



# IUCN Financial Plan 2021–2024

*Adopted by IUCN Members by electronic vote on 10 February 2021*

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## 1. Executive summary

The IUCN Programme sets ambitious targets and responds to the planetary crisis caused by climate change, habitat loss and over exploitation of natural resources. Increasing public awareness and the recognition of the urgent need to take action provides IUCN with fundraising opportunities. These are reflected in the Financial Plan which sees significant growth in funding over the four year period.

The Financial Plan outlines the resources that the IUCN Secretariat expects to mobilise and spend in the delivery of the IUCN Programme 2021–2024 and to support the core Union and corporate functions of IUCN. It takes into account the need to generate the financial surpluses which are needed to invest in programme development and the corporate and Union functions of the organisation. This involves supplementing traditional sources of revenues from bilateral and multilateral government agencies with innovative new income streams. In addition, effective delivery of the Programme requires IUCN to ensure that the cost and organisational structure are optimally designed and fit for purpose.

Making these changes will involve upfront investment, with revenues being generated later. During the first year of the Financial Plan the Secretariat will develop strategies to diversify its income base to reduce risk, take advantage of public and private sector awareness of the threats to nature and to build a sustainable financial model for the long term. Options include increasing engagement with the private sector through both programmatic engagements and sponsorships and through the development of blended finance (public/private) initiatives.

The investment necessary to develop and implement these initiatives together with investment required to increase operational effectiveness will be assessed in year 1 of the Financial Plan. Investment plans with expected new revenues will be submitted to Council as part of the annual budgeting process.

The impact of the COVID-19 emergency has been taken into consideration in the finalisation of the Financial Plan. The emergency creates both opportunities and risks. The increased level of awareness that the health of society is inextricably linked to the health of the natural world provides both programmatic and fundraising opportunities. However, the economic impact of the pandemic could result in a reduction in funding to IUCN as the budgets of donors may come under pressure and they may reassess their priorities. The pandemic also poses implementation challenges as on-the-ground, community based activities depend on the free movement of individuals and normal working practices.

### **Scope and objectives**

The Financial Plan has the following high-level objectives:

1. Support the implementation of the IUCN Programme 2021–2024
2. Provide funding to meet the statutory objectives of IUCN
3. Provide investment funding to enhance operational capacity
4. Ensure the financial sustainability of IUCN

## Financial summary

The Secretariat plans to raise CHF 597m over the period 2021–2024, representing a 21% increase in income compared with the period 2017–2020. Unrestricted income and expenditure is projected to increase modestly by 10%, whereas restricted income and expenditure is projected to increase significantly by 25%, as shown in Table 1.

**Table 1: Financial Plan summary**

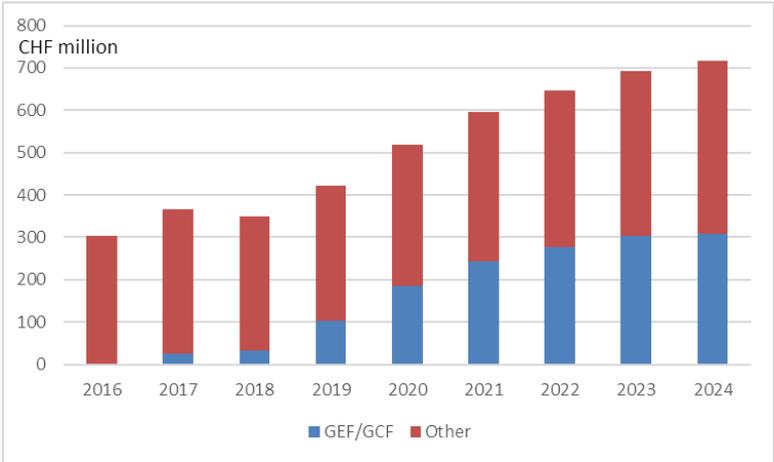
	Total 2017-20	Total 2021-24	Change
	Forecast	Plan	
	CHF m	CHF m	CHF m
<b>Unrestricted income and expenditure</b>			
<b>Unrestricted income</b>			
Membership dues	50	55	5
Framework income	47	50	3
Other unrestricted income	29	33	4
<b>Total unrestricted income</b>	<b>126</b>	<b>138</b>	<b>12</b>
Unrestricted expenditure	126	128	2
Investments	0	7	7
<b>Total unrestricted expenditure</b>	<b>126</b>	<b>135</b>	<b>9</b>
<b>Surplus/(deficit)</b>	<b>0</b>	<b>3</b>	<b>3</b>
<b>Restricted income and expenditure</b>			
Restricted income	368	459	91
Restricted expenditure	368	459	91
<b>Surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total income and expenditure</b>			
Total income	494	597	103
Total expenditure	494	594	100
<b>Surplus/(deficit)</b>	<b>0</b>	<b>3</b>	<b>3</b>

Note: investments during the period 2017–2020 are included with unrestricted expenditure

The increase in restricted income and expenditure is supported by a healthy project portfolio (Figure 1). IUCN has experienced a steady increase in the value of its project portfolio and this is expected to continue over the coming four-year period, driven primarily by growth in funds from the Global Environment Facility (GEF) and the Green Climate Fund (GCF)<sup>1</sup>.

