in West and East Africa. We got involved in mining issues in the Philippines, the urgency response to the Lebanon oil spill, and the World Gathering of Nomadic Pastoralists.

Together with WCPA, we did five regional surveys of Community Conserved Areas, and in nine countries of Europe, we began participatory action research initiatives on governance of biodiversity. Some results are yet to come, but in 2006 our Commission demonstrated it remains a crucial thread in the fabric of the Union.

Hillary Masundire, Chair of the Commission on Ecosystem Management (CEM)

It is not without pride that I dare to claim that, in 2006, CEM found its way to become a more respected, dynamic and effective community of scientists and practitioners.

We developed an expertise database of our members that allows us to connect better to each other, and which allows us to more effectively service the Union: 80% of our members confirmed their interest to actively participate in IUCN's work on the science, practice and policy of the ecosystem approach.

And there is much we have to offer. The Convention on Biological Diversity recognized CEM as a key promoter of the ecosystem approach. We trained Vietnamese protected area managers, published *Ecosystems, Livelihoods and Disasters* with the disaster community, and helped the Union demonstrate the hidden wealth of dryland biodiversity. We started identifying indicators for ecosystem health, and we contributed our knowledge to two major IUCN initiatives, *Livelihoods and Landscapes*, and *Mangroves for the Future*.

We will stay on this course to present at the Congress, in Barcelona, a focused and energized commission that effectively develops the science and shares the practice of the ecosystem approach. I look forward to meeting you there.

OUR MEMBERS *Uniting the conservation movement*

***IUCN MEMBERS AS OF
31 DECEMBER 2006***
.....
State members 82
.....
Government Agencies 108
.....
*National Non-Governmental
Organizations 734*
.....
*International Non-Governmental
Organizations 81*
.....
Affiliate members 32
.....
TOTAL 1037
.....

Organizations continue to see the value of a worldwide Union that enables its members to network, access knowledge and policy networks, and create new partnerships. They believe they can increase their impact and reach through IUCN. Many find the Union delivers on its promises, and stays actively engaged in its networks.

Of course, every year, there are also members that leave. While some renewal is normal and necessary, we need to pay specific attention to those who leave the Union disappointed. We know that some leave because they do not find the benefits they sought. Our attentive ears have heard the message, and we are trying to offer better and clearer services.

We are doing more to understand the needs of our members, and using that information actively to engage them in the Union's worldwide programmatic activities. We are opening new channels of communications, for instance on the members' portal where this year we organized the first online discussion. We organized the first-ever meeting of National and Regional Committees in 2006 to clarify the role of committees,

specify how we can better communicate with them and our members, and how Committees can build bridges between countries and regions.

In 2007, our engagement will intensify through the regional meetings in preparation for the 4th IUCN World Conservation Congress, and we aim to put in place other mechanisms to ensure that every member finds in the Union a platform for discussion and collaboration, where everyone contributes in his unique way to our common goal of a diverse and sustainable world.

OUR DONORS AND PARTNERS

The work of the World Conservation Union is made possible through the generosity, trust and confidence of a growing number of donors and partners: governments, bilateral development agencies, multilateral and intergovernmental institutions, international conventions, non-governmental organizations, foundations, corporations and individuals.

IUCN is unable to acknowledge all contributions and therefore only contributions over CHF 250,000 have been included in this report. IUCN would like to take this opportunity to thank all those who have supported its work in 2006.

IUCN would like to acknowledge the continued support received from its framework donors: Canada (CIDA), Denmark (Danida), France (Ministry of Foreign Affairs and Ministry of Ecology and Sustainable Development), the Netherlands (DGIS), Norway (Norad), Sweden (Sida) and Switzerland (SDC).

Framework donors provide core funding to support the implementation of the IUCN Programme for the period 2005–2008. Funding provided by framework donors is a vital foundation with which the Union supports the implementation of its portfolio on species conservation, protected areas, forest conservation and other areas. This type of support also fosters the development of new programmes such as climate change, poverty, green markets and energy, to enable IUCN to more efficiently and effectively address the threats to sustainability.

OUR DONORS

Framework Agreements



Canadian International Development Agency



Ministry of Foreign Affairs, Denmark



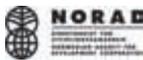
Ministry of Foreign Affairs, Directorate-General for International Cooperation and Development (DGCID), France



Ministry of Ecology and Sustainable Development, France



Ministry of Foreign Affairs, Directorate-General for International Cooperation (DGIS), The Netherlands



Norwegian Agency for Development Cooperation

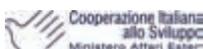


Swedish International Development Cooperation Agency



Swiss Agency for Development and Cooperation

Voluntary contributions from:



Ministry of Foreign Affairs, Directorate General for Development Cooperation, Italy



Department of State, United States of America

Government Agencies



Department of Environmental Affairs and Tourism, Government of the Republic of South Africa



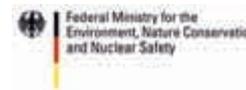
Department of Environment, Food and Rural Affairs, United Kingdom



Department for International Development, United Kingdom



Federal Ministry for Economic Cooperation and Development, Germany



Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, Germany



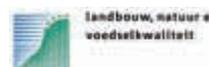
Forestry Commission of Ghana



International Development Research Centre, Canada



Ministry of Foreign Affairs, Finland



Ministry of Agriculture, Nature and Food Quality, The Netherlands



Ministry of Environment, Spain



Regional Ministry for Environment, Government of Andalusia, Spain



Swiss State Secretariat for Economic Affairs (SECO)



United States Agency for International Development

Multilateral Institutions, Agencies and Conventions



Asian Development Bank



Convention on International Trade in Endangered Species of Wild Fauna and Flora



European Commission



Global Environment Facility



International Tropical Timber Organization



Ramsar Convention on Wetlands



United Nations Development Programme



United Nations Environment Programme



United Nations Educational, Scientific and Cultural Organization



The World Bank Group



Non-Governmental Organizations, Foundations and Corporations

Buffet Foundation

Conservation International



Fondation Internationale du Banc d'Arguin



Ford Foundation



IUCN National Committee of The Netherlands



Mava Foundation



Sakhalin Energy Investment Company Ltd



W.K. Kellogg Foundation



World Wide Fund for Nature

HIGHLIGHTS OF THE YEAR 2006

PEEKING INSIDE THE ARAB LEAGUE

3 January – The Council of the Arab Ministers Responsible for the Environment within the Arab League granted Observer Status to IUCN represented by the Regional Office for West and Central Asia and North Africa.

SAVING AFRICA'S PRIDE

13 January – IUCN and its partners convened a meeting with governments who agreed upon a new strategy to save the lion in southern and eastern Africa.

HIGH EXPECTATIONS FOR ASIAN ELEPHANT

27 January – IUCN helped all 13 Asian elephant range states address the threats pushing the continent's largest land mammal to the edge of extinction.

NO SHELL LEFT TO HIDE

2 February – IUCN found that Indonesia's Roti Island Snake-necked Turtle *Cheloidina mccordi* has become all but extinct in the wild, due to the illegal capture and trade of these endemic reptiles.

A TALE WITH A STING

20 February – IUCN projected that the number of species of sharks and rays on the IUCN Red List of Threatened Species will increase, based on its scientific findings that looked at the conservation status of the species in Atlantic and Mediterranean waters.

THINK RURAL, ACT URBAN

28 February – IUCN President Valli Moosa highlighted the decisive role of cities in biodiversity conservation, where he said the battle to save the Earth will be won or lost.

TRACKING DOWN, CRACKING DOWN

3 March – The World Conservation Union helped a global task force launch a global database to track down illegal fishing vessels and set new guidelines for fisheries' regulators to manage ocean resources on the high seas.

LAND TENURE LINKED TO ILLEGAL LOGGING

10 March – The World Conservation Union found direct links between illegal logging and insecurity of land tenure and corruption, and showed how Forest Law Enforcement and Governance may turn trends around.

ROBUST REEF RECOVERY

14 March – In the most comprehensive report to date, IUCN found that most Indian Ocean coral reefs escaped serious damage from the Indian Ocean tsunami and could naturally recover within five to ten years if damage from human activities can be reduced.

CLARIFYING THE ROLE OF TREES

23 March – The World Conservation Union presented evidence on the role of forests in water-related natural disaster reduction to correct recent confusing media reports.

INVEST IN GREEN FOR ACCOUNTS IN THE BLACK

29 March – IUCN Director General Achim Steiner told ministers at the Convention on Biological Diversity meeting in Brazil that "the environment should not be seen any longer as a cost, but rather an investment for development."

UPHOLDING TRADITIONS

23 April – The World Conservation Union and its partners worked with Chinese leaders to practice conservation of 'many highly threatened medicinal species.'

BAIKAL WATER AND OIL WON'T MIX IN RUSSIA

28 April – Following input from scientists and designations by the World Conservation Union, Russian President Vladimir Putin announced that the controversial oil pipeline that would have passed through the Lake Baikal World Heritage site will be rerouted to avoid the risk of high potential impacts to the world's oldest and deepest freshwater lake.

POWER TO THE PEOPLE WHO RELY ON FORESTS

4 May – A coalition informed by the World Conservation Union launched an international initiative advocating stronger community rights by the 1.6 billion who live in and should own and economize forest use.

SPOTTED

17 May – After decades in decline, critically endangered bowhead whales were recently spotted in Arctic waters by IUCN scientists, offering a glimmer of hope for their recovery.

UNDP + IUCN = MDGs

1 June – The World Conservation Union and United Nations Development Programme signed a new agreement to enhance collaboration on scientific studies, policies and programs.

CULTIVATING DRYLANDS

30 June – The World Conservation Union leveraged its economic and ecological studies into urging nations to invest more in 'the hidden wealth of drylands' which cover three quarters of Kenya, four-fifths of Central Asia and nine-tenths of Jordan.

TRAWLER WITHDRAWAL

5 July – Following IUCN studies, four major fishing companies announced a voluntary halt to trawling in 11 deep-sea areas of the southern Indian Ocean to protect and conserve sea floor biodiversity.

HUMAN IMPACTS OF 'NATURAL' CATASTROPHES

30 August – The World Conservation Union demonstrated how well-managed ecosystems reduce the impact of extreme natural events, and urged collaboration between disaster response and conservation experts.

AMPHIBIOUS ASSAULT

14 September – IUCN's Mediterranean Red List of Threatened Species found that a quarter of the basin's amphibians and significant numbers of reptiles could soon go extinct.

MANGROVES ENSURE THE FUTURE

15 September – More than 60 representatives of governments and international organizations expressed strong support for IUCN's *Mangroves for the Future Initiative*, a sustainable coastal zone management plan in Indian Ocean countries.

EMPOWER THE POOR TO ENRICH BIODIVERSITY

21 September – The World Conservation Union concluded its *Biodiversity in European Development Cooperation* conference with a call to “give poor people more control over natural resources to reduce poverty and achieve the sustainable use of biodiversity.”

LUCRATIVE LIFE IN THE KALAHARI DESERT

12 October – IUCN President Valli Moosa urged Botswana to take advantage of its desert, adding: “in a future economy, the Kalahari could become as valuable as diamonds.”

WHOOPIING GOOD NEWS

28 October – Members of IUCN's Species Survival Commission helped wild whooping cranes nest in the American Midwest for the first time since 1890 with techniques they hope will bring similar success in Russia with the threatened Siberian crane.

WELCOME ABOARD

8 November – The 66th IUCN Council meeting admitted 27 new members, including government agencies, international and national NGOs and affiliate members.

UPLIFT MOUNTAINS TO LOWER CLIMATE IMPACT

13 November – An IUCN workshop on mountain biomes proposed ‘mountain connectivity’ to buffer the impacts to retreating species and melting glaciers in one of the ecosystems most vulnerable to climate change.

CORAL BLEACHING STAINS WORLD'S POOR

16 November – The World Conservation Union said climate change puts at risk the livelihoods of at least 100 million people, mostly in developing countries, who depend on coral reef goods and services in order to survive.

