



IUCN, International Union for Conservation of Nature, helps the world find pragmatic solutions to our most pressing environment and development challenges.

IUCN's work focuses on valuing and conserving nature, ensuring effective and equitable governance of its use, and deploying nature-based solutions to global challenges in climate, food and development. IUCN supports scientific research, manages field projects all over the world, and brings governments, NGOs, the UN and companies together to develop policy, laws and best practice.

IUCN is the world's oldest and largest global environmental organization, with more than 1,200 government and NGO Members and almost 11,000 volunteer experts in some 160 countries. IUCN's work is supported by over 1,000 staff in 45 offices and hundreds of partners in public, NGO and private sectors around the world.

OUR VISION

A just world that values and conserves nature.

OUR MISSION

To influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable.

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MESSAGE FROM IUCN PRESIDENT

AND DIRECTOR GENERAL

Nature+ Looking Back, Looking Forward

2012 lived up to its promise of being one of the busiest years for the global environmental community. From the birth of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) to the Rio+20 conference, and from UN climate and biodiversity meetings to IUCN's own World Conservation Congress, our Union certainly had our hands full this year.

All of these major policy events focused on intensifying global efforts towards sustainable development and keeping us within planetary boundaries. And IUCN used its voice and influence to advocate that it is only by investing in nature that we can create a sustainable future for everyone.

Sustainability is, of course, in IUCN's DNA. IUCN was the first to coin the concept of "sustainable development" in its World Conservation Strategy published with WWF and UNEP in 1980, and has been working towards making it a reality ever since.

For many, the highlight of 2012 was when our Union came together for the World Conservation Congress in Jeju, Republic of Korea. Held under the slogan of Nature+, the Congress truly put nature back onto centre stage.

It is always astonishing, and somewhat humbling, for us to witness every four years the convergence of people and ideas from around the world to meet in one place. Over several days thousands of stakeholders look back on the lessons of the past four years, assess what works and what doesn't, and chart a course for the next quadrennium. That this extraordinary global confluence takes place on top of IUCN's existing work and ongoing day-to-day responsibilities is all the more remarkable.

And yet somehow it works. The fusion of concepts and values, of place and community reflects how IUCN functions every year, not just during a single week when we put ourselves, our work, and nature in the spotlight, for all the world to see.

We would like to express our deepest gratitude to the 2008–2012 IUCN Council, and IUCN's President Dr Ashok Khosla, whose leadership, integrity and personal commitment to the Union were exemplary.

It was Dr Khosla who constantly reminded us all about the importance of "just" in the IUCN vision of a "just world that values and conserves nature" and who decided to step down after four years to fully dedicate himself to Development Alternatives, an NGO and Member of IUCN, he had set up in his native India.

If Nature+ is our overarching message for the next four years, then the IUCN Programme is effectively the strategy and roadmap to realizing it.



With the adoption by our Members at the World Conservation Congress of the new IUCN Programme for 2013–2016, we have put on the table another idea that could be just as far-reaching and game-changing.

That idea is nature-based solutions.

IUCN pioneered this concept first in the context of climate negotiations, and increasingly as our overarching response to the biggest challenges of the 21st century—from climate change and food and nutrition security, to economic and social development. All of these issues depend on the health of the Earth's ecosystems. And nature can make a positive contribution.

Over the next four years, we will demonstrate how restored and well-managed ecosystems make cost-effective contributions to fighting climate change and poverty, ensuring food and energy security, and boosting resilience against disasters.

In deploying these nature-based solutions, we aim to make a real difference to people's lives around the world—from the coastal regions in Asia to the small islands in the Pacific; from Mesoamerican rainforests to South American highlands; and from densely populated areas in Europe and North America to drylands in Africa and West Asia.

With a Union as multifaceted as ours, we all get to know it in different ways—be it through working on IUCN projects in all parts of the world, supporting governments in negotiating and implementing environmental agreements, or volunteering for our Commissions to bring the best and latest knowledge on conservation and management of natural resources to the world.

We hope that you had an opportunity to get to know IUCN better in 2012, and wish to thank all of you—IUCN Members, Commission members, partners and staff—for making this big year for the environment one to remember.

IUCN President Zhang Xinsheng

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Director General Julia Marton-Lefèvre

HIGHLIGHTS

OF THE YEAR

A five-year plan for whales

09 January – IUCN, whale experts and Sakhalin Energy Investment Company extend their collaboration to protect the endangered population of Western Grey Whales (*Esrichtius robustus*). Through this joint effort, a credible mechanism has been created over the last five years to reduce impacts of oil and gas development in the vicinity of Sakhalin Island, in north-eastern Russia.

Local solutions to environmental challenges in Latin America

21 February – The University of Córdoba, with the support of the IUCN National Committee in Spain and others, is conducting research through the COMET-LA project (Community-Based Management of Environmental Challenges in Latin America). The project aims to identify and analyze local solutions developed to prevent and resolve tensions arising from the use of natural resources, including ecosystem services, due to environmental and climatic changes.

A balanced kettle of fish

01 March – An IUCN study published in the journal *Science* suggests major rethinking of fisheries management that could increase food security and minimize the negative impacts of fishing on the environment. The new approach, called 'balanced harvesting', involves targeting all edible components of the marine environment, in proportion to their productivity.

Nature needs protection

21 March – IUCN contributes to a new study by BirdLife International, showing that only half of the most important sites for wildlife have been fully protected. Despite the world's governments having committed to increasing the coverage of protected areas by 2020, these findings highlight an urgent need for improved targeting of new and expanded protected areas in order to protect the planet's wildlife.

Assessing threats to the Lake Turkana World Heritage site

22 March – A UNESCO reactive monitoring mission met with relevant stakeholders to discuss the threats facing Lake Turkana National Parks World Heritage site in northern

Kenya, inscribed since 1997 on the World Heritage List. Construction of a hydroelectric dam in Ethiopia could pose a major threat to the Lake Turkana ecosystem, its biodiversity and the livelihoods of the people who depend on it.

Harnessing women's energy

19 April – During the high-level European Union Sustainable Energy for All Summit, IUCN Director General, Julia Marton-Lefèvre, chaired a panel on "A Gender and Rights-based Approach to Energy Access and Governance". She called for education and career opportunities for women in the energy sector.

IPBES comes to life

24 April – IUCN's contributions to the negotiation process culminate as the final operational design of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) is established. The Union declares itself ready and willing to contribute its extensive experience with science, knowledge and policy tools on biodiversity and ecosystem services.

Reviving nature's bounty in Indonesia

14 May – IUCN helps local communities to restore and sustainably manage their coastal resources in Tomini Bay, leading to improved livelihoods for at least 100,000 people. Since 2007 when IUCN facilitated an agreement signed by provincial stakeholders, 101 hectares of mangrove habitat have been restored by project funding and another 200 with government support.

A pledge for the Bonn Challenge

11 June – Ahead of the Rio+20 Conference on Sustainable Development, campaign ambassador Bianca Jagger, IUCN and Airbus launch "Plant a Pledge", an online campaign to mobilize public support for the largest restoration initiative in history. The campaign calls on governments, private landowners and communities around the world to Plant a Pledge of support by committing areas for restoration in order to achieve the Bonn Challenge target of restoring 150 million hectares of degraded forest land by 2020.

Biodiversity health

19 June – The latest update of the IUCN Red List of Threatened Species™, released on the eve of the UN

Conference on Sustainable Development in Rio de Janeiro, shows that of the 65,521 species assessed, 19,817 are threatened with extinction, including 41% of amphibians, 33% of reef building corals, 25% of mammals, 13% of birds, and 30% of conifers.

A vote of confidence by Ramsar Parties

15 July – IUCN is once again designated as host to the Secretariat of the Ramsar Convention on Wetlands, continuing its 40-year collaboration with the Convention. IUCN welcomed the conference outcomes, confident that decisions made will further strengthen the Convention's mission to conserve wetlands and promote wise use.

World Water Week

23 August – IUCN discusses possible answers and solutions to the world's growing water, energy and food security challenge at World Water Week in Stockholm. The conference provides IUCN with an opportunity to promote the role of natural infrastructure as critical in understanding the interdependencies between water, energy, and food security.

Crunch time for Caribbean corals

07 September – Time is running out for corals on Caribbean reefs. According to a new IUCN report, on average live coral cover on Caribbean reefs has declined to just 8% of the reef today, compared with 50% in the 1970s. Urgent measures must be taken to limit pollution and regulate aggressive fishing practices that threaten the existence of Caribbean coral reef ecosystems.

A double loss for freshwater species

10 September – A new IUCN publication conducted at the species level collates and integrates information on the socio-economic value of freshwater species and the threats to those species in Northern Africa. The study links the IUCN Red List data on the extinction risk for 877 species across Northern Africa with information on these freshwater species' socio-economic value and evaluates levels of dependence on wetland services.

Software for species

11 September – IUCN and Microsoft announce a new partnership to further strengthen The IUCN Red List of

Threatened SpeciesTM. A new software application, the first fruits of the partnership, will allow users to query and map relevant IUCN Red List information, enabling IUCN to begin to capture spatial information on species-specific threats. This collaboration sees Microsoft becoming the first corporate member of The IUCN Red List Partnership.