<sup>1</sup> IUCN is an accredited implementing agency for both GEF and GCF

**Figure 1: IUCN project portfolio**



Note: “Other” refers to projects funded by bilateral government agencies, foundations, the private sector and other organisations.

In terms of income that will be mobilised for the different programme areas and corporate and Union support, the following projections are made:

**Table 2: Income targets**

	2021-24
	Plan
	CHF m
<b>Programme areas</b>	
Land	194
Water	62
Oceans	61
Climate Change	115
People	111
<b>Total programme areas</b>	<b>543</b>
Corporate functions	35
Union development	16
Reserve increase	3
<b>Total corporate and Union functions</b>	<b>597</b>

Programme implementation will be guided by an Operational Plan that seeks to enhance operational capacity through streamlining programmatic and corporate structures, strengthening programme delivery mechanisms and ensuring coherency in project portfolio development. Investments will be made to increase resource mobilisation capacity and strengthen planning, monitoring and evaluation. In addition, a platform to record membership contributions to the 2021–2024 Programme will be developed and engagement with the membership strengthened through the One Programme approach.

The Financial Plan sees approximately 75% of funding coming from bilateral and multilateral government agencies with the balance coming from foundations, the private sector, other organisations and the membership.

## 2. Strategic context

The Financial Plan 2021–2024 lays out how the IUCN programme of work and statutory objectives will be financed over the period 2021–2024. It takes into consideration risks and opportunities faced by the organisation and aims to ensure financial sustainability over the medium term.

The IUCN Financial Plan 2021–2024 must support the unique aspects of IUCN whether it be through the maintenance of Union structures and processes or through the delivery of the IUCN Programme 2021–2024. This in turn requires complementarity and alignment with the IUCN Membership Strategy and the Secretariat's Operational Plan 2021–2024.

- **IUCN Statutes and Council decisions**

The Financial Plan is a statutory document that is required to accompany implementation of the Programme of IUCN. The quadrennial Financial Plan is prepared by the IUCN Secretariat, and submitted by the Director General to the World Conservation Congress for approval together with the comments of the Council and the Treasurer.

- **IUCN Programme 2021–2024**

The IUCN Programme 2021–2024 provides a roadmap of how IUCN will catalyse opportunities, build momentum and achieve impact during the first years of the 2020–2030 decade – a crucial period for the future of all life on Earth. Through its Programme, IUCN has an opportunity to support IUCN's government Members in implementing the decisions of the 15th Conference of the Parties to the Convention on Biological Diversity, to encourage IUCN's non-governmental and indigenous peoples' organisations to make equivalent pledges, and to convene high-level summits for non-state actors, including businesses and cities, to contribute to Programme objectives.

The IUCN Programme 2021–2024 comes at a time when there is increasing recognition, and sense of urgency, that nature and its life support systems must be conserved in order to guarantee human well-being over time. Expectations are high, particularly in light of the COVID-19 pandemic, which means that IUCN – together with many other key players – must raise its level of ambition and aim to be impactful as well as catalytic in its actions. From a financial perspective, these challenges bring fundraising, cost-efficiency and accountability to the forefront, and require that IUCN provides value-for-money when delivering its programme of work.

## 3. Scope and objectives

The Financial Plan has the following high-level objectives:

1. **Support the implementation of the IUCN Programme 2021–2024**

The IUCN Programme 2021–2024 will be implemented through the combined capacity of its Members and the components<sup>2</sup> of the Union. This Financial Plan covers the Secretariat's contribution to the implementation of the Programme. It includes funds secured and to be secured through active fundraising and expenditure to be incurred on Programme delivery. It includes expenditure to be incurred by Members and Commissions to the extent that it passes through the accounts of the Secretariat. Contributions from Members towards the

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<sup>2</sup> The IUCN Statutes (Article 15) describe the components of IUCN as: (a) the World Conservation Congress; (b) the Council; (c) the National and Regional Committees and Regional Fora of Members; (d) the Commissions; and (e) the Secretariat.

implementation of the Programme are expected to be significant but are not included in the Financial Plan. Similarly, voluntary contributions from members of the six IUCN Commissions are not included in the Financial Plan.

## **2. Provide funding to meet the statutory objectives of IUCN**

The majority of the statutory objectives of IUCN are met through the implementation of the IUCN Programme. Through the Programme, IUCN mobilises its Members, builds their capacity and promotes cooperation and collaboration. Additional funding is, however, required for the development of the Union, including the provision of services to the membership and support to the network of Commission experts. Funding is also required to support the governance structures of IUCN, including the World Conservation Congress which takes place every four years.