CHANGE NOW, ‘IN THE NAME OF JUSTICE’

17 November – At the close of the UN Conference on Climate Change, the World Conservation Union called for justice and immediate investments in cost-effective adaptation measures to future climate change impacts.

NORTH AFRICA BRACES FOR TOURIST BOOM

5 December – IUCN co-organized a workshop on how North Africa can lay the groundwork to sustainably absorb the coming decades of unprecedented growth in tourism, expected to reach 100 million annual visitors by 2025.

ISLANDS ALL SET TO USE ECOSYSTEM APPROACH

21 December – IUCN showed how the ecosystem approach can be used as a framework for customary land owners and resource users to help establish and manage protected areas in Small Island States.

CAREFULLY TRACKING SIGNS IN THE WILD

21 December – IUCN Acting Director General Ibrahim Thiaw worried about a year where natural resources were exploited “at breakneck speed,” by “the only species capable of self-destruction”. But he was encouraged by political and economic figures taking a stand, and by a “clear increase in awareness within the private sector”. He called on all stakeholders, members and partners to work with renewed vigour to protect nature.

RE-THINKING 21ST CENTURY CONSERVATION

The IUCN Council set out to boost the waning power of the sustainable development concept to deal with the challenges of the 21st century. The objective is to identify a vision, innovative solutions and a new leadership role for the Union that will re-energize societies to work together for a just world that values and conserves nature.

In January, Council convened a meeting of economic, social and environmental leaders to focus their intellect and experience on the fundamental question: What is the future of sustainability?

The first result was a synthesis of their insights¹. We have a sorrowful lack of reliable data to measure our progress towards sustainability, yet we have enough to know that urgent action is needed. We see many hopeful innovations from social entrepreneurs, leading businesses and new partnerships, but too few to fundamentally green the global economy. We hear many stories about the problems, and too little of the solutions we already have. We appeal to minds, when we should also capture hearts.

Above all, the leaders conveyed a sense of urgency and opportunity for IUCN to convene, shape and lead the debate as a think tank and take action as a platform for new partnerships. The energetic and heated debate online on the synthesis then confirmed the desire for the Union to demonstrate intellectual leadership.

Based on that demand, Council asked the Secretariat to take the 'Future of Sustainability' forward and outward by convening members and partners. A series of discussion papers and events, culminating at the 4th World Conservation Congress in 2008, is now in preparation to develop and articulate a new vision and strategy for sustainability.

¹ http://www.iucn.org/en/news/archive/2006/06/iucn_future_of_sustainability.pdf



TOOLS AND KNOW-HOW FOR WATER AND NATURE

Water management used to focus on drinking water and irrigation, and forgot that natural infrastructures manage, clean and distribute water, and support diverse rural livelihoods. The Water and Nature Initiative demonstrated the need for the integrated management of all water resources in practice and policy.

The Water and Nature Initiative works with over 80 members and partners in 13 river basins worldwide. Water users and regulators find the best ways to use and distribute scarce water resources, and the economics and legal tools to support equitable water resource use. These field experiences merged with the best science in four pragmatic ‘toolkits’ with proven solutions and instructive case studies. Its latest book, *PAY*, shows how payments for water and ecosystem services can generate economic returns for up and downstream beneficiaries.

Next, our know-how cultivated transboundary cooperation in Africa, where 230 million people face water scarcity along desiccating rivers. IUCN convened 30 decision makers from 15 African countries to apply the *VALUE* toolkit to their river basin management. Each developed an action plan on how to incorporate accounting for ecosystem services in their work, such as planning new dams for the Volta or strategic environmental assessment in the Nile basin.

We also helped to ensure waters kept flowing in rivers for all species, including our own. We helped water-stressed rival states and competing users integrate the environmental flow methodology in water management. We trained

professionals from countries sharing the Limpopo to conduct flow assessments. And we galvanized Angola, Namibia and Botswana under the *Okavango Delta Shared and Common Vision* to guide policy, set priorities and meet natural resource needs for the timeless watershed that is shared by millions of poor.

The sharing of our know-how culminated at the 4th World Water Forum in Mexico. We provided a platform for sharing of know-how for 10,000 water professionals, and demonstrated how forests, wetlands and soils can ensure sustainable water supplies. IUCN provided an independent platform for scientists, members and donors to bridge ideological factions and seek pragmatic solutions for water resource management, conservation, risk avoidance, food security, development, supply and sanitation.



COLLABORATIVE APPROACHES FOR THE TREES AND THE COMMUNITY

Forests are treasure troves of biodiversity, useable goods and invisible services. Our know-how of stakeholder empowerment and governance improvement took us to a new hypothesis: Livelihoods and Landscapes is a series of interventions that tries to prove that forests can be managed for biodiversity values and economic opportunity at the landscape level.

IUCN's global experience has shown that to deal with threats to forests we need a diverse range of tactics, based on science and local partnerships. It has led us to assess the market for non-timber forest products and traditional wisdom as a tailored strategy in South Siberia's Altai-Sayan ecoregion. Or identify the Tropical Rainforest World Heritage Site of Sumatra as threatened by agricultural encroachment, deforestation and roads. Or help ministries, industry and civil society with ecological restoration in Ghana, where 3% deforestation annually shrank forest cover from 7.5 to 6.3 million hectares in a single decade.

Part of the solutions is the empowerment of stakeholders, based especially on recognition of the rights and livelihoods of those who depend on it. In Bangladesh, we trained 200 community members to increase income from medicinal plants through seed banks and nurseries, and make energy-saving cooking stoves. Around Kenya's last indigenous forests, where 87% live in extreme poverty, IUCN empowered the community through bee-keeping, tree nurseries and piped water schemes. And in Ghana, Cameroon, Nigeria and Tanzania, we work in partnership with Unilever, government and communities on the sustainable harvesting of *Allanblackia*

seed-oil, an alternative to palm oil. Our project generated a total income of USD 85,000 for the 3,000 farmers participating; by 2011 it will involve 30,000 farmers with a total income of USD 2,000,000.

Another part is improving governance. Trust between businesses, governments and local communities and access to the same information is needed to tackle illegal logging. Last year, we worked with stakeholders to improve forest law enforcement and governance in Ghana, Russia, Vietnam and the Democratic Republic of Congo. In Brazil, we helped forest dwellers and timber companies use a forest certification system to gain equitable access to new markets.

Building on the above, IUCN launched a major initiative called *Livelihoods and Landscapes*. Funded by the Government of the Netherlands, it enables the rural poor to expand their economic opportunities while sustaining their forests for themselves and our climate. It also works with governments, businesses and industry for collaboration on the sustainable management of forests for a 25% reduction in poverty, new business opportunities and growing national economies.



ADDING TO THE WORLD'S TREASURE CHEST

Advising on conserving unique landscapes and improving their management is a core service of the Union. We continue our work with the World Heritage Convention to identify sites, and to engage partners and communities to ensure they are really conserved, and continue to evolve to higher management standards.

The Kvarken Archipelago, situated in the Gulf of Bothnia off the coast of Finland, includes 5,600 islands and islets covering a total of 194,400 hectares. The Archipelago is rising from the sea in glacio-isostatic uplift, whereby the land lifts at incredibly fast rates. The shoreline advances, islands appear and unite, peninsulas expand, and lakes evolve into marshes and peat fens. IUCN advised this site to World Heritage, now inscribed as the 336,900 hectares High Coast/Kvarken Archipelago shared with Sweden.

Off the coast of Colombia, the Malpelo Fauna and Flora Sanctuary provides critical deepwater habitat with steep wall and caves for giant grouper, billfish, short-nosed ragged-toothed shark, hammerhead, silky sharks, whale sharks and tuna. Malpelo supports endangered birds like swallow-tailed gull, masked booby and Hawaiian petrel. Last year, IUCN agreed that the Sanctuary should become part of the critical marine biological corridor with the Galapagos,

Cocos and Coiba Islands World Heritage sites. Its 857,150 hectare marine area is the largest no-fishing zone in the Eastern Tropical Pacific.

One of Earth's most charismatic and endangered animals just won a refuge. The Sichuan Giant Panda Sanctuary covers 924,500 hectares across seven nature reserves and nine scenic parks in the Qionglai and Jiajin Mountains. Two decades ago, China proposed a small version for UNESCO status, but was urged to return with a larger comprehensive package. It did, and IUCN helped to inscribe the Sanctuary as a World Heritage Site. It protects a third of the world's giant panda population and the largest remaining contiguous area of habitat for giant panda, red panda, snow leopard and clouded leopard, all threatened with extinction on our Red List. It is botanically enriched by flora – 6,000 species in 1,000 genera.



RED LIST RELEASE LINKS MELTING ICECAPS, DYING DESERTS, EMPTY OCEANS

2006 saw the release of an expanded IUCN Red List of Threatened Species with 16,116 threatened species. This gargantuan effort of 7,000 experts remains the cornerstone of knowledge and information to plan conservation action and inform societies about their impact.

The 2006 IUCN Red List showed a clear trend: the rate of biodiversity loss is increasing, not slowing down. That grave situation has far-reaching implications for the productivity and resilience of ecosystems and those who depend on them. Melting summer sea ice made polar bears a global warming casualty, with a predicted 30% population decline. Dying deserts are being emptied of diverse and specialized wildlife, almost unnoticed, from dama gazelle to scimitar-horned oryx. Of 547 shark and rays listed, 20% face extinction, confirming how slow-growing species like angel shark and common skate are exceptionally

susceptible to over-fishing and are disappearing at an unprecedented rate. Freshwater fish species fared even worse: 56% of the 252 endemic freshwater Mediterranean fish face extinction; in East Africa, human impacts on the freshwater environment threaten over one in four (28%) freshwater fish. Reversal is possible, but we need to wake up and take urgent conservation action.



OUR RAPID WARTIME RESPONSE BINDS MEMBERS IN TIME OF CRISIS

When humans fight, nature suffers too. The Union, with its members and Commissions, responded to assess and encourage repair of some of the damage caused in Lebanon.

When war broke out in Lebanon, IUCN members reported bombing in the forests and protected areas in the south and less concentrated targeting of protected areas such as Shouf Cedar Reserve, Important Bird Areas and protected 'Hima' wetlands.

Hundreds of hectares of virgin oak forests were burned, but the worst ecological damage followed when bombs struck a coastal power plant's fuel tanks. Within minutes, 15,000 tons of toxic crude oil began spewing over 150 kilometres of pristine coast, polluting sea turtle nesting grounds and fish spawning areas, including the Palm Islands Nature Reserve, a Ramsar site off Tripoli.

In response to members' requests, and in line with Resolution 3.046 on conservation in regions of violent conflict of West Asia, IUCN networked, involved the media, and formed a Task Force of Secretariat, members and Commissions to support the government and the Lebanese people in assessing the ecological damage, setting priorities for rehabilitation and generating financial support.

Within a few weeks of the oil spill, the IUCN member Green Line Lebanon, CEESP and the Regional Office of the Secretariat in Amman produced the first

Natural Resource Damage Assessment report with support from the Ministry of Environment of Lebanon and other actors. It was used to guide future responses by the Lebanese Ministry of Environment and the international community, and it was included in the UNDP report "Lebanon Rapid Environmental Assessment for Greening Recovery, Reconstruction and Reform – 2006".

We helped raise more than USD 100,000 for the cleanup of Palm Islands, and involved 100 affected fishermen. This led to an additional USD 400,000 from the Swiss Development Cooperation for the cleanup of the area around Tripoli. IUCN implemented a marine survey around the area in collaboration with government and academic scientists, and recommended remedial measures based on a detailed impact assessment of war on biodiversity.

Our experience highlighted how the cooperation and partnership between government and non-government proved more resilient in times of crisis, especially in the protection of natural resources and rapid response to disasters. This work also demonstrates how IUCN's unique structure of members, commissions and secretariat can make a difference in times of need.

KEY PUBLICATIONS AND CRITICAL REPORTS

P.18

- TALES OF WATER

What does water mean to children?