Be SMART

12 September – Supported by Save our Species-SOS, the Spatial Monitoring and Reporting Tool -SMART, was unveiled at the IUCN World Conservation Congress. SMART is a high-tech tool created to help park and community rangers combat an increasingly sophisticated syndicate of poachers devastating wildlife populations worldwide.

Nature needs more

20 October – IUCN says efforts to conserve nature must be urgently scaled up if the 2020 deadline to save all life on Earth is to be met. At the Convention on Biological Diversity (CBD) meeting in Hyderabad, IUCN joins the overall consensus that although good progress has been made to halt the loss of biodiversity, more and better managed funds are needed to reach the Aichi Biodiversity Targets.

The wild side of the fashion industry

27 November – A new study by IUCN, TRAFFIC and the International Trade Centre (ITC) finds that close to half a million python skins worth an estimated US\$ 1 billion are exported annually from South-East Asia, primarily for the European fashion and leather industry. The study raises concerns over the illegality in parts of the trade, animal welfare issues and the trade's impact on the conservation of python populations.

Water for earthquake victims

15 December – IUCN supports victims of the November 7th earthquake in Guatemala, working through the water and sanitation commission of the Emergency Operations Center of San Marcos to assist with relief efforts. The commission is responsible for coordinating response actions to ensure the quantity, quality and continuity of water supplied to the population.

THE YEAR

IN NUMBERS

1,258 IUCN Members, an increase of 59 over 2011

€52.2 million – the amount of money leveraged by IUCN against a Dutch grant of €16 million made to the Landscapes and Livelihoods Strategy (LLS)

70% of biodiversity in in overseas

150 species supported through the SOS – Save Our Species fund

US\$ 5 billion

50 million hectares tentatively pledged towards a target of **150 million** by 2020 as part of the Bonn Challenge of forest land restoration

750 Grand Cayman Blue Iguanas, up from 25 ten years ago

36 articles were published in peer-reviewed scientific journals by IUCN staff and volunteer experts in 2012, a number which has been steadily increasing over the past **30 years**

IUCN joins over **90** governments that agree to IPBES – Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services

Protected areas cover 12.7% of the world's terrestrial area and 1.6% of the global ocean area, up from 11.5% and 0.5% respectively in 2002

65,521 species on the IUCN Red List of Threatened Species™

152 IUCN publications

the EU is found entities

1 in 2 of the world's most important sites for biodiversity are still unprotected

13 supportive IUCN Patrons of Nature and Goodwill Ambassadors

annually in biodiversity aid

1.065 million sq kms in new Cook Islands
Marine Park

US\$ 84 billion – the estimated value of restoring150 million hectares in terms of food security,jobs and other direct benefits, per year net of costs

US\$ 1 billion annual trade in python skins

217 natural World Heritage Sites,protecting more than 250 million hectaresof land and sea in over 90 countries

15,000 people participate in IUCN gender and climate training across **8** countries

OUR UNION

IUCN owes its authority and scientific credibility to the combined strength of our triple helix-nearly 1,300 Members, 11,000 experts within volunteer Commissions, and a Secretariat staff of 1,000 individuals—that shapes policy and projects in 170 countries. In 2012, this unique combination grew stronger across the board.

"The United States shares IUCN's commitment to natural resource conservation across the globe. We greatly value IUCN as an important partner in building science-based conservation policies, convening leaders, and promoting conservation worldwide."

- Christine Dawson,

US Department of State, Bureau of Oceans and International Environmental and Scientific Affairs, **IUCN State Member**

In 2012 our Union welcomed 86 new Membersincluding the States Bhutan, Guinea, Iraq, Nigeria and Vanuatu-bringing the total membership to 1,258. The IUCN Council also recognized the Brazil National Committee of IUCN Members, the latest of 57 National Committees which help coordinate all aspects of IUCN's work, including contribution to the highly successful **World Conservation Congress.**

The 2012 Congress was the culmination of the work, achievements, outcomes and activities of IUCN, from programmes to networks to regions and projects in the field. The 2008–2012 Council guided the adoption of the Programme and Financial Plan for 2013-2016, including a new Business Model and Operational Plan. It advanced 17 motions to fill policy gaps and proposed a package of statutory reforms—clarifying membership criteria; revising the number and geographical distribution of elected positions to better reflect the present membership distribution; endorsing the One Programme Charter-and approved a Business Engagement Strategy.

Resolutions remain the foundation of IUCN's governance system, through which Members influence future directions and seek international support. But what has been their overall conservation impact? IUCN decided to find out, and A Review of the Impact of IUCN Resolutions on International Conservation Efforts was published. We discovered how resolutions advanced steadfast support of indigenous peoples, gender equality and conservation's role in the recognition of human rights. By focusing the spotlight on endangered species and protected areas, resolutions helped to design effective approaches that became global standards. Resolutions also revealed the inextricable linkages forged between people and nature, and helped bring into existence major environmental treaties.

"CANPE Mauritania is proud to have been a Member of IUCN for 14 years. Tangible achievements to preserve our biodiversity have been achieved thanks to the unity of this great family comprising a dynamic Secretariat; committed Members and multiple partners."

- Jemila Sid'Ahmed Taya,

Chair, Club des amis de la nature et de la protection de l'environnement (CANPE) - Mauritania, IUCN Member

Our web platforms reshaped the process and effectiveness of the 2012 Congress. A "Motions Blog" assisted Members in elaborating and discussing draft resolutions. The accreditation system went online. Forum web-spaces allowed interactive areas for event organizers and participants. A new interactive portal let Members access, and contribute to, essential news and information. The IUCN Congress website presented detailed information on the 50 candidates for the IUCN Council—enabling Members to make more informed, judicious and democratic choices. The full uptake of these innovations will take time. but they have launched a new foundation for effective democracy in the Union.

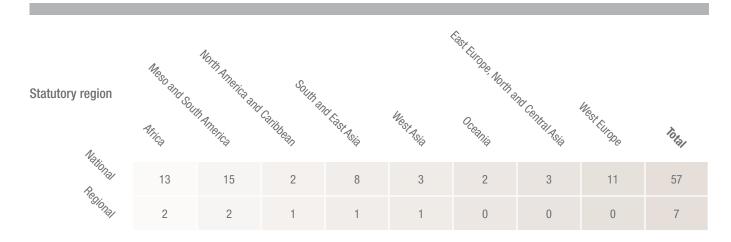


Overview of IUCN Members (2012)

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Statutory region	State	Government Agency	International non-governmental Organization	National non- governmental Organization	Affiliate	Total
Africa	30	21	9	154	2	216
Meso and South America	7	4	6	159	5	181
North America and Caribbean	2	13	31	84	7	137
South and East Asia	13	26	5	178	4	226
West Asia	6	8	0	38	0	52
Oceania	8	12	2	24	0	46
East Europe, North and Central Asia	4	12	3	54	2	75
West Europe	21	28	50	204	22	325
Total	91	124	106	895	42	1258

Committees of IUCN Members officially recognized by Council (2012)





Approved by Council in 2011, the One Programme Charter led IUCN's Secretariat, Commissions, and National and Regional Committees to collaborate more effectively, while Members and Commission members helped implement a more integrated work programme, with an emphasis on harnessing the roles and responsibilities of the Union's diverse constituents.

Commissions



For three decades, natural floods in southern Bangladesh have had disproportionate impacts on communities, causing US\$ 16

billion in damage and 200,000 deaths. In July 2012 the Commission on Ecosystem Management (CEM) set out to reduce the risks through climate change adaptation strategies like the school-based 'Coastal Livelihoods and Adaptation Project' showing how to prepare for and manage such disasters.



Search engines cannot always organize and rank useful information about the status, integrity and stability of

biodiversity. But now IUCN can. The Species Survival Commission (SSC) and its partners launched an upgraded map-accessible and database-enabled Species Information Service. The software manages and disseminates information to incorporate general biodiversity, sustainable use, economic and livelihood issues surrounding species assessments from point of collection in the field to dissemination.



Environmentalists all too often get defined only by what they oppose. The Commission on Education and

Communication (CEC) urged reversing this mindset, to focus instead on the positive, wild systems we embrace, and why. Its project, How to Tell a Love Story, collects video clips capturing personal stories of falling in love with nature.



Indigenous peoples have not always benefited from protected areas. The

Commission on Environmental,

Economic and Social Policy (CEESP) used the Whakatane Mechanism to secure the human rights of indigenous peoples and local communities in conservation efforts through advanced stages of pilot projects at Mount Elgon in western Kenya and in Ob Luang National Park in northern Thailand.



Many appreciate the extent to which nature reserves support biodiversity and

climate change adaptation. In October 2012, in Hyderabad, India the Convention on Biological Diversity delegates asked the World Commission on Protected Areas (WCPA) to go even further, setting global targets, regional collaboration partnerships, and national implementation action plans that would all lead up to the 2014 IUCN World Parks Congress in Sydney, Australia.