## **3. Provide investment funding to enhance operational capacity**

Investments will be made to enhance structural and operational capacity, increase efficiency and to support resource mobilisation and portfolio growth.

## **4. Ensure the financial sustainability of IUCN**

Financial stability is key to ensuring the sustainability of the Union as well as continued growth and impact.

The Financial Plan seeks to ensure financial sustainability by:

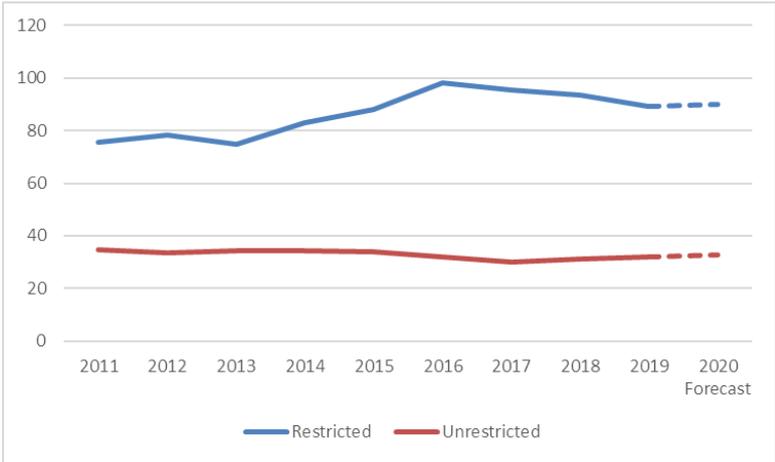
- a) providing a basis for building unrestricted reserves from the current level of CHF 17.6 million (December 2019) towards a target level of CHF 25 million. This will be achieved by budgeting annual surpluses;
- b) making adequate provision in annual budgets to cover operational risks;
- c) ensuring adequate levels of cost recovery from restricted funding to cover infrastructure and operational costs;
- d) proactive management of the cost structure;
- e) putting in place an effective resource mobilisation strategy.

## **4. Historic trends and the current financial situation**

### Income

IUCN receives both unrestricted and restricted funding. Over the last 10 years unrestricted income has steadily declined and restricted income has increased (Figure 2).

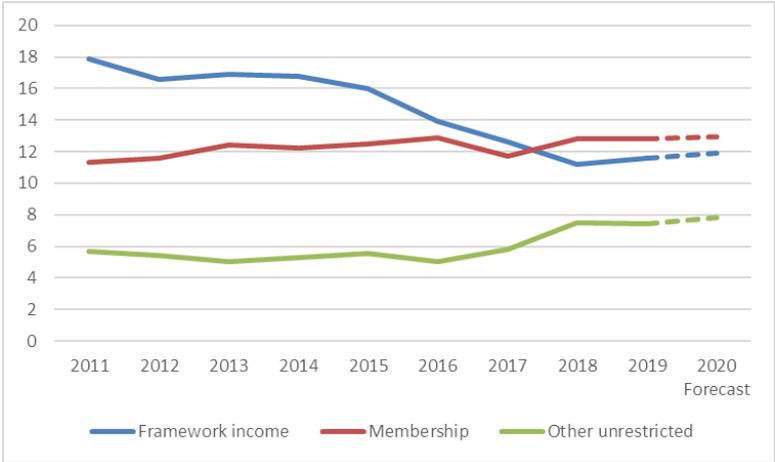
**Figure 2: Income trends 2011–2020, CHF million**



IUCN has three unrestricted income streams:

- a) Membership dues: statutory income paid by IUCN Members;
- b) Framework income: programmatic funding from governments that is not tied to particular programmes or projects; and
- c) Other unrestricted income: including philanthropy, service fees and in-kind goods and services.

**Figure 3: Unrestricted income trends 2011–2020, CHF million**

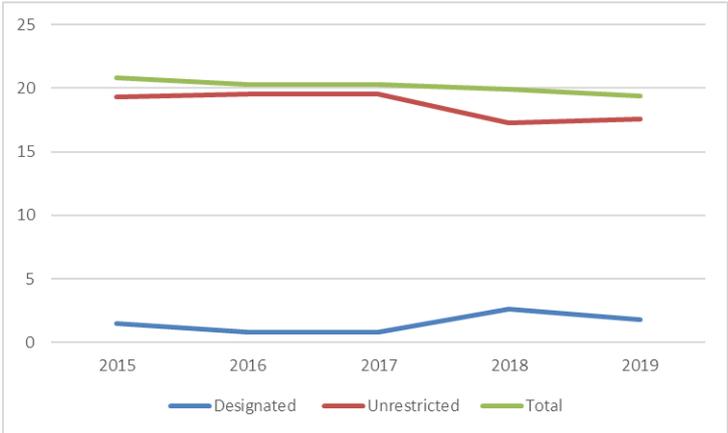


Framework income has shown a steady decline over the last 10 years, whereas membership dues have remained fairly constant. Other unrestricted income is more variable in nature.