Tales of Water tells the refreshing stories of children. They speak of their personal bonds with water, their daily realities and their dreams. Children speak the truth, and while many lack safe drinking water and sanitation, this book shows children are also filled with hope for a better future.

- 2006 RED LIST

What are the global status and trends of biodiversity?

The good news was that the launch of the *2006 IUCN Red List of Threatened Species* generated more interest than ever. The bad news was that the List revealed an ongoing decline in the status of the world's plant and animal diversity.

- MANAGING PROTECTED AREAS

How to manage parks and forests

IUCN published *Managing Protected Areas: A Global Guide*, the most authoritative guide on the principles and practice of protected area management. This is the international benchmark for professionals, scientists and students worldwide.

- 'NATURAL' VS. HUMAN DISASTERS

We cannot stop disasters, but we can reduce impacts.

Catastrophic impacts can be reduced and livelihood recovery sped up by leaving nature's infrastructure – dunes, mangroves, coral reefs, forested slopes – firmly in place. *Ecosystems, Livelihoods and Disasters: An integrated approach to disaster risk management* demonstrates how intact ecosystems reduce the damage caused, and urges collaboration with disaster response teams.

- POVERTY, HEALTH AND ECOSYSTEMS

Asia's poorest depend on shrinking resources

The 16 case studies in *Poverty, Health, and Ecosystems: Experiences from Asia* highlight the challenges faced by poor and resource-dependent households across Asia. In eight years, a staggering 1.2 billion to 1.5 billion Asians will still live on less than two USD per day. For them, ecosystems will be essential to daily health and wellbeing.

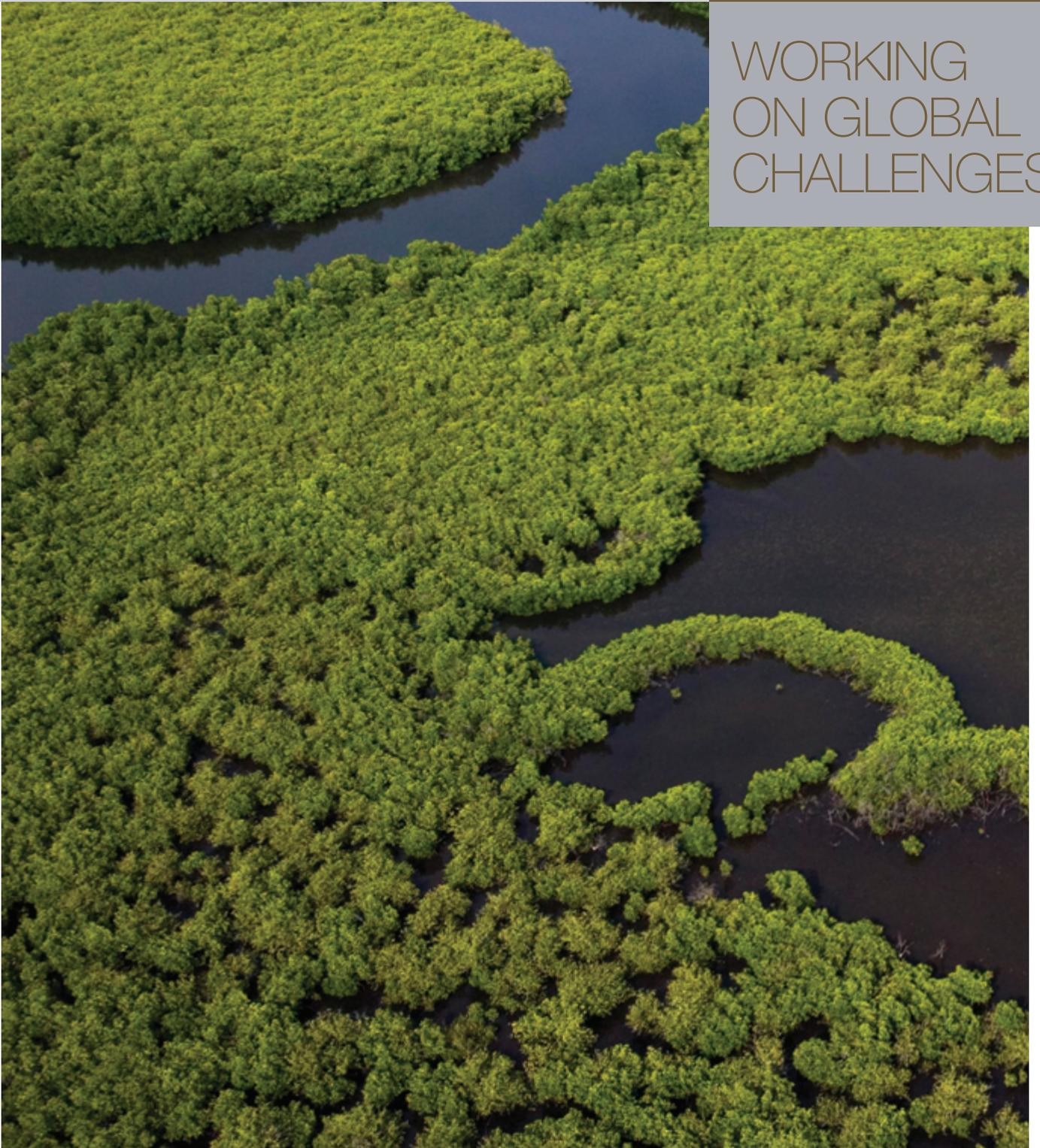
- MANAGING CORAL BLEACHING

How healthy coral reefs underpin the welfare of many societies

A Reef Manager's Guide to Coral Bleaching is based on the know-how of 50 experts and therefore a must-read for coral reef managers, conservation practitioners and others who want to make coral reefs safe and sound in a changing climate.



WORKING
ON GLOBAL
CHALLENGES



WORKING ON GLOBAL CHALLENGES

P.20



1. TACKLING POVERTY

For years, the World Conservation Union has made explicit the links that bind the fates of people and nature. Based on that knowledge, we work on global policy and local actions for poverty reduction through and with biodiversity conservation.

Last year our message that biologically diverse ecosystems are the foundation for a sound and equitable economy sank in with decision makers. IUCN convened 450 participants from 60 governments and civil society to better integrate biodiversity into development

aid. In low-income countries, 25% of total wealth comes from nature, more than all development cooperation combined. To ensure that we can reap the dividends of that natural wealth, development must give people control over nature and the EU must conserve biodiversity through its aid packages. The EU welcomed this 'Message from Paris,' and we will help translate it into policy.

To prove the environment is an investment for development, IUCN launched the *Conservation for Poverty Reduction Initiative*. It includes 120 projects that produce outputs relevant to rural poverty reduction. Last year, we had 70 interventions planned or under way, making up more than 20% of IUCN's entire Programme.

It consists of six major regional or global sub-initiatives, 31 regional projects in Africa, Asia, Latin America and West Asia, 20 global thematic projects, four global cross-cutting areas, and 14 actions delivering enabling tools. Next year IUCN will engage more new partners to expand and upscale the initiative to finally improve the livelihoods of 50 million people.

CREATIVE USE OF WETLANDS FOR INCOME GENERATION IN BANGLADESH

Poverty reduction and biodiversity conservation must sometimes happen in ecosystems where people compete over



access and resources. A creative solution can achieve both.

Haors – wetland and floodplain complexes in Bangladesh – produce fish, maintain swamp forests and regulate water. But they are also coveted as arable land for crops. Conflict ensued. IUCN introduced a traditional practice of floating gardens from southern Bangladesh to the country’s north. We used invasive water hyacinth weeds to construct thick floating platforms, or *baira*, to cultivate vegetables in the growing season and seedlings in the rainy season. Our pilot trained 12 women and nine men to cultivate 27 *baira* units, each costing about 200–250 Taka or CHF 4.60 on average. The resulting crops were worth up to BDT 3,000 or CHF 55 per unit, a tenfold profit over four months. Now marginalized landless people can produce a *baira* in the haor during the wet season, use its waste as an organic fertilizer for winter homestead gardening, and control water hyacinth year round. The project’s success prompted the donor to scale up the concept.

MAKING WOMEN PART OF THE SOLUTION

Women account for 70% of the poor, and half of poor women depend intimately on healthy biodiversity. Our actions help them help themselves for a better livelihood.

IUCN seeks gender equity worldwide for justice and sustainability. We forged women’s coalitions, established ‘golden

rules’ for development agencies, and distributed position papers on gender in energy and climate change. Our interventions increased the number of female entrepreneurs and brought more equitable land distribution. We addressed women’s issues through micro credit, and elevated women’s household income from 25% to 30%. In West Africa, we helped fishermen’s wives to obtain small equipment, micro-credit grants and form local women-led cooperatives. They improved the volume, quality and sale of fish products and won greater economic autonomy.

RESTORING LANDSCAPES FOR REFUGEE SECURITY AND INDEPENDENCE

Refugees may put untenable pressures on their environment around the assigned area of shelter. But with some expertise and support, we can restore the environment, secure their vital resources, and improve a dire existence.

IUCN and the United Nations High Commission on Refugees provide environmental planning services for refugee areas in Sudan. Our introduction of 2,300 fuel-efficient stoves and cooking techniques led to a reduction in fuel wood consumption of up to 40% and cash savings for other investments. In addition, we helped plant 100,000 seedlings in homesteads, communal areas and ten hectares of irrigated agro-forestry plots. From these, the sale of vegetables contributed up to 70% of the annual earnings of disadvantaged families, showing how environmental

restoration brings immediate and positive impacts on livelihoods and development. Next year, the IUCN-UNHCR partnership will expand to refugee hosting areas of Djibouti, Ethiopia and Uganda.

HARVESTING LOCAL KNOW-HOW FOR SUSTAINABLE TRADE

Many people already know how to manage resources sustainably, and that know-how can be used elsewhere to generate income and market opportunities based on the sustainable management of valuable natural resources.

The Orang asli community in Malaysia have long known how to manage the harvest of agarwood, a valuable aromatic wood used in medicine and perfume. Their traditional knowledge was brought to the fore and combined with knowledge from other stakeholders to develop management guidelines for Malaysia, a major agarwood exporter. These guidelines were then sharpened at the international level through a collaborative process with governments and the CITES Secretariat. Through the Traditional Medicine Advisory Group in China, commitments were secured to source medicinal species from sustainable sources. In southern Africa, we helped promote sustainable management of Devil’s Claw and were asked by governments to begin work on Hoodia, as the trade in both medicinal plant species provide an important source of income to the San people of the Kalahari.

WORKING ON GLOBAL CHALLENGES

P.22



2. DEMONSTRATING THE VALUE OF NATURE

Natural resources that are used clearly have value, but so do many resources that are not directly used. Measuring that value is vital to convince people to take better care of natural assets. It can also lay the basis for agreements between stakeholders on how to share the costs and benefits of sustainable use, improve the governance of natural resources, and design incentive schemes and new business opportunities.

What is Nature worth? That deceptively simple question vexed none other than the father of economics, Adam Smith, who wondered in *The Wealth of Nations* why humans paid fortunes for a useless luxury like diamonds, but nothing for an essential like water. IUCN contributes to making the hidden wealth of biodiversity explicit, and changing the exchange rate.

We promote rigorous economic valuation of ecosystem goods and services to clarify the role that ecosystems play in the livelihoods of the poor and the economies of nations. In 2006, we put a price on environmental damages, estimated the return on

investment of restoration efforts, and calculated the benefits of healthy ecosystems. We also worked with the private sector to value their impacts on biodiversity, and to help them become a more informed 'shareholder' in nature at the Convention on Biological Diversity.

Appropriately, our most visible effort focused on the dry areas covering 40% of the Earth's land surface, where two billion people live, and where freshwater resources have become scarcer and thus also more precious – like diamonds.



SHOWING THE VALUE OF DRYLANDS

A government official may see a barren savannah, but the people living there know it plays a vital role in their lives. Valuing the hidden worth of drylands helps decision makers appreciate the importance of natural assets and make better decisions for development.