All too often our policy influencing efforts merely protect the existing environmental laws against weakening and erosion. That limits

our capacity and resources to fighting rear guard struggles, a permanent defence that can rarely win. In response to escalating challenges, the World Commission on Environmental Law (WCEL) led the effort to enshrine the so-called "non-regression principle" in international environmental law. The principle means that norms already adopted by States should not be revised if this implies going backwards. This principle has been in existence in labour law for nearly a century, and was put forward both by IUCN and the European Union to the Rio+20 conference.

OUR UNION

"Nature's Olympics" on Jeju Island, Korea

Arriving from 157 countries, they came by the thousands to Jeju, Republic of Korea, for the quadrennial IUCN World Conservation Congress. Some 6,571 participants registered to showcase and take part in 581 sessions, 60 side events, and five World Leaders' Dialogues staged during the five-day Forum. Delegates from our Member States, government agencies and non-governmental organizations came to deliberate, debate and vote on draft resolutions and policy frameworks during the four-day IUCN Members' Assembly. All came to share experiences, learn from others, participate in workshops and roundtable sessions, network to shape and promote policies, and support the ongoing hard, necessary and state-of-the-art work of global conservation.

To guarantee the broad participation of IUCN Members especially small NGOs-from low and mid-income countries, some donors and partners sponsored delegates to attend the 2012 World Conservation Congress. In doing so they strengthened the democratic nature of the IUCN Members' Assembly. The participation of 431 IUCN Members, from 97 countries, was made possible by the generous support from the Government of the Republic of Korea; Jeju Special Self-Governing Province; the General Directorate for Development Cooperation (DGCS) of the Ministry of Foreign Affairs of Italy; the Ministry for Foreign Affairs of Finland; and the Federal Ministry for Environment, Nature Conservation and Nuclear Safety (BMU), Germany.

Participants were welcomed by two hosts—the Ministry of Environment and the Jeju Special Self-Governing Province—who jointly established the Korean Organizing Committee (KOC) to fully support the organization of the 2012 World Conservation Congress.

Each day of the Forum reflected five thematic priorities: Climate Change, Food Security, Conservation & Development, People & Governance, and Biodiversity. The Congress explored these challenges from a different perspective, unified under the theme of Nature+. That simple slogan captured the fundamental importance of nature and its inherent link with our lives, putting nature back onto the centre stage, and in the spotlight, to achieve a just and resilient world that values and conserves ecosystem services.

With Nature+ as our quest, the IUCN Programme shows us how to get there. Both help IUCN and its partners to build upon our niche as the world's authority on biodiversity conservation, nature-based solutions and related environmental governance.

"The Congress, which has become known in Korea as "Nature's Olympics", has brought home gold for conservation. It has demonstrated how nature-based solutions, as expressed in the Congress slogan 'Nature+', help us address many of our most pressing challenges."

- Julia Marton-Lefèvre, IUCN Director General

The Members' Assembly approved the IUCN Programme for 2013–2016 and debated more than 180 draft resolutions—from the recovery of rare dolphin, rhinos and Atlantic Bluefin Tuna (Thunnus thynnus) to scaling back offshore drilling and promoting the human right to water-thus setting the future conservation agenda. It also elected the IUCN President and the 32-member governing Council for the next four years. That newly elected Council is more globally representative, in background, experience, regional distribution, and gender balance—increasing the participation of women from 21% before, to 33% currently. Adding diversity is vital, given the Council's statutory role to set strategic direction, provide oversight, fulfil fiduciary responsibilities, and support the Director General in communicating IUCN's objectives and achievements.

Succeeding Dr Ashok Khosla, who successfully led IUCN since the last Congress held in Barcelona in 2008, is

OUR UNION

IUCN's President Mr Zhang Xinsheng of China. Mr Zhang is Co-founder of Eco-Forum Global, an independent consensus building organization for green and sustainable outcomes. A former chair of UNESCO's Executive Board and World Heritage Committee, he also has served as a leader in China's central, provincial and municipal governments. President Zhang's priorities for the next four years include the strengthening of our membership organization and its governance, raising IUCN's visibility, and mobilizing additional resources.

"The visibility and constructive engagement between business, IUCN, governments and the NGO community was a remarkable, positive takeaway from this Congress."

- Peter Bakker, WBCSD President

The Congress in Jeju attracted thought leaders from all walks of life-politics, business, civil society, academia, local and indigenous communities, faith groups and the media. Among high-level participants were President of the Republic of Korea HE Lee Myung-bak, HRH Prince Carl Philip of Sweden, Jordan's Princess Basma Bint Ali Bin Nayef, Global Environment Facility Chairperson and CEO Naoko Ishii, World Bank Vice-President Rachel Kyte, and World Business Council for Sustainable Development (WBCSD) President Peter Bakker.

Business presence was unprecedented. More than 100 representatives from the private sector participated in the Jeju Congress, including leaders of Syngenta, Shell International, Nespresso, Holcim and Korea Telecom.

Innovative events provided interactive opportunities for dynamic learning. These ranged from 44 Conservation Campus capacity building sessions to 105 participatory Knowledge Cafés. Some 146 workshops empowered

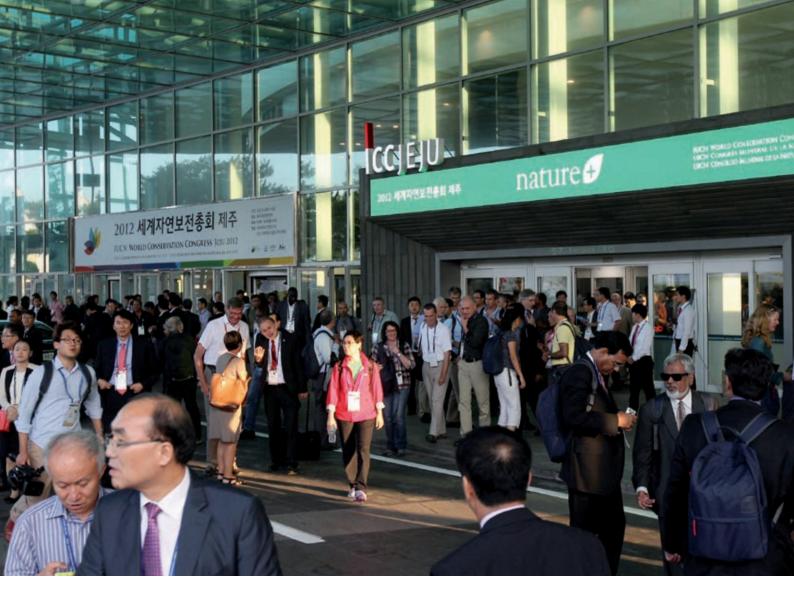
participants to get results, 149 pavilion events invited visitors to learn about the most innovative partnerships, 132 posters presented achievements and innovations in the field of conservation, and 51 special events offered networking opportunities. Finally, five World Leaders' Dialogues, moderated by journalists in an open format, promoted strategic thinking to guide the implementation of pragmatic solutions for a sustainable future.

At the Congress, IUCN presented its two highest awards to outstanding individuals of the conservation world and recognized 11 other conservation greats. The John C. Phillips Memorial Medal was presented to British naturalist and broadcaster Sir David Attenborough, recognized for inspiring generations to protect and conserve our planet. Winner of the Harold Jefferson Coolidge Memorial Medal was a global leader of environmental law, Dr Wolfgang E. Burhenne. Honorary Membership of IUCN was extended to outstanding leaders: Dr Abdulaziz Abuzinada; the late Ms Angela Cropper; Dr Aila Keto; President of Botswana HE Ian Khama; Mr Veit Koester; Dr Russell Mittermeier; Dr Ian Player; Professor Nicholas Robinson; Dr Marina Silva; Mr Achim Steiner; and Professor Randolph Robert Thaman.

> "IUCN is an organization of enormous importance for all of us who care about the natural world; there is no other international organization quite like it."

- Sir David Attenborough, Recipient of the John C. Phillips Memorial Medal

For those who couldn't physically be present in Jeju, IUCN helped bring the Congress to the world, spreading Congress messages in video, sound and print through 320 journalists, 100 media-related events, 60 press conferences, and coverage to reach millions of people globally.



To enrich the depth, substance and context of debate leading into and out of the Congress, IUCN produced or collaborated on 152 publications, half of which are available online. Responding to rising demand, many of these publications were translated into Arabic, English, French, Spanish, Korean and Chinese. In 2012, many IUCN publications were consulted electronically; 676,869 book visits from the global public (up 27.6% over 2011) and 3,626,189 page visits (up 3.3% over 2011) were recorded.

During the closing ceremony, IUCN, the Government of the Republic of Korea and the Jeju Special Self-Governing Province signed the Jeju Declaration. The **Declaration** identifies the urgent actions needed to scale up conservation, promote nature-based solutions, promote sustainability, and close the gaps in the governance of nature's use. As a local legacy, every two years Jeju will host the **World Leaders Conservation Forum**, to provide practical solutions to global issues like climate change and biodiversity conservation.

As part of efforts to "walk the talk", IUCN offset 100% of the estimated 6,846 tons of greenhouse gas emissions associated with Congress through the purchase of Voluntary Carbon Units (VCUs) in a forest rehabilitation project in Sabah, Malaysia.