The decline in framework income reflects changes in donor funding patterns. Donors are demanding greater levels of accountability and are restricting funding to specific programme areas and deliverables.

Total reserves have declined from CHF 21m at the end of 2015 to a level of CHF 19.4m at the end of 2019, comprising unrestricted reserves of CHF 17.6m and designated reserves of CHF 1.8m (Figure 4). Council has set a reserves target of CHF 25m for unrestricted reserves.

**Figure 4: IUCN reserves, CHF million**



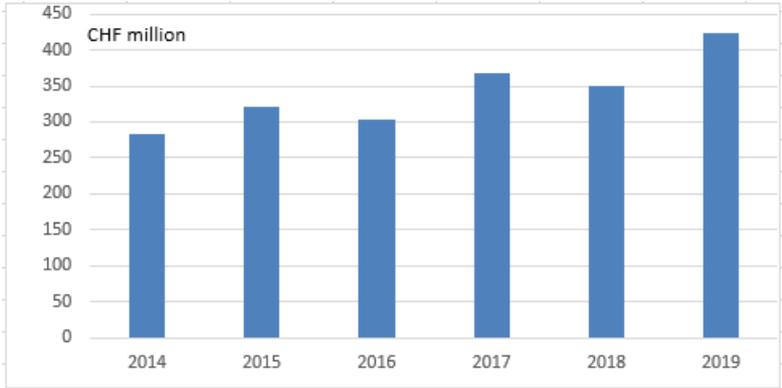
Source: Audited financial statements

Designated reserves are unrestricted reserves that have been allocated (“ring fenced”) by Council for a specific future purpose, e.g. for the funding of the 2020 World Conservation Congress.

Project portfolio

The project portfolio represents the value of contracts under implementation at a point in time. Figure 5 shows the evolution of the project portfolio.

**Figure 5: Project portfolio evolution**

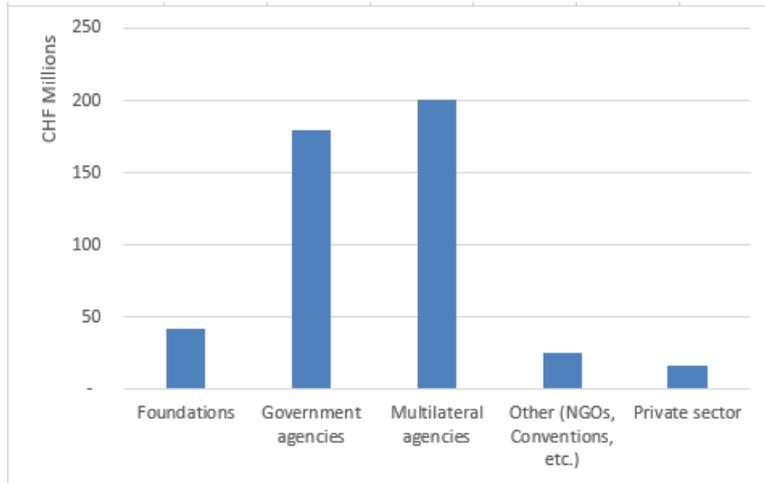


The value of the portfolio has increased steadily from 2014.

## Donor diversity

The current portfolio is funded as shown in Figure 6.

**Figure 6: Current portfolio by funding source**



Source: Project Portal 17 January 2020

Of the current portfolio under implementation, multilateral agencies account for 43% of funding and government agencies (bilateral) 39%. The main multilateral donors are the European Union (EU), Global Environment Facility (GEF) and Green Climate Fund (GCF). The main bilateral donors are OECD DAC<sup>3</sup> countries.

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<sup>3</sup> Organisation for Economic Co-operation and Development, Development Assistance Committee

## 5. Assessment of financial risks

Table 3 below provides an assessment of the financial risks faced by IUCN for the 2021–2024 period and how these will be mitigated.