IUCN helped governments integrate the valuation of dryland ecosystem services into their development plans. In dry countries of Africa and Asia, where official statistics had estimated drylands contributed 3.3% of GDP, new studies found the actual share was, conservatively, closer to 12%. In the Kalahari Desert, home to the marginalized ethnic minority San people, we found that gathering of veld products is emphatically undervalued in terms of the firewood, veld foods and medicinal plants used locally and worldwide. Devil's Claw, for example, the most important commercially exploited medicinal plant in Botswana, had a value of around USD 40,000 in 2005. Hoodia, a succulent plant that suppresses appetites, could help diversify rural livelihoods. Morula trees and candle bush contain waxes and lipids the cosmetic industry need. Our recommendations influenced arid nations to value drylands for commercial markets. "If Botswana took advantage of the untapped economic value of the Kalahari Desert, a new sustainable sector could be created," said IUCN

President Valli Moosa, adding that this living economy "could become as valuable as diamonds."

REVEALING THE ECONOMIC EFFICIENCY OF PASTORALISM

New information demonstrates that extensive pastoralism is a more efficient use of drylands than commercial ranching – and also more sustainable. It encourages countries to take a fresh look at pastoralism as a way of life and as a valuable economic sector.

IUCN has shown how national plans have neglected the goods, services and other values of pastoralism. Yet in countries like Senegal, Niger and Sudan, 80% of the agricultural GDP is derived from the milk, meat, wool, hide, blood and dung of herded livestock. Last year IUCN highlighted how pastoralism is two to ten times more productive than commercial ranching under the same conditions. Why? In a word: efficiency. We found herders make the best use of natural resources, especially where water shortages mean that the best strategy is to follow the rains. Rather than causing desertification, grazing can increase biodiversity; dung fertilizes soils. In fact, pasturelands retain carbon in their soils whereas ploughing grasslands can release more carbon than felling a forest. Scaling up, we helped the UN Convention to Combat Desertification integrate our findings, and prompted Mali, Ethiopia, Kenya,

Peru, Spain, Kyrgyzstan, Morocco and Iran to do economic valuations of pastoralism as well.

CREATING ECONOMIC GROWTH WITH ENVIRONMENTAL ACCOUNTING

Studies that integrate economics and the environment can reveal hidden prospects for growth. Mozambique's case shows that some of Africa's poorest nations could potentially double their income and protein intake from fisheries through more efficient management.

Fisheries, especially prawns, contribute USD 80 million to Mozambique's export earnings, 2.2% of its GDP, and 100,000 fishing jobs that bring in food and cash to poor coastal communities. But the country only harvests half of its potential sustainable catch of 300,000 tons per year. Training in sustainable fisheries management is weak or nonexistent. And fishing remains a haphazard, risky and poorly understood commercial industry. To help enhance returns in the industry, IUCN developed environmental accounts for sustainable fisheries management in and around Maputo. Our work also identified policy options for improvements in fisheries taxation and employment.



GENERATING MORE INCOME FOR PROTECTED AREAS AND PEOPLE

The influx of tourists who want to see unique natural beauty earns precious foreign exchange for governments and local communities alike. We showed how governments often under-price their natural assets, and how they can generate more funds to manage their parks.

Over three decades, Djoudj National Bird Park in Senegal has attracted thousands of visitors who pay to see rich birdlife. Last year IUCN asked how much they would be willing to pay. The answer is that tourists are willing to pay three to six times the current price of admission. In 2002, with such higher prices, total revenue would have been between Euro 120,000 and 220,000, as opposed to just Euro 30,000 at the actual price. Failure to take account of the full value of parks results in chronic under-funding of protected areas and under-investment in public amenities. In Botswana, we valued the Okavango delta, home to 80 fish species, 115 mammal species and 500 bird species. This biodiversity generates a gross income of USD 200 million for tourism, or 5% of GDP and 40% of employment in northern Botswana. Competition comes from agriculture, pastoralism, dryland or 'molapo' farming worth USD 500,000 net income; wetland

resources contributed a net private value of USD 2.8 million in use and sales of natural resources. Our results will help determine the Okavango's most economically viable management options.

SHOWING RETURN ON INVESTMENT IN THE ENVIRONMENT

Valuation can reveal that investing in conservation measures makes good economic sense, and that the return on investment is higher than converting natural landscapes for other uses.

Our joint study calculated the economic value of Hakaluki Haor – a major wetland and Ecologically Critical Area of Bangladesh. We found the wetland yields significant economic benefits, especially for the poor. Direct value came mostly from fisheries and paddy cultivation. Indirect values included watershed and flood control, biodiversity and aesthetics. Together we conservatively estimated the key goods and services generated at BDT 585.75 million per year (almost CHF 11 million) or an average of BDT 48,000 (CHF 880) per hectare. Our study also showed the high returns to investing in conservation measures, and highlighted the significant economic contribution doing so made to the livelihoods of the poor. Bangladesh's local and national government welcomed the results and will apply them in haors nationwide.

IMPROVING MARKET ACCESS FOR WOMEN THROUGH CERTIFICATION

Certification can demonstrate to consumers that producers are socially and environmentally responsible, and they are then willing to pay more.

Southern African women who trade in natural products face challenges in getting to market. Our Natural Futures Project provides technical and financial support to help small enterprises win certification. Consider Namibia's Eudafano Women's Cooperative, an association of 4,000 rural women. We developed their Internal Control System for the harvesting, supply and processing of local natural products. We helped train and employ part-time inspectors who spent two months mapping resources and farms. We showed local producers how to maintain organic programmes. The Internal Control System led to a rigorous and comprehensive certification assessment of homes, farms and the cooperative's factory by the regionally accredited agency, EcoCert. Once the formal certificate is granted, the women's cooperative will see 30% greater returns on product sales.



3. STABILIZING CLIMATE CHANGE

Asian wasps swarm in Europe. Ski resorts stay green in winter. Siberian tundra loses its permafrost. Suddenly, climate change has become an infamous star in politics and media. We all share in the challenge of reducing its causes. We all must meet the challenge of absorbing its consequences.

At the global crossroads of nations, civil society and the private sector, IUCN has

been uniquely positioned to lead the response on both fronts. We recognize the global addiction to fossil fuels, yet work hard with multinational corporations and oil rich nations to find ways to diversify energy provision, reduce dependence, and cut emissions. We launched a major *Energy, Ecosystems and Livelihoods Initiative* to identify and guide energy futures.

For climate change, we are helping nations brace their citizens, economies and ecosystems for the inevitable changes that are predicted to arrive sooner and harder than expected. In mountain regions, we forged linkages that conserve high altitude protected

areas and communities caught between melting glaciers and thawing tundra. In southern and Sahelian Africa we warned how altered rainfall patterns would reduce river flows and leave poor rural populations vulnerable to drought. As conflict and resource scarcity generated refugees, IUCN increased assistance to displaced people, to their hosts, and to the restoration of ecosystems that support them.

On the closing day of the UN Conference on Climate Change in Nairobi, we called for immediate investments in cost-effective adaptation measures to future climate change impacts as a matter of justice. We



argued that the 800 million rural poor should not pay the price for the rich world's unwillingness to change. Their harvests from nature will be hurt dramatically under predicted climate change impacts from shifts in rainfall patterns, increasing extreme events, and dramatic changes – including species extinctions and expanding deserts.

Rough years lie ahead, and 'forewarned is forearmed'. We develop the science, policy and practice of mitigation and adaptation, to learn to absorb the damages we continue to thrust upon ourselves.

HELPING MAURITANIA AVOID IMPACTS OF OIL EXPLORATION

The search for energy leads oil exploration to new areas, including places where it poses risks to abundant life and livelihoods. IUCN advises countries and companies to avoid social and environmental impacts.

Weeks before the first commercial offshore oil extractions commenced, the Mauritanian government asked IUCN for guidance on how to get the best guarantee for long-term environmental and social security, through appropriate high standards, legislation and capacities on oil exploration.

Specifically, the nation's Head of State asked for technical support on oil exploitation and environment issues. Mauritania's coast is stocked with

extremely valuable fisheries; any accident or spill would devastate regional economies and security. In response, an independent expert panel on oil exploitation is being set up, co-funded by the Mauritanian government, showing their interest in the process.

KNOWLEDGE FOR CLIMATE CHANGE ADAPTATION

The challenge: Those who least cause climate change will absorb its worst impacts due to poverty, geography and lack of information.

For the Kilimanjaro-fed Pangani River, an already perilous situation is projected to worsen. Average annual flow at the river mouth is 850 million m³, but there is more demand for water than flows in it. Last year, IUCN and its partners set out to tackle the looming crisis proactively. We completed the first phase of an environmental flow assessment for the basin. Doing so delivered new knowledge to stakeholders on the socio-economic and environmental impacts of over-allocation of water in the basin. Acceptance of the need for action grew and, backed by the new Tanzania Water Policy, Catchment Forums are now negotiating the equitable and sustainable water allocations that will reduce degradation in the basin and make people less vulnerable to climate change.

IMPROVING CORAL REEF RESILIENCE

As oceans warm, corals bleach and die. The consequences are borne by 100 million coastal inhabitants who depend on reefs for food, income and survival.

IUCN has been worried about coral reefs as one of the world's most delicately balanced, fragile and threatened marine ecosystems. Few societies are more vulnerable than those in East Africa and South Asia. To help them 'build resilience', last year IUCN convened the world's leading coral reef scientists and managers to synthesise and publish knowledge on coral reef and mangrove resilience, and to accelerate the development of tools that improve their management in the face of a fast-changing climate. Our working group brought its understanding to bear on society through a workshop in Malindi, Kenya, which trained marine park managers from across East Africa. We held a similar workshop in Colombo, Sri Lanka, to cover South Asia. Both deployed our publications around the world to guide coral reef understanding, conservation and management.



4. IMPROVING GOVERNANCE AND DEMOCRACY

Good governance and democracy in the sustainable management of natural resources and justice in their use are at the heart of the IUCN Programme. IUCN encourages both in all its work, quietly and adapted to local circumstances.

By developing a uniform DNA-based identification system, nations can trace the origin of sturgeon to crack down on

the sophisticated black market in caviar. We helped Saiga antelope range states – Turkmenistan, Uzbekistan, Kazakhstan and Mongolia – collaborate to recover decimated populations. We helped develop an International Standard for Sustainable Collection of Medicinal and Aromatic Plants. It provides specific guidance to all stakeholders on sustainable sourcing of a staggering 50,000–70,000 plant species worldwide that are used in traditional and modern medicine. Further offshore, we pressed the United Nations to adopt new language on bottom trawling that puts the responsibility to avoid vulnerable sea habitats on trawlers.



In southern Africa we coordinated with sovereign states – Angola, Namibia and Botswana – and 150,000 local stakeholders to sustainably use and protect the Okavango Delta ecosystem from ‘death by a thousand cuts’ such as land misuse, insecure tenure, invasive species and upstream diversions. Elsewhere we networked parliaments to improve governance of tropical moist forests. We stimulated open debate in conservation radio programmes. We attracted 150 concrete biodiversity commitments from twelve European governments, local authorities, companies and NGOs from 30 countries. We put their words visibly on the record, and then held them accountable.

In most cases, good governance, inclusiveness and democracy remained a messy process. But all these collaborative home-grown partnerships were nurtured by, and harvested within, the nations and watersheds where they emerged voluntarily. Our ‘soft path’ to democracy may be slow to take root, but it then becomes nearly impossible to dislodge.