PARTNERS

Nature builds ecosystems by forming diverse and complex relations among species and their habitat. In much the same way, IUCN builds dynamic relationships with Members and Partners to achieve our Mission. Our work with donors, Members, government agencies, multilateral organizations, business and other institutional partners broadens our income and strengthens our foundation and outreach.

IUCN is uniquely placed to play a key leadership role in the conservation movement and MAVA's continued support enables IUCN to play that role effectively.

- Lynda Mansson, Director General, MAVA Foundation

IUCN's Framework Partners, who choose to invest in IUCN's work through multi-year core support, have helped to build a strong and critical foundation for IUCN over the years. For that reason we acknowledge the support of our Framework Partners: the Danish Ministry of Foreign Affairs (Danida), Finland's Ministry for Foreign Affairs, the French Development Agency (AFD), The Netherlands Ministry of Foreign Affairs, Directorate-General for International Cooperation (DGIS), the Norwegian Agency for Development Cooperation (Norad), the Swedish International Development Cooperation Agency (Sida), the Swiss Agency for Development and Cooperation (SDC), the Environment Agency, Abu Dhabi (EAD), United Arab Emirates, and the MAVA Foundation.

Together, these Framework Partners provide strategic advice and core funding to IUCN, both of which are critical to the effective delivery of IUCN's Programme. In addition, every four years, the Framework Partners commission a transparent external review of the Union to ensure smooth operations and effective outcomes. The latest review was conducted in 2011 with the results published in 2012.

With a rights-based approach to development,
Denmark shares the IUCN objective of
a just world that values and conserves nature.
Our longstanding partnership with IUCN will
continue to focus on effective and equitable
governance of nature's use in support of
sustainable social and economic development.

- Christian Friis Bach, Minister for Development Cooperation, Denmark

Private charitable trusts and foundations in the U.S. and Europe have also become vital partners and investors in IUCN's work. These entities offer a growing source of advice and funds. Foundations have supported the development of IUCN knowledge products, such as the IUCN Red Lists of Threatened Species™ and of Ecosystems, and influence policy, such as through IPBES. They also provide strategic guidance. During the World Conservation Congress, IUCN and the Consultative Group on Biological Diversity convened a dialogue of philanthropic leaders to debate and discuss emerging environmental trends, threats, and opportunities in the philanthropics sector. Over 200 people gathered to hear these philanthropists share their ideas and experiences with the conservation community.

IUCN also welcomes guidance from individuals within and outside the philanthropic sector. IUCN's **Patrons of Nature** is a high-level group of leaders in conservation, politics, business, arts and philanthropy who help IUCN communicate its message to a broader audience. Patrons include: HSH Prince Albert II of Monaco; HRH Prince Carl Philip of Sweden; HM Queen Noor of Jordan; philanthropist Margot Bennett-Mathieson; oceanographer Dr Sylvia Earle; former President of Guyana Bharrat Jagdeo; anthropologist Richard Leakey; artist Maya Lin; entrepreneur and journalist Sally Ranney; the Chair of



the OECD Development Assistance Committee and Norway's former Minister of Environment and International Development Erik Solheim; former Secretary General of the UN Conference on Environment and Development (Rio '92) Maurice Strong; and philanthropists Jessica and Adam Sweidan. These diverse individuals share one thing in common: IUCN's vision of a just world that values and conserves nature. IUCN's Patrons of Nature gathered for the first time on the occasion of the 2012 World Conservation Congress.

Our experience opened our eyes to a vast and vital organization. Solving the environmental crisis is highly complex and multi-dimensional, making the IUCN exceptionally placed to be the leader in finding the solutions within its membership and staff... and become an even greater force beyond the realm of traditional conservation.

-Jessica Sweidan, IUCN Patron and philanthropist

Do Good to Do Well: IUCN Engages the Business World

If the private sector plays a massive role in the global loss of biodiversity, IUCN maintains that, with the right engagement, it can and will make an equally outsized contribution toward ecological restoration. Thus was born the IUCN Business Engagement Strategy, reaching out

to business enterprises of any size, whether privately held, publicly quoted, wholly or majority owned by the state or by local communities. The Strategy links the business world's recognition of the responsibility to mitigate its environmental footprint, and that conservation of nature can be good for the bottom line, brand reputation and quality assurance. The Strategy aims to encourage transformational and demonstrable change at the company level to value biodiversity and equitably share nature's benefits. The Strategy has three interconnected entry points: avoid or minimize biodiversity impacts; ensure that supply chains apply sustainability standards and safeguards; and integrate biodiversity and livelihood values in public and financial policies.

Consider one example. With IUCN's support, 13 companies including **Nespresso and Rio Tinto** launched an initiative to create a responsible standard for the world's durable, strong, recyclable and second most used metal (after steel): aluminium. Launched in 2012, the **Aluminium Stewardship Initiative** (ASI) fosters sustainability throughout the industry by mobilizing a broad base of stakeholders behind transparent action, responsible practices, business ethics, and environmental and social performance. Aluminium value chain members have been collaborating with IUCN to improve the industry from mine to smelter, and from refinery to manufacture. These companies share the view that the heart of global business success is understanding the inextricable links between sustainability and economic survival.

PARTNERS

Framework Partners



Environment Agency, Abu Dhabi, United Arab Emirates



Ministry of Foreign Affairs, Denmark



Ministry for Foreign Affairs, Finland



French Development Agency



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



Norwegian Agency for Development Cooperation



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MAVA Foundation

Programme and Project Partners

(contributions received in 2012 above Swiss francs 200,000)



Austrian Development Agency, Austria



Canadian International Development Agency



Agence des aires marines protégées, France



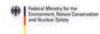
Ministry of Foreign Affairs, France



Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH, Germany



Federal Ministry for Economic Cooperation and Development, Germany



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



Ministry of Environment, Republic of Korea



Jeju Special Self-Governing Province



Regional Ministry for Environment, Government of Andalucia, Spain



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Multilateral Agencies and Conventions



African Development Bank



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Commission Sous-Régionale des Pêches



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



European Commission



Fonds Français pour l'Environnement Mondial



Global Environment Facility



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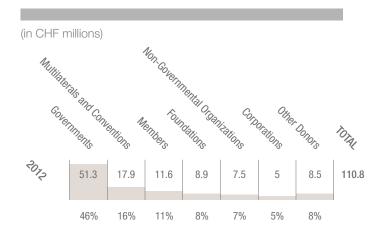


Keidanren Nature Conservation Fund



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OUR WORK

In 2012 IUCN found itself uniquely positioned, first to call for ambitious targets, and then to mobilize efforts to achieve results. That combination made for a potent transition from the last quadrennium, through the World Conservation Congress, and into the next four years. To do so, we promoted nature as less a looming threat to fear, a loss to pity, or mere resources to exploit. Rather, nature is now seen as a dynamic, creative and valued equal partner with whom to collaborate. In this way we can achieve pragmatic and enduring solutions for climate change, social equity, food security and biodiversity conservation.

Our work for nature-based solutions was manifest in the Bonn Challenge to restore 150 million hectares of degraded and deforested land; in the Sargasso Sea Alliance to protect this unique oceanscape that lies beyond national jurisdiction as an Ecologically and Biologically Significant Area; in catalysing the collaborative governance of transboundary rivers in Latin America; and in IUCN's joint publication with the UN Convention to Combat Desertification—followed by a major conference—on initiatives for conservation of biodiversity in drylands, home to a third of the people in the developing world.

Our long experience in both science and policy advice was especially manifest in our effort to maximize the value of nature at the intersection of science and policy. Given finite resources, how can nations, individually or collectively, invest in biodiversity to ensure the highest global returns ecologically as well as economically? In response to that critical challenge, IUCN helped establish the legal framework for the Intergovernmental Science-Policy Platform for Biodiversity and Ecosystem Services (IPBES), which can now become the authoritative and independent provider of policy-relevant knowledge on nature and its services to humanity. This global platform can regularly assess the state of biodiversity, our fragile ecosystems, and the essential services they provide to all of us. Thus, the IPBES mechanism ensures that scientists and policy makers alike can access and distil dispersed information, syntheses, and analyses to make their decisions and research more efficient.

There is no shortage of existing knowledge products and scientific frameworks. The Union's Programme seeks to build on, yet go beyond, the Millennium Ecosystem Assessment, The Economics of Ecosystems and Biodiversity (TEEB) study, Global Biodiversity Outlooks, Millennium Development Goals (MDGs) and the Aichi Biodiversity Targets. What has been missing, until now, was a way to bridge the gap between science and policy. Efforts like IPBES help IUCN generate, distribute and use biodiversity knowledge to maximize yields in terms of conservation plans and action. It helps us leverage and prioritize the best scientific information for the right decision makers in the right place at the right time. To build on this initial commitment, as requested by the World Conservation Congress, IUCN will engage stakeholders for IPBES through its initial work programme 2014-2018.