**Table 3: Financial risks**

Risk	Detail	Risk level	Risk mitigation
Framework partners reduce core support to IUCN or convert core support to restricted funding	The current level of framework income is CHF 12m, provided by seven partners. In the event that framework income is reduced, IUCN would need to either reduce costs and activities funded by framework funding or obtain restricted funding for the same activities.	Low to medium	<ul style="list-style-type: none"> <li>• Impactful Programme that speaks to framework donor priorities</li> <li>• Effective Programme delivery</li> <li>• Reduced dependency on core funds (Operational Plan)</li> </ul>
State Members withdraw resulting in a reduction in membership income	80% of membership income is paid by State Members (CHF 8.5m). If State Members perceive IUCN as not offering value for money they could withdraw.	Low to medium	<ul style="list-style-type: none"> <li>• Membership strategy</li> <li>• Working with State Members</li> <li>• Framework for tailored engagement with States and Government Agencies (Operational Plan)</li> </ul>
Governance gaps and weaknesses identified in the external review of IUCN's governance are not addressed	IUCN needs to align its governance structures and practices with global best practice, thereby building trust with IUCN partners and donors.	Medium	<ul style="list-style-type: none"> <li>• Plan developed, with timelines, of action to be taken in response to recommendations made</li> </ul>
Unplanned losses	Project restricted income accounts for approx. 75% of total income. The portfolio carries an inherent level of risk that could result in the necessity to write off costs considered ineligible by a donor or as a result of cost over-runs.	Medium	<ul style="list-style-type: none"> <li>• Effective controls</li> <li>• Skilled project managers</li> <li>• Periodic review of operational systems and processes (Operational Plan)</li> </ul>
Foreign exchange losses	IUCN operates in 40+ countries using a variety of currencies.	Medium	<ul style="list-style-type: none"> <li>• Foreign exchange hedging strategy</li> </ul>
Investment losses	IUCN has investments of approximately CHF 16.5m. Volatility in financial markets could lead to investment losses	Medium	<ul style="list-style-type: none"> <li>• Investment strategy that results in low volatility and that is aligned with IUCN risk tolerance.</li> </ul>
IUCN organisational structure not optimised for delivery and cost effectiveness	IUCN operates from a headquarters in Switzerland and 40+ country offices, resulting in significant infrastructure costs.  Linked to this, there is no clear strategy for determining the geographic “footprint” and regional span of control.	Medium	<ul style="list-style-type: none"> <li>• Overarching organisational strategy to drive headquarters, regional and country presence (Operational Plan)</li> <li>• Increased programme volume so as to realise economies of scale</li> <li>• Proactive management of cost base</li> <li>• Increased level of indirect cost recovery through improved project budgeting</li> </ul>

<b>Risk</b>	<b>Detail</b>	<b>Risk level</b>	<b>Risk mitigation</b>
Insufficient investment in programme development	New programme initiatives and major projects require investment. This can come from a variety of mechanisms: <ol style="list-style-type: none"> <li>1. Framework funds</li> <li>2. Another project with related objectives</li> <li>3. Project development grants</li> <li>4. Recovering the development cost from the project budget once approved</li> </ol>	Low	<ul style="list-style-type: none"> <li>• Clear assessment of investment requirement before taking a decision on new initiatives</li> <li>• Coherent approach to portfolio development and use of specific funding instruments (Operational Plan)</li> <li>• Funding strategy for investments</li> </ul>
Insufficient investment in infrastructure	IUCN needs to continue to invest in systems and processes so as to improve internal control and process efficiency and to remain competitive	Medium	<ul style="list-style-type: none"> <li>• Adequate allocation of core funds</li> <li>• Smart investments</li> <li>• Shift some support functions to portfolio funding, e.g. planning, monitoring, evaluation and risk (Operational Plan)</li> </ul>
Unpredictable portfolio income streams due to inconsistent delivery	IUCN needs to ensure quality delivery in line with contractual project timelines	Medium to high	<ul style="list-style-type: none"> <li>• Enhanced project delivery oversight through investment in planning, monitoring, evaluation and risk (Operational Plan)</li> <li>• Enhanced collaboration across units (Operational Plan)</li> </ul>
COVID-19	COVID-19 could impact the Financial Plan in several ways: <ol style="list-style-type: none"> <li>1. Reduction in membership dues if Members experience financial difficulties</li> <li>2. Reduction in framework and restricted income as a result of a general reduction or re-prioritisation of donor funds</li> <li>3. Implementation constraints as a result of travel or other government restrictions</li> <li>4. The World Conservation Congress results in a deficit</li> </ol>	High	<ul style="list-style-type: none"> <li>• Adapt Programme and project proposals to be COVID-19 responsive</li> <li>• Adopt an agile approach to project implementation</li> </ul>

Certain of the above risks, such as foreign exchange risk, project deficit risk, and loss of IUCN Members will be covered by operational provisions included in annual budgets. In the event that financial losses exceed the level of annual provisions they will be absorbed by reserves.

Several of the above risks are addressed through actions included in the Operational Plan (see section 6 below, and indicated accordingly in the last column of the above table).

The impact that a specific risk event has on reserves depends on timing and the extent to which it is forewarned. For example, a framework partner is likely to give advance notice if it intends to reduce or withdraw support to IUCN. This would allow budgetary adaptation by the Secretariat.

COVID-19 is a significant risk as it could impact resource mobilisation and project implementation. It could also impact the financial result of the 2020 World Conservation Congress. Postponement could result in a deficit which will need to be charged to reserves. The amount will depend on the circumstances. If the meeting is held on a fixed though later date and attendance and sponsorship levels are similar to previous Congresses, the deficit should not exceed CHF 1 million. However, if the meeting is ultimately cancelled, the deficit would be more significant and could reach CHF 5 million, depending on the assumptions made.