IMPROVING FOREST GOVERNANCE

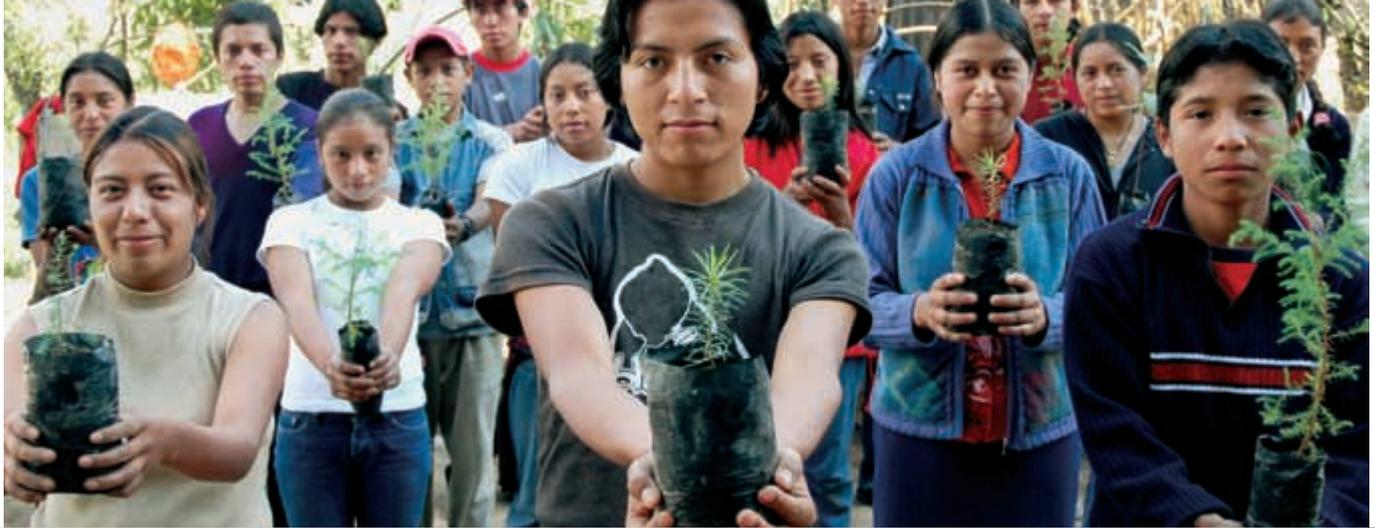
Forests provide goods and services to a wide range of stakeholders, who therefore have to come together, articulate their needs and agree on structures for joint and multipurpose management.

As Liberians emerged from civil war, they saw their Ghanaian counterparts already engaged in Africa’s forest law enforcement and governance process and actively working towards sustainable forest management. They wondered how to join in, and gain better access to international timber markets. IUCN organized two multi-stakeholder study tours to show them. It helped Liberia start discussions between the Forestry Development Authority, civil society groups and members of the private sector to reach a better understanding of a European Forest Law Enforcement, Governance and Trade Action Plan and Voluntary Partnership Agreements with producer countries. After years of UN sanctions on timber exports, Liberia’s engagement demonstrated the country’s commitment to combat illegal logging and the associated trade in illegal timber. In Ghana, IUCN linked different forestry stakeholders and pushed for greater and varied indigenous civil society say in the governmental preparations of negotiations with the EU. We also applied our multi-stakeholder approach in Russia and Southeast Asia. We work to increase the democratic space for societal debate and choice in the management of forests.

CONVENING STAKEHOLDERS FOR SUSTAINABLE WATER MANAGEMENT

Water is a coveted resource, and a source of tension. We brought stakeholders together on the Nile and Komadugu Yobe Basin to find agreed solutions.

To foster regional cooperation between the ten nations that share the Nile River, the World Bank launched a USD 2 billion Nile Basin Initiative. Now civil society organizations take a seat at the table through ten National Discourse Forums. IUCN helped weave these independent local, national and regional threads into a tapestry of cooperation. We brought several national forums together, trained in poverty alleviation through water management, and convened NGOs to ensure the needs of local people are embedded in the management of the Nile. In Nigeria, IUCN convened stakeholders from the region to decide how to reconcile the many competing needs of the Komadugu Yobe River. Negotiation was slow, but steady. As a result, the Government of Nigeria and six northern Nigerian states launched a USD 12 million Trust Fund, which will later grow to USD 125 million, for a Catchment Management Plan to restore the river. Nigerian President Olusegun Obasanjo endorsed the collaboration, praised his neighbours in the Lake Chad basin, and the Nigerian states responsible for the lives and livelihoods of four million people: “There will be no need for war over natural resources if they are managed well.”



REVISING PROTECTED AREA LAWS IN CHINA AND VIETNAM

The effective management of protected areas requires clear laws and strong institutions.

Officially, China has protected 15% of its land area and Vietnam has protected 5%. In reality those landscapes remain vulnerable. Last year IUCN helped the two countries upgrade the national laws and regulations that govern protected areas. Our work reflected the most progressive new approaches to creation, planning and management. The governments committed to establishing new and better protected areas which encompassed the full range of ecosystems. Equally, their legal reforms are more flexible, inclusive and sympathetic to the needs of the rural poor who may depend upon natural resources within protected areas. Both nations adapted IUCN's recommendation to diversify protected areas, conserve biodiversity and keep sustainable services flowing.

INTEGRATING BIODIVERSITY VALUES IN PRODUCTION FORESTS

Plantations meet the need for timber, but can also improve their biodiversity values with the right approaches and partnerships in place.

By collaborating intensely with public and private partners, even small investments can yield major conservation dividends. Consider 'production forests'. Well-managed, they can complement protected areas, enriching the landscape mosaic in ways that are favourable for both biodiversity and the people who depend on them for their livelihoods. Last year, we helped the International Tropical Timber Organization develop new guidelines for biodiversity conservation in tropical production forests that are being used in Brazil, Cameroon, Guyana and Indonesia. Our long-term aim is to build alliances between the timber industry, NGOs and nations to achieve 'multi-functional' forests.

EMPOWERING WOMEN

Empowering women remains a challenge. IUCN shared its knowledge with sister UNEP.

UNEP signed an agreement with IUCN and approved a Global Gender Plan of Action that we developed to mainstream gender as required by UN mandates. UNEP will work in-house and with partners at the national, regional and global levels to promote gender equality and equity within the environmental sector. Our work helps UNEP comply with a decade of commitments and global standards. It also demonstrates how gender equality and women's empowerment are important prerequisites for environmental conservation and sustainable development.



HUMPHEAD WRASSE INFORMS GLOBAL TRADE RULES

Knowledge of trade networks of this delicacy informed improved governance for legal and sustainable trade.

Significant progress was made on management measures for this food fish, a delicacy traded live from the coral reefs of southeast Asia to east Asia, where it is highly valued in the restaurant trade. We conducted a multi-stakeholder survey of trade networks in five Indonesian provinces for use at national workshops to develop management tools and revise policy. These results were taken to the international level, where measures to make trade legal and sustainable were agreed by government representatives from producer and consumer states. Regional cooperation, science-based guidelines for sustainable resource use, and increased awareness of the importance of a sustainable fishery among stakeholders are all in the mix. Research and support for South Africa's listing of its endemic species of abalone in CITES Appendix III also bore fruit, with this species now subject to stricter international trade controls.

OUR CBD SCIENCE BRINGS HARMONIC CONVERGENCE IN BRAZIL

The Union's key role remains to translate its knowledge of conservation status and practice into sound policy advice to international conventions and their parties.

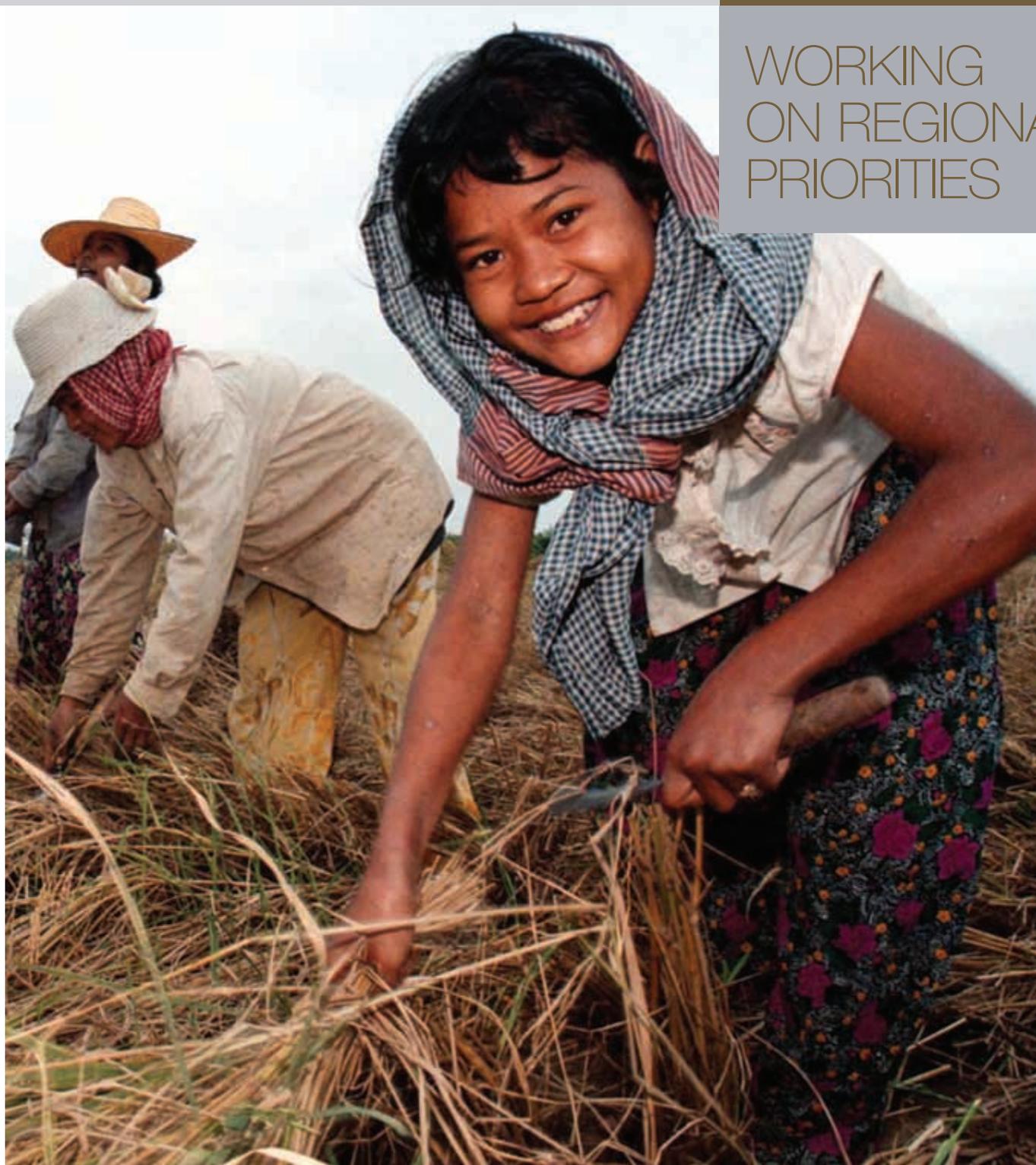
Fourteen years ago in Brazil, nations adopted the landmark Convention on Biological Diversity. In 2006, the 8th Conference of the Parties returned amidst high expectations to reduce the rate of biodiversity loss by 2010, as endorsed by Heads of State in two World Summits. Before, IUCN disseminated a 'document package' of twelve position papers, four information sheets, a CBD-focused web page and e-bulletins. We convened regional preparatory meetings in Europe, Africa and Arab regions with national focal points. At the meeting, IUCN's delegation contributed our Red List Index, species data, communications tool kit, and Countdown 2010. In 36 decisions, CBD recognized our scientific leadership and adopted our recommendations in: measurement indicators, access and benefits sharing, marine biodiversity, drylands, protected areas and incentives to engage the private sector.

THE SILENT HALF OF THE PLANET NOW IN THE SPOTLIGHT

The high seas, which represent 64% of the oceans, were for long without control. But slowly, governments are now firmly established their place on the international political agenda.

The oceans were thought to hold inexhaustible resources, most of which inaccessible for human harvest. But new technologies have shown how fragile and finite these ecosystems, and the species in them, really are. Over-fishing, destructive and illegal fishing require new governance models for these so-far unregulated expanses. IUCN pushes the agenda in formal and informal meetings. The result was the adoption by the UN General Assembly of a fisheries resolution in line with our position: States are called to close vulnerable areas to bottom fishing by December 2008 to protect deep-sea biodiversity, and asked to monitor illegal activities by listing good and bad vessels.