Conserving Biodiversity

In 2012, IUCN leveraged online donations to expand its flagship initiative, Save Our Species (SOS), a globally competitive approach to protect and restore biodiversity. The Union and partners GEF, World Bank, FFEM, Nokia and Fondation Segré invested US\$ 2.5 million in 25 new projects to benefit tiny dolphins and slow moving dugongs, Siberian tigers, freshwater turtles, gibbons, Sumatran rhinos, Asian crocodiles, flying foxes, manatees, and myriad freshwater fish and plant species. "We receive more project proposals than we can possibly fund," says Jean-Christophe Vié, Deputy Director of IUCN's Global Species Programme and SOS Director. "So the selection process is extremely challenging." The IUCN Red List of Threatened Species[™] reports that one in three amphibians, one in four mammals and one in eight birds are at risk of extinction in the wild. Through an open call for proposals, the SOS initiative seeks out and tests the most efficient and effective conservation approaches. Still, the US\$ 2.5 million is a microcosm to guide the recently estimated US\$ 4 billion annual costs of improving the status of threatened species up to 2020. That figure sounds high, but represents just 1% of the value of ecosystems being lost every year.



With IUCN's help, 17 Critically Endangered Spoon-billed Sandpipers (*Eurynorhynchus pygmeus*) were **hatched in captivity** after precious eggs were rushed thousands of miles from the Russian Arctic to the Wildfowl & Wetlands Trust Slimbridge Wetland Centre in the UK. These chicks are part of an urgent conservation breeding project to save the species from global extinction. "The level of support for the Spoon-billed Sandpiper has been phenomenal," said Dr Debbie Pain, Director of Conservation, Wildfowl & Wetlands Trust, an IUCN Member. Fewer than 100 pairs of breeding individuals exist in the world, due to local capture, and loss of inter-tidal feeding habitat along their 8,000 km migration between Russia and South and Southeast Asia.

IUCN Member, the Wildlife Conservation Society (WCS) in Gilgit-Baltistan, northern Pakistan reported a **remarkable rebound in the markhor population**—of 300, up from 40 in 1991—thanks to conservation efforts focused on strengthening local institutions. The markhor (*Capra falconeri*), Pakistan's national animal, is one of the largest and most magnificent members of the goat family, extending over Pakistan, Afghanistan, Tajikistan, Uzbekistan, and India. But illegal hunting, habitat destruction, and competition from domestic livestock were driving its numbers toward extinction. An IUCN-led project established 53 representative conservation committees, which reversed the decline.

On the island of Kadavu, part of the Fiji archipelago, during assessments for a watershed initiative, IUCN scientists discovered a previously unknown flowering plant.

The plant belongs to the *Medinilla* genus, with 193 species occurring in Madagascar, Africa, South Asia and Pacific Islands. "The discovery gives us a sense of just how fragile nature can be," says Dr Milika Sobey, Water and Wetlands Programme Coordinator at IUCN's Oceania Regional Office. "The fact that it was found during work on a watershed management project is one more lesson in how important it is that nature is included in the priorities for water management." Commercial agricultural activities and uncontrolled bush fires are the main threats to this species. "A simple fire could destroy it in a matter of minutes," said Mr Marika Tuiwawa, of the University of the South Pacific's Institute of Applied Science, IUCN Member and partner in the Water and Nature Initiative (WANI) project, who discovered the species.

Just as our Red List tracks and compiles data about the status of threatened species, IUCN also tracks and compiles data on **the status of the Red List** itself. In 2012 we recorded 6,814 downloads of non-spatial data, nearly double the volume of recent years. There were two updates to the Red List, which now includes assessments for 65,521 species (3,607 more than in 2011), 20,222 (37%) of which are threatened with extinction. Starting mid-2012,



IUCN also recorded 3,901 spatial downloads, in the second half of the year alone. With 2.8 million unique visitors, 4.6 million unique visits, and 17 million page views, one wishes the status of biodiversity's richness was as healthy as the demand for rich data about it.

IUCN developed a pioneering, "traits-based approach" to assess various species' vulnerability or resilience to climate change. This approach uses the life history characteristics of a species to determine how it might likely react to future shocks and perturbations. Having previously tested the approach on birds, amphibians and corals, IUCN began pioneering a new methodology with economically valuable species in the Albertine Rift region of Central Africa to gain insights on how climate change might impact the livelihoods of populations dependent on wild species.

As part of IUCN's ongoing collaboration on developing the Brazilian Red List of Threatened Species, the Instituto Chico Mendes de Conservação da Biodiversidade validated approximately 1,700 species assessments in 2012, including marine and freshwater fishes, mammals, birds, reptiles, and amphibians.

Changing the Climate Forecast

In 2012 IUCN crossed a milestone reaching 1/3 of the way to record commitments and pledges to restore 150 million hectares of degraded and deforested land by 2020. The "Bonn Challenge" approached 50 million hectares as Costa Rica and El Salvador committed to one million hectares each. El Salvador ranks at the top of the Climate Risk Index,

leading its Environment and Natural Resources Minister Herman Rosa Chavez, to call the restoration effort "a serious and desperate response... an urgent and essential element for adaptation and reducing escalating climate related losses and damages." Restoring 150 million hectares over the next 10 years could potentially close the 'CO₂ emissions gap' by 11-17% and inject more than US\$ 80 billion per year into local and national economies, securing food, biodiversity and livelihoods. "Environmental destruction is a serious human rights issue," said Bianca Jagger, Ambassador of the Plant a Pledge Campaign. But the Bonn Challenge is not simply about planting trees. "People and communities are at the heart of the restoration effort, which transforms barren or degraded areas of land into healthy, fertile working landscapes." The U.S., Rwanda and the Brazilian Mata Atlântica Restoration Pact have already made pledges of over 20 million hectares; India aims to pledge 10 million, and another 20 million are in the pipeline from the Meso American Alliance of Peoples and Forests.

"Since the worst floods in the history of Pakistan in 2010, the Pakistan National Committee is focusing on the issue of food security. It is striving to develop mechanisms to alleviate this major issue and is constantly engaged with IUCN to access expertise and to assist with the formulation of policies."

 Shahid Sayeed Khan, Chair, Pakistan National Committee of IUCN Members

WORK

Linking ridges to reefs and the resorts that depend on them, IUCN **reduces exposure to risks** through practical field-based action in over 30 countries in Africa, Asia and Latin America. We helped develop climate change adaptation tools, such as CRiSTAL (Community-based Risk Screening Tool) for vulnerability analyses, and participatory land, water and coastal use planning and mapping. IUCN's long-term project engagement on Climate Change and Coral Reefs in the Maldives completed a four-year collaboration with Kuoni Travel Corporation to assess the needs of the country, the values and priorities of the tourism industry, and to identify useful intervention opportunities.

Mangroves, tidal marshes and sea grasses can store massive amounts of carbon, but they're being destroyed so fast they do just the opposite. IUCN's collaborative Blue Carbon Initiative helps countries and private sector partners better manage, value, and account for the carbon, testing **a new offsetting approach called the Livelihoods Fund.** Instead of financial dividends, the Fund provides returns in the form of high-quality carbon offsets. The Fund's capital has reached €30 million and has already invested in large-scale mangrove restoration, agro-forestry and rural energy projects in Africa and Asia, aiming to generate over 7 million tonnes of carbon offsets.

Climate models agree on one thing: we're heading into a world of extreme impacts. IUCN has found that the urgent but careless effort to recover after a calamity can have as devastating effects on people and nature as the initial disaster. In response, IUCN and its Member Keidanren Nature Conservation Fund have forged a Partnership for Environment and Disaster Risk Reduction in the wake of Japan's earthquake and tsunami. Our goal is to utilize Japan's policies, practices and experiences in advocating for ecosystem-based solutions for disaster risk reduction and recovery. Upon request from Japan's Ministry of Foreign Affairs and Ministry of Environment, IUCN has prepared and shared summaries of case studies on specific hazards from various regions around the world.

To learn, earn, and own the skills needed to thrive as dry regions of the world grow even drier, IUCN leads a multiyear regional project in Egypt, Morocco, Jordan, Palestine and Lebanon to pilot a resilience framework called SEARCH, which stands for Social, Ecological, Agricultural Resilience in the face of Climate Change. The framework would increase adaptation through local learning, planning and testing in six demonstration sites. In Cairo, the project demonstrated how local communities can successfully engage with and overcome the negative impacts of climate change. Instead of 'silver bullet' solutions we gave people the skills to assess risks on a day-to-day basis, and develop a realistic vision for resilience. These acquired tools will enhance ownership and accountability of all relevant stakeholders and end-users for a more interactive planning and management process.

Part of changing the climate forecast involves preparing for, and thus reducing, impacts on vulnerable ecosystems and the people who depend on them. Water stress, food shortages, and natural disasters will become increasingly frequent from dramatic climatic events. But IUCN showed how globally protected areas, which cover only 12% of the landscape, are **cornerstones of mitigation and adaptation strategies**. They not only store more than 312 gigatons of carbon—15% of the terrestrial carbon stock—they play a critical role in adaptation strategies as natural solutions to stability and resource provision.

Naturally Energizing the Future

To generate energy you need water. To lift, shift, heat or treat water you need energy. And to grow food you will compete with energy for water and fertile soils. To harmonize these competing and essential resources, IUCN and the International Water Association (IWA) developed a new initiative to understand and unlock the Water-Energy-Food Security Nexus. This partnership catalyses thinking on water infrastructure solutions and provides a unique opportunity to move from discussions to solutions across all three resources.