## 6. Operational Plan

The Operational Plan acts a complement to the IUCN Programme 2021–2024 and the Financial Plan 2021–2024. It outlines the major programmatic and corporate operational deliverables that the IUCN Secretariat will commit to over the intersessional period in order to comply with its statutory obligations, fulfil the mandate provided by its Members at the World Conservation Congress and meet the contractual, fiduciary and risk management benchmarks required by its donors.

The Operational Plan is currently under development. It will include sections on:

- Measures to enhance structural and operational capacity for growth and stability
- Measures to strengthen accountability and transparency on the use and allocation of resources
- Mechanisms to support resource mobilisation and portfolio growth

The overall thrust will be on creating a more unified organisation focussed on delivery. Aspects of the Operational Plan that have an investment requirement are included in section 9.

## 7. Financial targets

Table 4 below shows financial targets for the Secretariat. These are a mix of growth targets and targets around financial sustainability. The targets are aligned with objectives detailed in the Operational Plan, including a plan for monitoring and optimising the roll out and integration of a “full cost recovery approach” into IUCN project development procedures and rightsizing the organisational structure to support growth and efficient Programme delivery.

**Table 4: Financial targets**

Target	Value	Period	Comment
Increase membership dues	10%	2021–2024	Through the recruitment of new Members and as a result of the reassessment of dues payable from Members.
Maintain current level of framework income	0%	2021–2024	IUCN will endeavour to grow framework funding but for planning purposes a prudent target is made.
Increase value of project portfolio: <ul style="list-style-type: none"> <li>• GEF/GCF</li> <li>• Other</li> </ul>	15% 5%	Year-on-year	Steady increase in value of portfolio following launch of new Programme and realisation of projects currently in development.

Target	Value	Period	Comment
Increase annual level of restricted income and expenditure	10%	Year-on-year	Mirrors the steady increase in the value of the project portfolio. Higher increases may be possible, depending on the relevance of the new Programme to donors.
Increase level of operational costs funded by cost recovery	From 63% to 70%	2021–2024	Growth of IUCN is expected to be achieved by increases in restricted funding. It is therefore essential that projects bear their fair share of infrastructure and support costs.
Non-staff operating costs not to exceed 20% of total operating costs	20%	2021–2024	Current level is 20% (2019 financial statements). This will be maintained.
Grow income from foundations and philanthropy	From 9% to 12% of total income	2021–2024	Marginal increases are targeted. However, IUCN's main funding will continue to come from government and multilateral agencies.
Grow income from private sector	From 3% to 5% of total income	2021–2024	Through a business engagement strategy.
Increase reserves	CHF 3m	2021–2024	To move from current reserves level of CHF 19m towards the reserves target of CHF 25m.

## 8. Financial overview – 2021–2024

This section provides projections for the 2012–2024 period. A more detailed analysis is provided in section 11.

Based on an assessment of Programme and Operational needs, and fundraising targets, IUCN expects to raise CHF 597 million and expend CHF 594 million over the four-year period 2021–2024. The balance of CHF 3m will be used to build reserves.

The Financial Plan projections assume that the 2020 Congress will go ahead as planned and that it will not end with a deficit. As noted in section 5: Financial Risks, in the event of cancellation of the Congress, a deficit of up to CHF 5 million could be realised. This would need to be absorbed by reserves. No provision has been made in the Financial Plan for possible Congress losses.

**Table 5: Income and expenditure summary 2021–2024**

	2021-24
	Plan
	CHF m
<b>Unrestricted income</b>	
Membership dues	55
Framework income	50
Other unrestricted income	33
<b>Total unrestricted income</b>	<b>138</b>
Restricted income	459
<b>Total income</b>	<b>597</b>
<b>Programme expenditure</b>	
Land	194
Water	62
Oceans	61
Climate Change	115
People	111
<b>Total programme expenditure</b>	<b>543</b>
Corporate functions	35
Union development	16
<b>Total expenditure</b>	<b>594</b>
<b>Allocation to reserves</b>	<b>3</b>

## Income

The four main sources of income that will fund the Financial Plan are:

1. Membership dues
2. Framework funding
3. Other unrestricted income
4. Restricted funding for programmes and projects

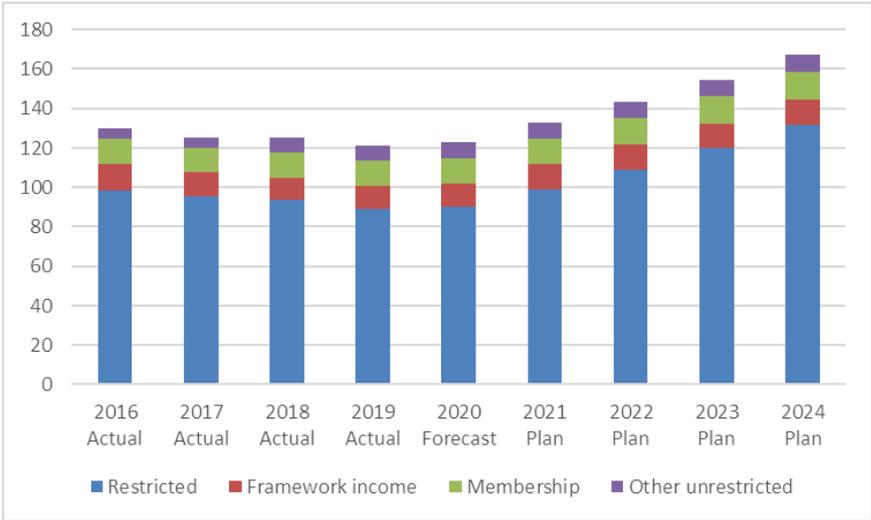
The four-year totals for these income sources and their comparison to the previous four-year period are shown in Table 6:

**Table 6: 2021–2024 plan income vs 2017–2020 forecast income**

	2017-20	2021-24	
	Forecast	Plan	Change
	CHF m	CHF m	CHF m
<b>Unrestricted income</b>			
Membership dues	50	55	5
Framework income	47	50	3
Other unrestricted income	29	33	4
<b>Total unrestricted income</b>	<b>126</b>	<b>138</b>	<b>12</b>
Restricted income	368	459	91
<b>Total income</b>	<b>494</b>	<b>597</b>	<b>103</b>

On an annual basis, these income streams are expected to evolve as shown in Figure 7.

**Figure 7: Income evolution 2016–2024, CHF million**



Total annual income is expected to increase from CHF 121 million in 2019 to a level of CHF 167 million in 2024.

Membership dues

An increase of 10% is planned. This is driven by:

1. Increase in the number of Members, both States/State Agencies and NGO Members
2. The reassessment of the financial resources of NGO and I-NGO Members and their reclassification to the correct dues group.

Framework income

Framework income is provided by IUCN’s Framework Partners and is essential for IUCN’s performance as a Union and for the delivery of the IUCN Programme. Framework income includes unrestricted programmatic income and thematically restricted programmatic income. To qualify as framework income it must not be operationally or geographically restricted. A marginal increase in the level of framework income is anticipated.

### Other unrestricted income

Other unrestricted income is planned to increase by 10%. The primary driver will be an increase in contributions from the Patrons of Nature initiative. Income may also be received from legacies, though this is far less certain and no amounts are included in the projection.

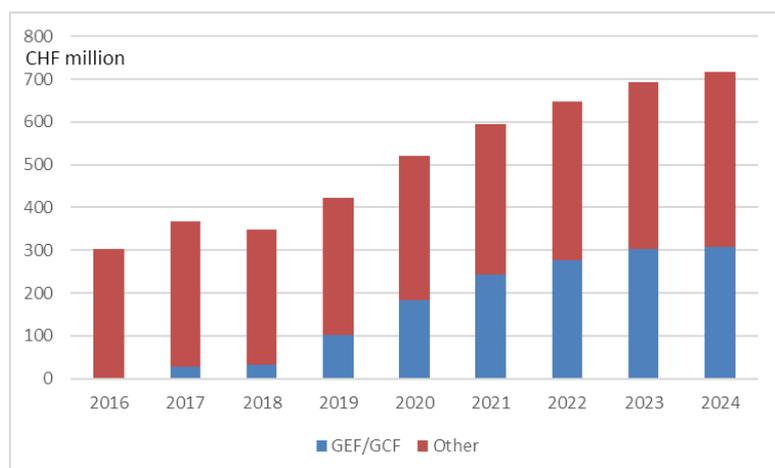
### Restricted income

Restricted income is planned to increase by 25% over the four-year period. This equates to approximately a 10% year-on-year increase. This will be driven primarily by the continued growth of the GEF/GCF portfolio as projects currently in development come on stream. In addition, modest growth in the number and value of projects funded by other donors is expected as a result of a focus on large-scale programmatic initiatives that will deliver against key results and impact areas of the 2021–2024 Programme.

### IUCN project portfolio

The value of IUCN’s project portfolio (total value of projects under implementation) stood at CHF 423m in September 2019 and is expected to increase at an average rate of 10% a year, reaching a level of CHF 720m by 2024, as shown in Figure 8.

**Figure 8: IUCN project portfolio projected growth, CHF million**



The increase in the project portfolio will be driven primarily by growth in the GEF and GCF portfolio, and to a lesser extent by new regional and global thematic initiatives linked to the 2021–2024 Programme results.

The growth in the GEF portfolio is based on the current pipeline of projects. Projects to the value of CHF 100m are either at the project preparation stage or implementation stage.