WORKING ON REGIONAL PRIORITIES





AFRICA

In Africa, IUCN has brought together various stakeholders across disciplines, across park boundaries, across ecosystems and across international borders to conserve biodiversity in ways that also ensure economic development and political reconciliation. We have joined these forces on riverbanks in West Africa, for tropical moist forests of central Africa, along the coast and in cities.

Everyone knows that Africa has had its share of troubles, and that climate change may stress people and nature even further. What's exciting is how, through collaborative conservation, the continent is expressing its own voice and finding pathways to improved security.

GREENING SOWETO

Restoration can also take place in cities, where nature can revive and beautify. We responded to a request by the city of Soweto.

Outside Johannesburg, IUCN began working with the Mapetla communities to grow 2010 trees to 3.5 meters high in a 'Greening Soweto' initiative. The community will be proud of its beautiful urban forest in a neglected township. We planted 6,000 indigenous tree seedlings in line with the Convention on Biological Diversity, which calls for the rehabilitation and restoration of degraded ecosystems. Next year's 'greening' activities will restore wetlands and river corridors, replenish water and purify the air. By developing new parks like Mapetla Park Amphitheatre, the initiative will also increase the potential tourism value of Soweto.

FIGHTING INVASIVE SPECIES

Invasive species remain a major curse that receives too little attention. We support the fight at national and local levels.

Subsistence and commercial farmers in Africa have always been vigilant against weeds. But the spread of invasive plant species has escalated beyond local and even national abilities to cope. Last year IUCN helped four countries – Ethiopia, Ghana, Uganda and Zambia – establish national invasive species units, then integrated their policies and capacities to control invasions within and across their borders. In the Kafue River floodplain, Zambia has engaged local stakeholders to combat the prickly shrub *Mimosa pigra*, which threatens lechwe, wattled crane, fish, amphibians and reptiles inside the Park, and cattle grazing and freshwater fisheries beyond it.

CODE OF CONDUCT IN THE VOLTA BASIN

The nations sharing the Volta Basin agreed to a Code of Conduct, the first step towards collaborative management.

To share the water resources of the Volta River Basin, IUCN helped the governments of Burkina Faso and Ghana to adopt a Code of Conduct. The Code promotes an integrated, sustainable, equitable and participatory management approach. Against rising tensions, participants say the Code has brought a constructive and confident atmosphere to ongoing negotiations; they see it as 'a real pledge for peace' between the two countries. The Volta Basin Authority, created by the Ministers of the six riparian states, will support the code, giving another dimension to enlarge its operational work.



GREEN STORIES GO 'ON THE AIR'

Public awareness can provide an impetus to development and conservation.

IUCN broadcasts one of Central Africa's most successful radio programmes. *Radio Environnement* produces magazines and micro-programmes, in French and English. These raise the awareness on complex environmental issues, and help improve the governance and sustainable management of the tropical moist forests of Central Africa. *Radio Environnement* shares lessons from field project implementation, broadening the reach and transparency of IUCN activities and concerns. The mix of music, lively debate, useful news and personalities explains why this station may spread across Cameroon to Kinshasa.

A LIVING OCEAN FROM COAST TO COAST

The Coastal and Marine Programme for West Africa (or PRCM in French) is a coalition of some fifty partners in seven countries, who unite forces to conserve critical habitats and guide coastal development.

One example of this work is the 'loi littorale' adopted by the Government of Mauritania, which supports most of the options for sustainable development included in the National Master Plan for Coastal Management. This is unique at the regional level and the result of more than six years of work on mapping coastal resources, establishing and managing protected areas, advising on oil exploitation, and awareness and communications. This law and the strategic plan provide the National Coastal Management Unit with the necessary mandates and tools for planning and monitoring development.

REPLENISHING A SHRINKING LAKE

Drought, high demand and desertification have combined to reduce Africa's second largest wetland to a fraction of its former size.

To help restore Lake Chad to its 1 million square kilometre former glory, IUCN has produced a diagnostic analysis of the continued degradation of the land and water resources in the basin. After generating the latest scientific data, we integrated key information into the work of the Lake Chad Basin Commission. IUCN also undertook several pilot projects and produced a plan for the restoration of the

Chad basin. We helped bring waters flowing back into the Logone floodplain, and defined several village management plans. Last, we designed donor grant structures to support villages in Cameroon, Chad, Nigeria and Niger.

CROSS-POLLINATING FOREST GOVERNANCE IN CENTRAL AFRICA
National parliamentarians can multiply their influence over forest governance by collaborating with each other across borders.

For over a decade, IUCN helped national members of parliament take part in conferences and seminars that improve the governance of the tropical moist forests of central Africa. To tap the potential of these forests, we co-organized the founding meeting of the central African network of senators and MPs interested in sustainable forest management. We convened 100 senators and MPs and interested stakeholders in one conference, hosted by the Parliament of Cameroon. The conference adopted the Yaoundé Declaration and Action Plan, which set national and regional targets for the networks: to improve monitoring of development impacts on forests and combat transboundary forest crimes.

WORKING ON REGIONAL PRIORITIES



P.34

THE AMERICAS

In the Americas, IUCN brings the same approach, but ensures local and national contexts are emphasised and respected. Our approach establishes high conservation standards, and relations with various sectors to meet them.

For grassroots advocacy and research in Central America, we set up a fund through which local stakeholders develop tools and activities related to environmental policies. We awarded 34 projects for issues ranging from waste and pesticides, to free trade impacts. Likewise, IUCN helped strengthen, streamline, simplify and modernize Latin America's Environmental Impact Assessment process into rigorous, user-friendly guidelines for construction and tourism.

Or take mining. IUCN helped the International Council on Mining and Metals publish practical guidelines on biodiversity for companies to use in initial exploration or mine closing. We promoted their uptake in Guatemala and Ottawa; the dialogue between IUCN and the International Council on Mining and Metals was replicated in South America; and the Mining Association of Canada developed policy to save certain landscapes from intrusive harm.

Finally, we worked hard at the United Nations to convince them that biodiversity targets are part and parcel of the Millennium Development Goals. The Secretary General formally recommended that the UN General Assembly incorporate the 2010 biodiversity target into the MDG framework.

LEADING STAKEHOLDERS TO WATER

Multi-stakeholder platforms are an essential step for multi-purpose water resource management.

IUCN's multi-stakeholder water dialogues in Mexico, Guatemala and El Salvador enable cooperation on problem solving, joint planning and collaboration in management of water resources. Our process helps people at all levels to coordinate water management and community development from within. Pilot projects use aquaculture, bee-keeping and mangrove conservation to link ecosystem services, livelihood improvements and disaster reduction. Our success led the Government of Guatemala to apply the demonstration model across the country.



RESPONDING TO DISASTER

When disaster strikes, emergency help is needed. But disaster preparedness can also come from unexpected quarters.

Hours after Hurricane Stan swept across Guatemala, IUCN field project teams and World Water Council colleagues helped transport goods, evacuate victims, distribute water and food, assess storm damage and mobilize funds for rehabilitation. But mostly the communities helped themselves. That ability grew from years of working on the Tacaná volcano, on the Mexico/Guatemala border, where IUCN empowered coffee farmers, mayors, women's cooperatives and youth groups to co-manage their resource base and protect the region's watershed services. When Stan hit, our investments of time and collaborative alliances paid off, as we helped the communities recover as well as sustainably manage the Coatán and Suchiate watersheds.

ALLIANCES DELIVERING FIRST RESULTS

Encouraging national and local organizations to work together enables sharing of know-how, and replication of successful approaches.

IUCN launched its *Alianzas* Programme in three border regions of Central America to field-test the participatory ecosystem approach for the co-management of shared natural resources. The approach evolved into the proposed Biological Corridor Monterrico-Barra de Santiago between Guatemala and El Salvador. Our cross-border stakeholder platforms shared ideas and tools, like efficient stoves, which helped families save 70% of fuel wood and reduce pressure and competition for fragile forests. In Panama, our *Alianzas* convened 40 local governments, NGOs and community-based organizations to develop coherent land use planning strategy for the insular area of Bocas del Toro.

STEERING ROADS THROUGH THE CONTINENTAL ECOSYSTEMS

South America needs transportation infrastructure; but new road developments could devastate the continent's extraordinary natural landscapes.

The Regional Integration of Infrastructure in South America Initiative (IIRSA) seeks growth through infrastructure that allows trade in goods and ideas. But transportation impacts could impoverish indigenous people and biologically diverse landscapes as it crosses the Amazon basin, Tropical Andes, Guiana Shield, Pantanal and Mata Atlantica. Both supporters and critics turned to IUCN for guidance. We collaborated on the study of institutional and potential impacts, engaged a broad audience and disseminated strategic wall maps. Key stakeholders defined our niche as a permanent observer, interacting with stakeholders, informing society and anticipating conflicts. IIRSA has become an ideal counterpart and vehicle for IUCN's strategic regional orientation.

WORKING ON REGIONAL PRIORITIES



P.36

ASIA

The World Conservation Congress in Bangkok, 2004, generated excitement, news, ideas and projects. But what it really generated was trust in IUCN's role in Asia as an honest broker. To leverage that trust, in Bangladesh we catalysed government, businesses and NGOs to address the risks of, and benefits from, Genetically Modified Organisms.

In Nepal we convened the hydropower industry, officials and affected peoples in a 'Dams and Development' dialogue to develop water and energy resources. In Phuket, Thailand, we helped launch with UNDP and UNEP the *Mangroves for the Future Initiative*, a multi-country programme to restore mangroves, reefs and estuaries for economic and structural security.

In Baluchistan, Pakistan we worked closely with religious leaders to incorporate conservation messages into Muslim teachings, and by preaching at various Islamic fora. In Lao PDR, our 'Waters Dialogue' brought progressive approaches to 100 regional stakeholders in governance over the water-stressed Mekong River basin, both as a management solution and to expand democratic decision making across boundaries. And we negotiated a framework funding agreement that will elevate the Secretariat's role as an informed and honest broker throughout the region.

PROTECTED AREAS FOR TIGERS IN INDIA

The conflict between tigers and communities, against a background of reducing habitat, means that solutions must be found in the link between communities, poverty and protected areas.

The tiger became a political catalyst for more transparent democratic governance. We worked with India to reduce the dependency of local communities on tiger reserve resources, and we brought more inclusive and visible approaches toward wildlife management and development. IUCN reviewed 28 tiger reserve assessments prepared by the Government of India. Based on our recommendations, the Ministry of Environment and Forests has now institutionalized periodic open assessments of more than 500 protected areas in the country in order to ensure that tiger populations are well maintained and their habitats more effectively managed.



'GREENING' REHABILITATION FOR LONG-TERM GROWTH AND STABILITY

Sri Lanka illustrates that rehabilitation of disaster-stricken areas needs an integrated environmental action plan.

IUCN seeks to ensure sustainability by integrating environmental aspects into all rehabilitation programmes. We reached out to 29 sites in six coastal stretches of Sri Lanka, to benefit an estimated 49,500 people, more than half of which are women. We worked through a small-grants programme to help local communities replant damaged mangroves; establish coastal green belts; restore lagoon ecosystems, home gardens and sand dunes; and 'green' re-settlement building sites. At the same time we ensured the provision of equipment, and introduction of small businesses such as food processing, handicraft manufacture and plant nurseries.

GIVING THE WHALES A VOICE TO NEGOTIATE

We convened an independent scientific panel to advise on oil exploration to avoid impacts on the fragile Western Gray Whale population.

The Western Gray Whale was on a collision course with North Pacific oil development until IUCN and the Sakhalin Energy Investment Company stepped in and navigated a short-term course of action. Last year the company and its lenders set up a strategic long-term scientific advisory panel through IUCN to plan marine conservation in advance. The panel builds significant capacity in the oil and gas sector, strengthens IUCN experience on engaging the private sector, and increased interest in and demand for IUCN's services with potential new private sector partners.