WORK

IUCN helped **install 43 new solar home systems** on the 1.45 square kilometre island of Lofanga in the Kingdom of Tonga, home to 180 men, women and children. By providing electricity and a cleaner alternative for lighting, the solar systems annually save over 8,000 litres of kerosene and 20 tonnes a year of carbon emissions. The local pilot effort is part of an IUCN initiative across Oceania to accelerate the transition to energy systems that are ecologically sustainable, socially equitable and economically efficient.

Hydraulic fracturing can unlock natural gas, a relatively clean burning fossil fuel, but raises questions about leaking methane, groundwater impacts, and unidentified chemicals. IUCN's Energy Law & Climate Specialist Group, under WCEL, moved that 'fracking' be prohibited until the prior adoption of a series of environmental protections. This energy resolution adopted in Jeju also obliged parties first to promote energy efficiency, renewable energy and elimination of fossil fuel subsidies.

IUCN Director General Julia Marton-Lefèvre helped UN Secretary-General Ban Ki-moon outline his **Sustainable Energy for All (SE4ALL) initiative**. Launched in 2012, the International Year of Sustainable Energy, the initiative aims to achieve specific objectives by 2030. These include: universal access to modern energy services; doubling the rate of improvement in energy efficiency; and doubling the share of renewable energy in the global energy mix. At a time when 1.3 billion people lack electricity, 2.7 billion lack safe cooking facilities, and clean energy is imperative for climate mitigation, the initiative addresses humanity's key concerns. IUCN's voice on the High-level SE4ALL Group represents the importance of considering nature-based solutions to energy issues.

The 2012 World Conservation Congress showed where IUCN and its partners can lead the way to community-based renewable energy, and avoid or delay the construction of large, centralized projects. In Guatemala, IUCN Member Fundación Solar is showing how to develop small-scale energy sources directed by local

communities. In one powerless village with 55 families, it developed a run-of-river small hydroelectric dam in exchange for villagers' protection of the water source through tree-planting that avoids erosion.

From the first Congress, when discussions were more romantic, today we talk about vital issues like energy production, industry, economic valuation of ecosystem services, the private sector's role in conservation, and much more.

- Juan Mario Dary Fuentes, former Minister of Environment, Guatemala

The Congress also demonstrated the case for **transparent**, **participatory choices** around food-free fuel alternatives. IUCN and Members showed that offering renewable energy, conservation and improved transportation can reduce the necessity to burn food as the default option. Fifty countries have mandates and spending programmes to support expansion of corn and soy-based biofuels. But these laws and subsidies distort global food security, land use, environmental stability and social equity. "Biofuels are solving only a tiny part of the fuel solution while having a dramatic impact on so many other areas, from food supply to the environment," says Doris Cellarius, Chair of the Biofuels Task Force at Sierra Club, an IUCN Member. IUCN has shown how biofuels can be produced without growing crops.

IUCN, Shell and Raízen assessed the initial impacts of applying the global Bonsucro standard to Brazil's sugarcane-based ethanol production. Our study convened authorities from IUCN's Commissions and Members, who concluded that Raízen's implementation of the standard brought important and positive changes for biodiversity at the field, mill, and company management levels. "The Bonsucro certification achieved by Raízen to date can be considered a significant landmark in the Brazilian ethanol production sector." said Dr Luciano M. Verdade, Chair of the Expert Group, Associate Professor, University of Sao Paulo, member of IUCN's Species Survival Commission. "Although there is



still a long way for sustainable practices to become widespread in this sector, such sustainability efforts by a company are a great first step and should be supported."

Managing Ecosystems for Human Well-Being

A proposed GIBE III hydroelectric dam in Ethiopia may impact the fragile hydrology of Lake Turkana, a World Heritage site in northern Kenya. In response, IUCN convened relevant stakeholders in Nairobi to **discuss the extent and nature of—and potential solutions to—these dam threats**. Consultations focused on the cumulative impacts on the Lake levels, as well as further dam developments planned lower down on the Omo River. Combined with an irrigation scheme for sugarcane, these dams could pose a major threat to Lake Turkana's ecosystem, biodiversity and the livelihoods that depend on it. Based on these findings, IUCN will develop recommendations to the Governments of Ethiopia, Kenya and the World Heritage Committee.

IUCN has contributed positively in the implementation of programmes and activities on areas such as energy, green growth, water conservation, biodiversity and mangrove management. IUCN assists the Fiji Government to find practical solutions to these development challenges which are always in line with our National Policies.

 Col. Samu Saumatua, Minister for Local Government, Urban Development, Housing and Environment, Fiji, IUCN State Member In a country where a third of the landmass consists of wetlands, the Tanguar Haor basins of north-eastern Bangladesh have global significance. Soil may vary in texture, drainage and fertility; and uses range from agriculture to reed gathering to fish harvesting. But the dynamic nature and value of the saucer-shaped shallow depression wetlands covering 80,000 square kilometres means they all face natural and human threats. IUCN has worked for years in 76 villages to empower families (especially women) to manage the haors in ways that have built US\$ 106,000 in social capital, provided US\$ 250,000 for alternative income generation, and planted 60,000 seedlings and 20,000 local fish fingerlings, all toward institutional cohesion, resilience, and livelihoods. IUCN completed a co-management system functional for conservation, stabilization and sustainable use of the natural resources of Tanguar Haor.

In a landmark decision, IUCN supported the Cook Islands Government to establish the world's largest marine protected area. The Cook Islands Marine Park covers 1.065 million square kilometres (411,000 square miles) and includes remote atolls, fringing reefs and rich unspoilt Pacific marine biodiversity, including rare seabirds, blue whales, manta rays and several shark species. The Park will contain a variety of zones with different levels of protection, and IUCN will help identify where and how the area is being used, what natural resources and habitats it hosts and how they can be used and fished sustainably. IUCN will also provide assistance to link rights that local people have traditionally enjoyed, integrating the traditional methods of managing the area into innovative large-scale marine conservation initiatives. "Thanks to initiatives like this one, small island nations such as the



Cook Islands and Kiribati are beginning to confidently act as 'large ocean developing states'," says Jan Steffen, IUCN Oceania Regional Marine Programme Coordinator. The initiative is "leading the way to conserve large areas of national Exclusive Economic Zones in the Pacific Ocean—places where the state has special rights over the exploration and use of marine resources."

IUCN helped partners rehabilitate Papua New Guinea's mangrove forests. The effort is part of our strategy to decrease deforestation and forest degradation and to increase the resilience of communities to the negative effects of climate change and disasters. Papua New Guinea's ecologically valuable but increasingly threatened mangrove forests are extensive and rich in diversity, with 43 recorded mangrove species. But extractive industries threaten mangrove health due to high sedimentation and release of toxic materials. IUCN's partner, USAID, will expand the emerging best practices to the Solomon Islands and Vanuatu. The pilot will explore finance models and mechanisms that support long-term community-based mangrove forest management, including adaptation funding and REDD+/mangrove carbon finance.

Georgia's forests cover 2.8 million hectares, or 40% of the land area, and play a complex economic role for those who depend on them. In 2012 IUCN's Caucasus Cooperation Centre started the Forest Landscape Restoration field survey in three regions to study the extent of this dependency and evaluate whether villagers' relationship with the natural resource base is healthy and sustainable. The results varied by elevation, as more forest products were used for food, heating and cooking the higher the altitude.

Given competing needs between and within nation states, one of the thornier resource management issues is governance of border-crossing rivers. IUCN's 'Building River Dialogue and Governance' (BRIDGE) project successfully improved stakeholder capacity across nine transboundary basins, and began a second phase of expanding cooperation with national governments. In South America, BRIDGE helped revitalize the basin authority in Lake Titicaca linking Bolivia and Peru. It worked to make operational the first bi-national water resource management commissions between Peru and Ecuador in the Zarumilla and Catamayo-Chira river basins. And in the Goascorán River basin, shared by El Salvador and Honduras, BRIDGE helped build the once stagnant Binational Management Group into a truly representative transboundary basin organization that engages public, private, and civil society sectors.

Seamounts, volcanic formations rising thousands of meters from the sea floor, are among the world's most abundant, diverse, biologically sensitive, and economically productive

WORK

oceanic ecosystems. No single theory explains why this is. And many seamounts remain uncharted and understudied, leaving their high seas fisheries vulnerable to careless exploitation. **IUCN's Seamounts Project drafted a road map toward sustainable use, study and conservation of seamounts** in the Southern Indian Ocean. In symposia and workshops from Rome to Mauritius, we advanced scientific work to understand, document, and share information on five seamounts of the South West Indian Ridge.

An innovative IUCN pilot project empowered subsistence hunters in polar regions to help build resilience and track biodiversity. The project advanced communications infrastructure to minimize the potential risks from increased commercial vessel traffic on subsistence hunting in the Bering Sea region. It set up shore-based stations in Gambell and Savoonga, and provided 3–4 hunting vessels from those villages with equipment to allow tracking of and communication with commercial vessels—an alliance that could unlock comprehensive multi-functional communications networks to enhance marine safety and stewardship.

In a series of outreach efforts that drove collaboration between tourist resorts and island communities, **IUCN enhanced the resilience of coral reefs** of the Indian Ocean. From the Maldives to Mandhoo, outreach included workshops on legal frameworks, training about whale shark tourism potential, conferences on biosphere reserves, awareness of protected area benefits, and shared responsibility for monitoring of reefs, new Marine Managed Areas. "With just under 2% of the world's ocean currently protected, this is a major step towards safeguarding our planet's marine realm and the priceless services it provides us, including oxygen, food and water." says Carl Gustaf Lundin, Director of IUCN's Global Marine and Polar Programme.

Greening the World Economy

IUCN works through TRAFFIC, its joint programme with WWF, to ensure that global plant and animal wildlife trade

does not threaten biodiversity conservation. Our FairWild Standard initiatives focused on the sustainable harvest of wild medicinal and aromatic plants in the mountains of China's Upper Yangtze Eco-Region, as well as specialty tea from South Africa and Japan. The initiative provided training in organic wild crop harvesting practices and certification procedures, and boosted revenues for local producers thanks to higher prices paid along the value chain. In Central Africa, IUCN strengthened conditions for legal timber sourcing by helping governments crack down on illegal logging, poaching and smuggling. To tackle wildlife crime, the inaugural meeting in Sri Lanka of the South Asian Wildlife Enforcement Network examined and mapped wildlife trade routes and hubs for illegal species and developed an operational framework to share information, identify capacity needs and execute joint operations to shut down illegal trade routes.

To improve practices in the extractive industries, IUCN launched a new five-year phase of engagement with the International Council on Mining and Metals, and published a report that examines the current issues in interactions between extractive industries and World Heritage Sites. IUCN also led a report that recommended State parties withdraw all active or inactive mineral and hydrocarbon exploration and exploitation concessions within the boundaries of natural World Heritage Sites. IUCN helped strengthen biodiversity and water management within Holcim's operations, partnered with Nokia to address climate change and natural resource loss in the Balkila Watershed in Northern India, optimized CEMEX water use in the company's operations, and released the 3rd edition of Water for Business, which outlines the benefits of the different tools for efficiency in meeting the private sector's needs.

The Union is developing a protocol with Rio Tinto to verify its Net Positive Impact (NPI) commitment and forecast at specific sites. One pilot review was conducted in 2012 in Western Australia and a report entitled Forecasting the path towards a Net Positive Impact on biodiversity for Rio Tinto QMM (Madagascar operations) was published jointly with



Rio Tinto and discussed with IUCN Members in Jeju. The report was written by The Biodiversity Consultancy and reviewed by experts from the Union. Following up on the Corporate Ecosystem Valuation (CEV) guide development with WBCSD, together with Rio Tinto Iron-ore operations, IUCN has started to apply ecosystem valuation as a tool to provide additional information on the impacts of dewatering and a range of water disposal options to improve corporate decision making. Ecosystem valuation work in the Pilbara region, Western Australia was continued in 2012 as part of the region's water management strategy.

Community-based tourism sounds wonderful and has the potential to combine conservation and development goals. But it falters if people lack the business skills necessary to break even. **IUCN and Kuoni, a large European tour operator, collaborated in Lao PDR to train community-based organizations** how to build business skills around ecotourism operations. To support the training, IUCN and Kuoni developed a textbook based on interviews with tourism industry professionals from around the world.

A primary challenge facing any hotel or resort is where, and how, to build. To address the ecological and social risks associated with potentially disruptive decisions, **IUCN's new principles promote the integration of biodiversity considerations** into planning, siting and design. For people and nature, it also boils down to three things: location, location, and location. Principles draw on worldwide case studies and target planning authorities, tourism agencies, developers, investors, hotel managers and management companies, project managers and consultants, architects and construction firms.

In partnership with IUCN, Nespresso reviewed its dependence and impacts on ecosystem services important to coffee production in the Jinotega coffee

cluster in Nicaragua. This pilot is replicable to any coffee cluster of coffee farms in Nespresso's—or any coffee company's—global supply chain. The review found several services of critical value: shade habitat; pest control and disease mitigation; water quality and flow; soil quantity and quality; and climate regulation and adaptation.

Based on the successful experience of the independent Western Grey Whale Advisory Panel, IUCN set up an independent advisory panel to provide scientific recommendations to Shell for the remediation and rehabilitation of oil spill sites in the Niger Delta. The Niger Delta Independent Panel includes IUCN Commission members, is chaired by Dr Uzo Egbuche, and its breadth of expertise ranges from hydrocarbon pollution and biodiversity conservation to restoration ecology and environmental sociology. The project will identify measures that demonstrably improve biodiversity conservation and the well-being of local people who depend on the health of the Niger Delta for their livelihoods. Following 10 months of exploratory work and field assessments, the Panel released an executive summary of the Sustainable remediation and rehabilitation of biodiversity and habitats of oil spill sites in the Niger Delta.

During the Rio+20 corporate sustainability forum, **IUCN** and the UN Global Compact developed and launched a policy framework—with 10 recommendations and checklists—on business, biodiversity and ecosystem services (BES). The framework encourages company board members to initiate the development and implementation of company policies and practices to assess and manage their BES impacts, risks and opportunities. IUCN prepared policy recommendations to the governments on the themes of the conference. Our policy briefs explained the main concepts and offered extensive information on how to go beyond GDP measurement.

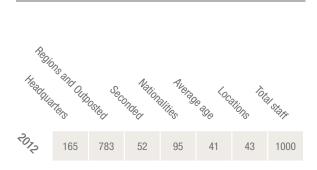
RESPONSIBILITY

Our Union's **greatest assets remain our reputation and credibility**. We take seriously the power and potential of corporate social responsibility and recognize that it is not an end but a process, a cycle, a constant calibration. And we learn important lessons from the effort to walk our talk. Nowhere is that effort more vital, or complicated, than in climate change.

For years the Secretariat has offset greenhouse gas emissions associated with travel. But that was incomplete. So in 2012 we decided to go further and **neutralize our organization's entire carbon footprint**. To do so, IUCN began to measure and monitor emissions such as electricity, gas, heating, waste and fuel for corporate vehicles. We even tracked and tabulated emissions associated with postage and courier services (DHL and UPS). Then we set out to offset them via the purchase of verified reductions sourced from forest carbon projects which demonstrate significant social and biodiversity benefits. The whole process and criteria for the selection of carbon offsets are stipulated in the IUCN Carbon Offset Policy and Procedures.

Sounds simple? Like any new undertaking, our emissions reduction effort faced early obstacles, technical and

Our staff



institutional. Without a flight emissions calculator, and data on actual emissions, we imposed a heavy 2% carbon tax on our cost centres, based on airfares, and use these funds to offset non-travel GHG emissions as well. Offsetting will occur in 2013 with mandatory transparent details of the programme displayed to the public. To offset past emissions retroactively, and those anticipated from Jeju, we had to seek and find one of the **best and largest forest rehabilitation projects** in Southeast Asia. The INFAPRO project on Borneo could not only verify emissions reductions of a high standard, but it could also do so with significant biodiversity and social benefits and works to avoid a second round of logging.

What's **cheaper and cleaner** than offsetting carbon? Don't produce emissions in the first place. To that end, IUCN sought ways to conserve resources even while sitting at our desks. In our global headquarters, electricity use dropped by 5% due largely to improved heating and cooling management, and installation of low-energy lighting.

Social equity for a global conservation union means we should **reflect the diversity of the world** in people and place. Our total staff of 1,000 individuals—165 at headquarters, 783 outposted in 43 regions, and 52 seconded—hail from 95 nations, are on average 41 years old, and are 57% male/43% female. That's progress, but still a way to go toward gender equity.

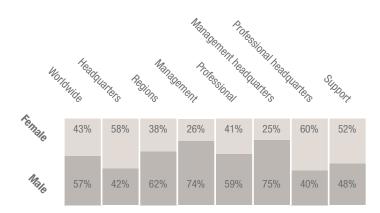
As the **first global conservation organization that put gender on the agenda**, we should know. IUCN's reach on gender issues and governance can be illustrated through policy influence, networks and extent of capacity building. All three Rio Conventions include strong provisions for addressing gender considerations and IUCN helped develop the Global Gender and Climate Alliance that includes 13 UN agencies and more than 15 civil society organizations. IUCN's reach in gender training includes more than 70 gender tools and over 15,000 trainees.



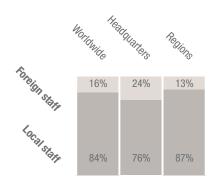
In 2012, IUCN and The Global Gender and Climate Alliance launched the publication, *The Art of Implementation:* Gender Strategies Transforming National and Regional Climate Change Decision Making, which showcases actions such as: a women-owned taxi network on the Nile that reduces emissions; a waste-to-wealth recycling

project that empowers women as green entrepreneurs in Kathmandu; women whistleblowers on the coast of Liberia who act as an early-warning system and who identify and report environmental offences; or a carbon-footprint programme run by community women in Jordan and Nepal who communicate climate change messages.