COMPENSATING OPPORTUNITIES

When conservation measures restrain the opportunities of communities, for instance when harvesting resources from a protected area is forbidden, creating new opportunities may be the key to compensation and compliance.

IUCN launched *Strengthening Voices for Better Choices* to help communities have more voice in developing sustainable livelihoods on their terms. When farmers lost *chena* cultivation to conservation, they grew vegetables in their paddy fields during the dry season to replace lost income. But when extortive middle men took much of their earnings, IUCN helped form a farmer cooperative to link the farmers directly with the wholesale market. This initiative meant farmers now receive three to four times more income from their vegetable crops and, in the long run, this will help them become even less dependent on the forest and reduce illegal logging.

WORKING ON REGIONAL PRIORITIES



P.38

WEST AND CENTRAL ASIA – NORTH AFRICA

The influence of our relatively young presence in this extensive, transcontinental region has grown quickly, both through acute needs and in thoughtful response to unforeseen challenges.

The outbreak of war tested our capacity to unite stakeholders for bottom-up recovery that, in some ways, made protected areas stronger than before. Also, we recognized that the fast urbanization creates a rural vacuum and shifts demographic stress onto natural resources. We strengthened the region's protected areas through scientific plans, expert networks, best practices and cooperation with Saudi Arabia, Jordan and Lebanon.

MOBILIZING RELIGION FOR CONSERVATION

Conservation is an integral part of religion. We applied it to fund conservation action.

Last year IUCN inaugurated an innovative economic approach to conservation, using 'Waqf' or 'Islamic Endowment' as a new financing model for environmental projects. In Cairo, with the Arab Water Council, we organized a conference to focus Al-Waqf on securing water through a common fund. We synthesised working papers on water and Islam, water economics, and Waqf and water management, and convened scholars in Islamic Law, Environment, Economics and Finance to see how to establish such a fund. We published the synthesis of presentations and studies, and produced our bilingual 'Waqf for Water' DVD as another medium to help solve the region's water problems.



CHALLENGE FOR FAIR TRADE JORDAN

IUCN played a critical role in establishing a unique partnership between development and nature conservation organizations in Jordan. Next, this initiative will expand to Oman and Yemen.

Fair Trade Jordan (FTJ) is a unique initiative of local non-governmental organizations and networks of small producers and service providers. It aims to strengthen fair trading systems in Jordan for sustainable and equitable benefits. Initially facilitated by IUCN, the alliance is composed of the IUCN Regional Office in Jordan, two local NGOs, the Royal Society for the Conservation of Nature, and the Jordan Hashemite Fund for Human Development.

Over the past year, the FTJ Alliance facilitated a number of workshops, attended by tourism service providers and local producers to develop the main principles of fair trade in Jordan. These principles include, amongst others, fair wages, equal job opportunities, local resourcing, and the sustainable use of natural resources.

Motivated by these principles, the FTJ Alliance organized ethical trade markets for producers and consumers. The results are increased awareness, a growing market, and insight into trade barriers such as product quality and problems with packaging. The alliance went on to tackle these issues by bringing in expertise from successful packaging and marketing efforts elsewhere.

IUCN WESCANA will continue providing support for Fair Trade Jordan until it becomes a fully independent and sustainable entity. It represents an innovation that can stimulate repetition in other parts of the region to help address poverty reduction and nature conservation in local trading systems.

IMPROVING WATER MANAGEMENT TO PROMOTE PEACE

The ecosystem approach applied to water management is a powerful tool, but one that needs capacity building to be implemented.

IUCN launched a 3-year water project to help WESCANA countries integrate the ecosystem approach into water management. Last year, we developed a new database of water experts, institutions and publications, and trained 60 participants on water awareness. But we also saw what was missing. After identifying key gaps hindering water conservation, we formed centres of expertise in Jordan, Tunisia, Egypt and Lebanon to fill them. We influenced policy makers to adopt the ecosystem approach in their water challenges, and encouraged donors to fund long-term water projects, like restoring Jordan's Zarqa River.

WORKING ON REGIONAL PRIORITIES



P.40

EUROPE, RUSSIA AND CIS

Last October in Barcelona, IUCN anchored the principles of conservation, biodiversity and sustainable development within Europe. We convened 200 delegates from 37 national governments, the EC, five UN organizations, 88 NGOs and private companies to develop a new vision for Europe's nature beyond 2010. The process engaged all parts of society and all regions, ensuring all parties can claim ownership of the emerging vision. The participants called for seeing nature and its services as the underlying foundation for economic and social welfare.

Where borders once separated East and West, we ensure nature may unite, through a European 'Green Belt', running from the Barents Sea to the Black Sea by 2010. Planning in advance, we integrated local communities in the borderlands between Serbia and Bulgaria, in Slovenia, and in the Danube floodplains of Croatia, Hungary and Serbia. By valuing biodiversity as a common good, IUCN shows how nations can improve individual equity among their citizens.

GREENING DEVELOPMENT AID

We encouraged the integration of conservation action in European development assistance following the growing evidence of the connections between environmental and human wellbeing.

More than 450 leaders, experts and practitioners in environment and development joined IUCN and the European Commission in Paris for the conference *Biodiversity in European Development Cooperation*. The debate was heated and constructive on ways to make development aid contribute more effectively to the Millennium Development Goals and to pursue the global target to significantly reduce the rate of biodiversity loss by 2010. Participants adopted the 'Message from Paris' and put forth four challenges for integrating biodiversity in development. The Finnish government presented the message to the EU, who welcomed it, and we are now working with them to translate the message into policy.



MANAGING THE LAST PRISTINE EUROPEAN RIVER

Following EU accession, we helped stakeholders on the Sava River develop an integrated management plan.

The Sava River is a largely unaltered natural river system which springs in Slovenia and flows through Croatia, Bosnia and Herzegovina and discharges in the Danube in Belgrade, Serbia. To smooth tensions over the water, last year IUCN promoted ecological networking along the Sava as a conservation instrument, integrating sustainable tourism and agriculture based on transboundary cooperation of state institutions and civil society. We developed an integrated river basin management plan based on insights into the biodiversity values of the Sava and its floodplains, linking protected areas, ecological corridors and buffer zones.

REROUTING A PIPELINE

Our technical abilities may mix with political astuteness to change the course for large-scale infrastructure projects.

Lake Baikal contains more freshwater than all of North America's Great Lakes put together, and its 25 million year evolutionary isolation have earned it the name of the 'Galapagos of Russia'. It is home to endemic freshwater fish and mammals like the Baikal Seal. But in 2003, IUCN raised concerns about negative impacts of a proposed oil and gas pipeline that would pass only 800 meters from the lake. The watershed is earthquake prone; the potential consequences of an oil spill could be devastating and irreversible to the area's biodiversity. Last year, a joint UNESCO/IUCN mission planned to suggest Lake Baikal be listed as a World Heritage in Danger if Russia continued to push the pipeline through the site. It didn't. Instead, President Vladimir Putin rerouted the pipeline 40 km north, earning praise for his wisdom.

WORKING ON REGIONAL PRIORITIES



P.42

MEDITERRANEAN

IUCN seeks to integrate diverse regions across a unique sea through its marine, forest and freshwater programs. We envision land and sea as one continually evolving ecosystem, but one that can be threatened by careless and excessive exploitation.

We have linked trade and medicinal plants, and we have combined the intensity of local traditional knowledge with the global reach of e-commerce. Our various projects protect landscapes beneath the waves, and secure the waters that pass through arid lands.

We even use protected areas to bridge national borders and even the 'Pillars of Hercules' between Spain and Morocco.

Because nature recognizes no boundaries between North or South, Christian or Muslim, neither can we.

CONSERVATION ACROSS THE SEA

Spain and Morocco stand only a few miles distant; conservation has helped also their minds and hearts come closer together.

IUCN looks beyond past troubles and focuses on elements where nations and peoples can come together: in this case, the extraordinary natural and cultural heritage that binds Spain and Morocco. It provided support to UNESCO for declaration of world class habitat. Last year its recommendations led to a pioneering intercontinental system of reserves between Morocco and Spain, involving both terrestrial and marine corridors. The area, more than one million hectares in size, promotes the conservation and sustainable use of resources by local communities.

PREPARING A 'GREEN' RIVIERA IN LIBYA

The unique beaches, ruins and cultural heritage of Libya attract unsustainable development. IUCN helped Libya chart out the change.

IUCN fosters sustainable tourism. Last year we organized the first workshop on sustainable tourism in Al-Bayda, Libya. In Libya, collaboration between concerned government agencies and stakeholders can make a difference. IUCN showed how and where to link the national tourism policy to Libyan natural and cultural assets, supported by a national system of protected areas and national parks. By integrating conservation, social and economic aims with regulatory planning tools, Libya will help communities earn income from tourism as part of a sustainable tourism strategy.



OCEANIA

Two years ago, IUCN opened its Oceania Programme, based in Suva, Fiji and covering 15% of the planet's surface. The launch of the programme – incorporating Australia, New Zealand and thousands of Pacific islands totalling 550,000 square kilometres of land – represented a major investment commitment in conservation time, energy, knowledge and action in a region of extraordinary biological and cultural richness and diversity.

Last year a new management team literally flew into action. It drew on the reach, experience, scientific knowledge base and network of expertise of IUCN worldwide. From the start, the programme knows that in this critical region it must respond, in a collaborative approach, to coral bleaching, rising sea levels, climate change and invasive alien species.

MAKING WAVES ACROSS THE PACIFIC

Half Oceania's birds and plants are endemic; its inhabitants speak 1,200 languages. The complexity of its conservation and development issues can only be tackled through concerted actions.

Last year the programme's new management team supported the Global Island Partnership – an initiative between governments, Pacific regional organizations and several NGOs – aimed at addressing issues specific to the sustainable livelihoods of small island nations. It began an economic evaluation of the benefits of protected areas and of eradicated invasive species. IUCN also launched, established and hosted a team that will address biodiversity management in the European Union's *Bioverseas Initiative*, and was actively involved in events related to biodiversity in EU Outermost Regions and Overseas Territories, like French Polynesia.

2006 DONORS CONTRIBUTIONS

(in thousands of Swiss Francs)

	CORE FUNDS	PROJECT FUNDS	TOTAL 2006
GOVERNMENTS			
AUSTRALIA	0	198	198
AUSTRIA	0	109	109
CANADA	769	2,205	2,973
SWITZERLAND	3,763	3,696	7,459
DENMARK	4,173	2,674	6,847
FINLAND	0	760	760
FRANCE	1,212	700	1,912
GERMANY	0	926	925
IRELAND	0	240	240
ITALY	0	903	903
NETHERLANDS	4,288	24,870	29,159
NORWAY	2,952	2,819	5,771
SOUTH AFRICA	0	448	448
SRI LANKA	0	37	37
SPAIN	9	1,047	1,057
SWEDEN	5,032	5,981	11,012
UNITED KINGDOM	39	1,762	1,801
UNITED STATES	136	3,148	3,283
OTHER GOVERNMENTS	1	578	579
TOTAL GOVERNMENTS	22,374	53,102	75,475
MULTILATERAL DONORS			
ASIAN DEVELOPMENT BANK	0	557	557
CITES	0	1,076	1,076
EUROCONSULT	0	4	4
EUROPEAN COMMISSION	0	2,348	2,348
UNITED NATIONS FOOD AND AGRICULTURE ORG.	0	32	32
UNITED NATIONS DEVELOPMENT PROGRAMME	5	4,748	4,753
UNITED NATIONS ENVIRONMENT PROGRAMME	4	1,208	1,212
UNESCO	2	758	760
WORLD BANK	0	1,107	1,107
OTHER UNITED NATIONS AGENCIES	0	352	352
OTHER MULTILATERAL DONORS	62	445	506
TOTAL MULTILATERAL DONORS	72	12,637	12,709
NON-GOVERNMENTAL ORGANIZATIONS			
CONSERVATION INTERNATIONAL	7	707	714
HIVOS	0	128	128
IWMI INTERNATIONAL WATER MANAGEMENT INSTITUTE	0	107	107
RAMSAR	631	0	631
INTERNATIONAL TROPICAL TIMBER ORGANIZATION	0	415	415
WORLD WIDE FUND FOR NATURE	200	192	392
OTHER NON-GOVERNMENTAL ORGANIZATIONS	60	1,170	1,230
TOTAL NON-GOVERNMENTAL ORGANIZATIONS	899	2,720	3,618
FOUNDATIONS			
FONDATION INT. DU BANC D'ARGUIN	0	625	625
FORD FOUNDATION	0	624	624
W.K. KELLOGG FOUNDATION	0	516	516
MAC ARTHUR FOUNDATION	0	160	160
MAVA FOUNDATION	0	636	636
TOTAL FOUNDATION	0	225	225
OTHER FOUNDATIONS	214	1,035	1,249
TOTAL FOUNDATIONS	214	3,822	4,035
CORPORATIONS	1	1,831	1,832
OTHER DONORS	2,378	2,053	4,431
INDIVIDUALS	107	18	125
MEMBERSHIP DUES	10,155	0	10,155
	36,197	76,183	112,379