Gender balance



Our Talent



FINANCES

IUCN's total income in 2012 was CHF 111m compared to CHF 102m in 2011, a 10% increase. The total value of Membership dues invoiced was CHF 11.6m. However, several Members had difficulty paying their dues as a result of the weak global economy and, consequently, we had to make a provision of CHF 1.0m for amounts owing from Members.

Contributions from Framework Partners (funding from governments and other partners not tied to particular programmes or projects) amounted to CHF 16.6m (2011: CHF 17.9m).

IUCN's project portfolio remains healthy as reflected in the level of project restricted funding which increased from CHF 66.9m in 2011 to CHF 77.1m in 2012.

The overall result for the year was a deficit of CHF 1.0m. This has been funded from reserves which consequently declined from CHF 14.2m to CHF 13.2m over 2012.

The 2012 World Conservation Congress was funded by registration and exhibition fees, restricted donations, allocations from IUCN's core budget, and by generous contributions from the host country, Republic of Korea. As a result of prudent financial management an accounting surplus of CHF 0.8m was realized.

In September 2012, following the notification of a reduction in framework funding from one of our Framework Partners to take effect in 2013, IUCN initiated an institutional adjustment programme to reduce costs and streamline services. This resulted in reorganization costs of CHF 1.0m being incurred in 2012. Cost reductions were targeted, and programmatic capacity was preserved to the extent possible.

IUCN's main source of funding continues to be Official Development Assistance (ODA) from bilateral and multilateral institutions, representing 62% of 2012 income. Income from foundations represented 8% of IUCN's



FINANCES

income in 2012 and that from corporations, 5%. Engaging with the private sector and high net worth individuals continues to be a part of IUCN's fundraising strategy though currently this only yields a small percentage of IUCN's total income.

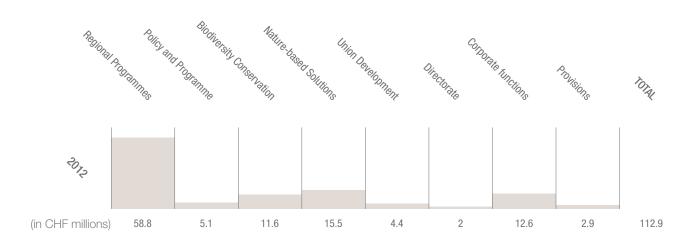
IUCN continued to invest in updating its information systems during 2012 and commenced the rollout of its Enterprise Resource Management System to country offices. The system has already started to deliver improvements in efficiency and this enabled IUCN to reduce operational support costs—a crucial factor in the institutional adjustment exercise. Further system

developments are planned for 2013 in the areas of reporting, project management and time management.

Activities for 2013 have been budgeted at CHF 115 million, and although securing unrestricted funding remains a challenge, a positive overall result is being targeted.

The 2012 financial statements were audited by financial services firm Deloitte who confirmed that they contain no material misstatements and comply with Swiss law and IUCN's own Statutes and accounting policies. The detailed financial statements together with the auditor's report are available on the IUCN website.

Expenditure



BALANCE SHEET AS AT 31 DECEMBER 2012

Report Currency: CHF ('000)	2012	2011
ASSETS Current assets	00.000	
Cash and short term bank deposits Financial assets Membership dues receivable	29,922 9,326 3,563	32,927 0 4,239
Staff receivables Receivables from partner organisations	360 1,283	148 1,119
Advances to implementing partners Other account receivables SUBTOTAL	1,983 2,041 48,479	2,872 1,974 43,279
Framework agreements receivables Project agreements receivables TOTAL CURRENT ASSETS	1,232 14,873 64,583	1,410 11,446 56,135
Non-current assets Financial assets	0	9,259
Fixed assets (net) Intangible assets (net) Advances to Implmenting Partners	34,493 3,549	36,519 4,202 0
TOTAL NON-CURRENT ASSETS	38,042	49,980
TOTAL ASSETS	102,625	106,115
LIABILITIES AND FUND BALANCES Current liabilities Membership dues paid in advance	921	961
Accounts payable and accrued liabilities Social charges payable	4,029 508	4,849 776
Project agreements advances Deferred income framework agreements Deferred income buildings	44,193 1,002 711	44,085 2,502 711
New building loan Miscellaneous current liabilities	100 288	97 126
TOTAL CURRENT LIABILITIES Provisions	51,752	54,107
Membership dues in arrears Projects in deficit	2,210 728	1,687 748
Staff leave and repatriation Staff termination TOTAL PROVISIONS	663 2,037 5,638	705 1,574 4,714
Non-current liabilities	3,030	7,717
Long term deferred income New building loan TOTAL NON-CURRENT LIABILITIES	22,091 9,910 32,001	23,106 10,010 33,116
Fund and Reserves	32,001	33,110
IUCN Fund Currency translation adjustment Reserve for 2012 Congress	6,227 1,359 0	6,286 1,323 774
Cost Centres reserves Renovation fund reserve	4,070 496	3,660 303
Secretariat contingency fund TOTAL FUND AND RESERVES	1,082 13,234	1,832 14,178
TOTAL LIABILITIES AND FUND BALANCES	102,625	106,115

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

Report Currency: CHF ('000)	2012			2011				
	Secretariat Unrestricted	Framework Agreements	Project Agreements	Total	Secretariat Unrestricted	Framework Agreements	Project Agreements	Total
EXTERNAL OPERATING INCOME Membership dues Retention of staff income tax Agreements income Other operating income	11,646 1,541 252 3,627	0 0 16,594 0	74,937 2,169	11,646 1,541 91,783 5,796	11,288 1,625 343 3,763	0 0 17,913 0	0 0 66,494 366	11,288 1,625 84,750 4,129
TOTAL EXTERNAL OPERATING INCOME	17,066	16,594	77,106	110,766	17,019	17,913	66,860	101,792
INTERNAL ALLOCATIONS Framework allocations Cross charges from projects Other internal allocations Revaluation of internal allocations balances	16,321 25,493 953 (175)	(16,632) 0 0 0	271 (27,145) 914	(40) (1,652) 1,867 (175)	17,896 21,178 (16) (354)	(18,269) 0 0	212 (20,650) 3 0	(161) 528 (13) (354)
NET ALLOCATION	42,592	(16,632)	(25,960)	(0)	38,704	(18,269)	(20,435)	0
OPERATING EXPENDITURE Personnel costs and consultancies Travel and communications Vehicles & equipment - costs & maintenance Office and general administrative costs Publications and printing costs Workshops and grants to partners Other operating expenditure Project cross charges	46,818 2,673 2,954 5,150 402 988 820	0 0 0 0 0 0	22,505 10,273 2,523 1,956 2,225 11,086 535	69,323 12,946 5,477 7,106 2,627 12,074 1,355	43,648 3,219 2,568 5,098 449 875 640	0 0 0 0 0	26,670 9,148 2,001 1,993 1,915 12,457 549	70,318 12,367 4,569 7,091 2,364 13,332 1,189
TOTAL OPERATING EXPENDITURE	59,805	0	51,103	110,908	56,497	0	54,733	111,230
NET OPERATING SURPLUS/(DEFICIT)	(147)	(38)	43	(142)	(774)	(356)	(8,308)	(9,438)
OTHER INCOME (EXPENDITURE) Interest income Financial charges Capital gains (losses) Net gains/(losses) on foreign exchange Exchange differences on revaluation of project balances Net movements in provision and write-offs 2012 Congress project surplus	633 (709) 121 11 - (1,712) 814	0 0 0 0 0	14 (202) - (174) (526) 506 (814)	647 (911) 121 (162) (526) (1,206)	689 (844) (167) (283) 0 (1,234)	0 0 0 0 0	21 (172) 0 (56) (655) 306	710 (1,016) (167) (339) (655) (928)
TOTAL OTHER INCOME (EXPENDITURE)	(842)	0	(1,196)	(2,038)	(1,839)	0	(556)	(2,395)
NET SURPLUS (DEFICIT) FOR THE YEAR	(989)	(38)	(1,153)	(2,180)	(2,613)	(356)	(8,864)	(11,833)
Movements in framework receivables/deferred income Movements in projects advances and deferred income Release from/(allocation to) IUCN Fund Release from/(allocation to) Congress reserve Release from/(allocation to) Membership fund Allocation to Renovation fund NET MOVEMENT IN BALANCE FROM OPERATIONS	0 0 58 774 0 (193)	38 0 0 0 0 0	1,153	38 . 1,153 . 58 . 774 . 0 . (193) .	303 258 200 (148)	356 0 0 0 0	0 8,864 0 0 0	356 8,864 303 258 200 (148)
NET WOVEWENT IN DALANCE PROW OPERATIONS	(350)	(0)	(0)	(350)	(2,000)	0	(0)	(2,000)

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Published by IUCN, Gland, Switzerland Product Management: Deborah Murith

Writer: James G. Workman
Reviewer: Xenya Cherny-Scanlon
ISBN: 978-2-8317-1612-1

Design and layout by åtta design sàrl, Geneva, Switzerland

Printed by abp-project (Estavayer-le-Lac, Switzerland) on FSC-certified paper © 2013 International Union for Conservation of Nature and Natural Resources



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