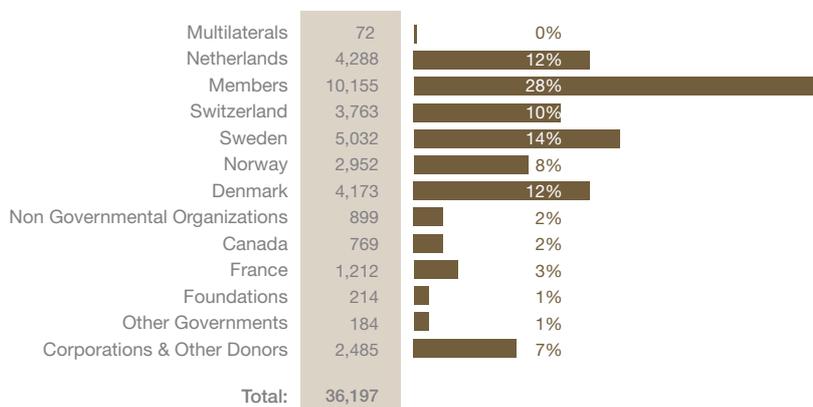
2006 TOTAL EXPENDITURE

(in thousands of Swiss Francs)

DIRECTOR GENERAL'S OFFICE AND SPECIAL INITIATIVES	1,213
GLOBAL PROGRAMME TEAM	2,957
ASIA	22,132
CANADA	906
CENTRAL AFRICA	2,480
EASTERN AFRICA	7,139
EUROPE AND COMMONWEALTH OF INDEPENDENT STATES	5,074
MEDITERRANEAN OFFICE	2,003
MESO AMERICA	8,049
OCEANIA	102
SOUTH AMERICA	1,453
SOUTHERN AFRICA	7,518
UNITED STATES OF AMERICA	3,105
UNITED KINGDOM	1,575
WEST CENTRAL ASIA AND NORTH AFRICA	1,407
WEST AFRICA	8,248
SUB-TOTAL REGIONAL COMPONENTS	71,191
BUSINESS AND BIODIVERSITY	813
OFFICE OF THE CHIEF SCIENTIST	532
ECOSYSTEM MANAGEMENT	762
ENVIRONMENTAL LAW	1,899
FOREST PROGRAMME	1,875
MARINE PROGRAMME	1,860
POLICY, BIODIVERSITY AND INTERNATIONAL AGREEMENTS	576
PROTECTED AREAS PROGRAMME	1,800
SPECIAL ADVISERS	182
SPECIES PROGRAMME	2,496
TRAFFIC	332
WATER	1,844
SUB-TOTAL THEMATIC COMPONENTS	14,971
OFFICE OF THE DIRECTOR OF GLOBAL STRATEGIES	1,433
COMMUNICATION, EDUCATION, PUBLISHING & INFORMATION MANAGEMENT	1,819
MEMBERSHIP AND GOVERNANCE	1,325
CONSERVATION FINANCE AND DONOR RELATIONS	845
SUB-TOTAL GLOBAL STRATEGIES AND COMMUNICATIONS	5,422
COMMISSION ON EDUCATION AND COMMUNICATION	201
COMMISSION ON ENVIRONMENTAL, ECONOMIC AND SOCIAL POLICY	281
COMMISSION ON ENVIRONMENTAL LAW	358
COMMISSION ON ECOSYSTEM MANAGEMENT	202
SPECIES SURVIVAL COMMISSION	263
WORLD COMMISSION ON PROTECTED AREAS	197
SUB-TOTAL COMMISSION OPERATING FUNDS	1,502
OFFICE OF THE DIRECTOR OF GLOBAL OPERATIONS	614
GLOBAL FINANCE GROUP	1,750
INFORMATION MANAGEMENT GROUP	1,395
HUMAN RESOURCES MANAGEMENT GROUP	1,079
HEADQUARTERS ADMINISTRATION	1,681
PERFORMANCE ASSESSMENT	313
INTERNAL AUDIT	221
LEGAL COUNSEL	328
SUB-TOTAL GLOBAL OPERATIONS GROUP	7,381
3I-C INNOVATION FUND	136
HEADQUARTERS BUILDING EXTENSION	583
MEMBERSHIP PROVISIONS	351
STAFF PROVISIONS	537
EXCHANGE GAINS & LOSSES	(669)
CROSS CHARGES AND OTHER	159
SUB-TOTAL OTHER	1,096
TOTAL EXPENDITURE	105,734
OVERALL TOTAL FINANCIAL CHARGES	(352)
OVERALL NET GAINS & LOSSES ON FOREIGN EXCHANGE	711
OVERALL NET PROVISIONS AND WRITE-OFFS	(816)
NET PROJECT CROSS CHARGES	(47)
SUB-TOTAL NON OPERATING EXPENDITURE	(505)
TOTAL OPERATING EXPENDITURE	105,229

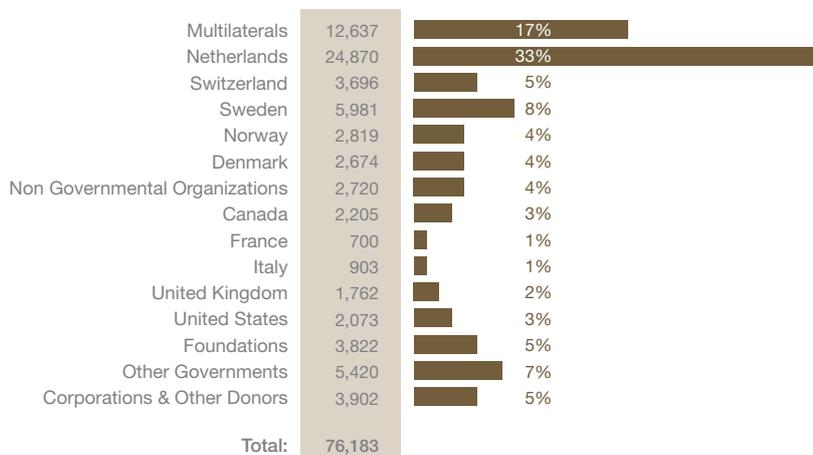
Distribution of Core Funds from IUCN partners

(in thousands of Swiss francs)



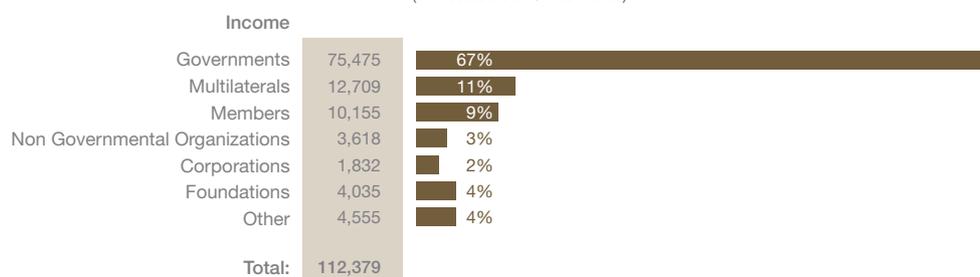
Distribution of Project Funds from IUCN partners

(in thousands of Swiss francs)



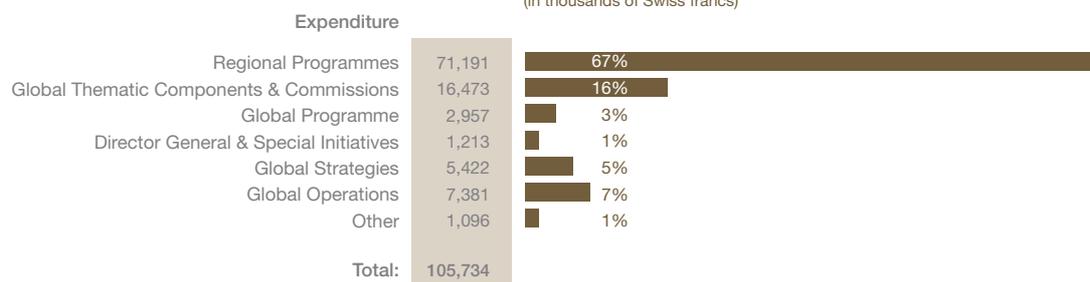
Distribution by donor category

(in thousands of Swiss francs)



2006 Total expenditure

(in thousands of Swiss francs)



© PHOTO CREDITS

Cover Reuters/Gopal Chitrakar • Page 2 Izabela Kurdusiewicz • Page 3 IUCN/Christian Laufenberg • Page 4 IUCN, IUCN, Marianela Cedeño Bonilla • Page 5 K. Wheeler, Grazia Borrini Feyerabend, IUCN • Page 13 IUCN/Ger Bergkamp • Page 14 IUCN/Nils Häger • Page 15 IUCN/David Sheppard • Page 16 IUCN/Jean-Christophe Vié • Page 17 Reuters/Mohamed Azakir • Page 19 PRCM • Page 20 IUCN/Philippe Tous • Page 21 IUCN/Philippe Tous • Page 22 IUCN/Brigitte Schuster • Page 23 Reuters/Florin Iorganda • Page 24 IUCN Bangladesh/Haseeb Md. Irfanullah • Page 25 Reuters/Antony Njuguna • Page 26 Ray Berkelmans • Page 27 Stockphoto • Page 28 Tigele Mokobi • Page 29 IUCN/Marco Calvo • Page 30 IUCN/Christian Laufenberg • Page 31 Reuters • Page 32 Johannesburg City Parks • Page 33 Edgar Cleijne/Stillpictures • Page 34 Reuters/Rodney Joyce • Page 35 Reuters/Mariana Bazo • Page 36 Doug Cheeseman/Stillpictures • Page 37 Reuters/Tarmizy Harva • Page 38 Taco Anema • Page 39 IUCN/Jim Thorsell • Page 40 Reuters/Laszlo Balogh • Page 41 Fred Bruemmer/Stillpictures • Page 42 NASA/JPL/NIMA • Page 43 Reuters/David Gray

Credits

Published by: IUCN, Gland, Switzerland

Product management by:
Jean-Yves Pirost and Elroy Bos

Illustrations and quality control:
Cindy Craker and Deborah Murith

ISBN: 978-2-8317-0974-1

Written by: James Workman and Elroy Bos

Design and layout by: åtta design sàrl, Geneva,
Switzerland

Printed by: SRO-Kundig, Châtelaine, Switzerland

Printed on: Munken Lynx FSC 120 gsm paper
made from wood fibre from well-managed forests
certified in accordance with the rules of the Forest
Stewardship Council (FSC)

© 2007 International Union for Conservation of
Nature and Natural Resources

IUCN

The World Conservation Union

Rue Mauverney 28
1196 Gland
Switzerland

Tel +41 22 999 0000
Fax +41 22 999 0002
mail@iucn.org
www.iucn.org

World Headquarters