Growth in the GCF portfolio assumes that one major project is approved each year. All projects included in the projected portfolio are already under development and under discussion with the GCF Secretariat.

The portfolio of other projects is projected to grow at an average of 5% p.a.

IUCN is also in the process of seeking accreditation with the European Union for implementation of the EU budget under what is referred to as “indirect budget management”. Once achieved, this will provide further opportunities for on-granting to IUCN Members and other partners.

## Income mix

The Financial Plan for 2021–2024 foresees the percentage of unrestricted income relative to total income falling from 26% to 23%. This change in the mix of income presents a major challenge. Unrestricted income is needed for IUCN to meet its statutory objectives, to invest in priority programme areas and to fund the institutional infrastructure necessary to support programme implementation. In absolute terms, an increase of CHF 13m in unrestricted income is planned compared to the forecast for 2017–2020.

IUCN will adapt to the lower percentage of unrestricted income by:

- increasing efficiency and streamlining programmatic and corporate structures;
- ensuring higher levels of costs recovery – full cost recovery principle;
- designing projects that leverage core institutional functions such as knowledge generation and policy influencing, thereby reducing the reliance of these functions on unrestricted funding; and
- funding country offices on a demand-responsive basis from restricted funding.

## Expenditure

Projected expenditure by programme area over the four-year period is broken down as follows:

**Table 7: Programme expenditure 2021–2024**

	2021	2022	2023	2024	2021-24
Programme area	Plan	Plan	Plan	Plan	Total
	CHF m				
Land	45	48	49	52	194
Water	13	14	16	19	62
Oceans	13	14	16	18	61
Climate	25	28	30	32	115
People	24	26	29	32	111
<b>Total</b>	<b>120</b>	<b>130</b>	<b>139</b>	<b>154</b>	<b>543</b>
Secured or in development	120	80	44	17	261
To fundraise	-	50	95	137	282
<b>Total</b>	<b>120</b>	<b>130</b>	<b>139</b>	<b>154</b>	<b>543</b>

The above figures are indicative and are based on an assessment of the current portfolio and how this is expected to evolve over the four year period. Of the total of CHF 543m, CHF 261m is already secured or based on projects in development.

## **9. Investments**

Investments over the period 2021–2024 will be driven by the Operational Plan which foresees a degree of organisational change with the objective of developing a more unified organisation focussed on delivery.

The following areas of investment are foreseen:

1. Enhancing the structural and operational capacity of the IUCN Secretariat for growth and stability

IUCN needs to optimise its organisational structure for the efficient and high quality delivery of the 2021–2024 Programme. By exploiting economies of scale, together with a clearer differentiation of roles and responsibilities, IUCN will be better placed to optimise cost recovery for key programmatic and corporate functions from its portfolio thereby reducing reliance on core funding.

2. Implementation of the Information Systems Strategy

The Information Systems Strategy developed in 2015 and implemented since 2016 has focussed on standardising systems, technology and processes across all IUCN offices and moving away from decentralised systems and operations. All offices now connect to central global systems localised in headquarters (ERP, Human Resources Management System, Customer Relationship Management System, Union Portal, Commission Management System, Project Portal, etc.) using a common infrastructure and standards. This has significantly reduced running costs and increased efficiency through the standardisation of processes.

During 2021–2024, IUCN will review the physical location of all central systems as many providers are switching their product offerings from “on-premises” (current IUCN model) to a model based on the “cloud”. In terms of applications, custom made applications (Human Resources Management System and Project Portal) will be reviewed. New technologies and new package offerings may make it worthwhile to transfer to off-the-shelf systems, thereby reducing operating risk.

3. Development of a platform to capture Members’ contributions to the IUCN Programme

The 2021–2024 Programme is a programme for the Union. To demonstrate delivery against programme targets a platform needs to be developed that would allow Members to register their contributions. Regional membership focal points would assist Members to use the platform.

4. Strengthening accountability and transparency on the use and allocation of resources

Investment will be made in increasing the capacity of monitoring and evaluation and also to ensure that IUCN has the risk, control and oversight mechanisms in place to support programme delivery.

5. Portfolio development

During the period 2017–2020 significant investment was made in building a pipeline of GEF and GCF projects. This has resulted in a GEF portfolio of over CHF 100m and a GCF portfolio that is expected to reach CHF 200m by 2024. Investment will continue to be made in building the GEF/GCF portfolio together with thematic initiatives that support the implementation of the 2021–2024 Programme.

6. Strengthening resource mobilisation and relationship management

Investment will be made in resource mobilisation to ensure strategic engagement with existing multilateral and bilateral donors and also to build funding from foundations, philanthropy and

the private sector. In addition, IUCN will explore the possibility of developing new revenue streams.

Investment needs will be further analysed and prioritised ahead of the start of the 2021–2024 period. Investment plans and budgets will be approved as part of the annual planning and budgeting process.

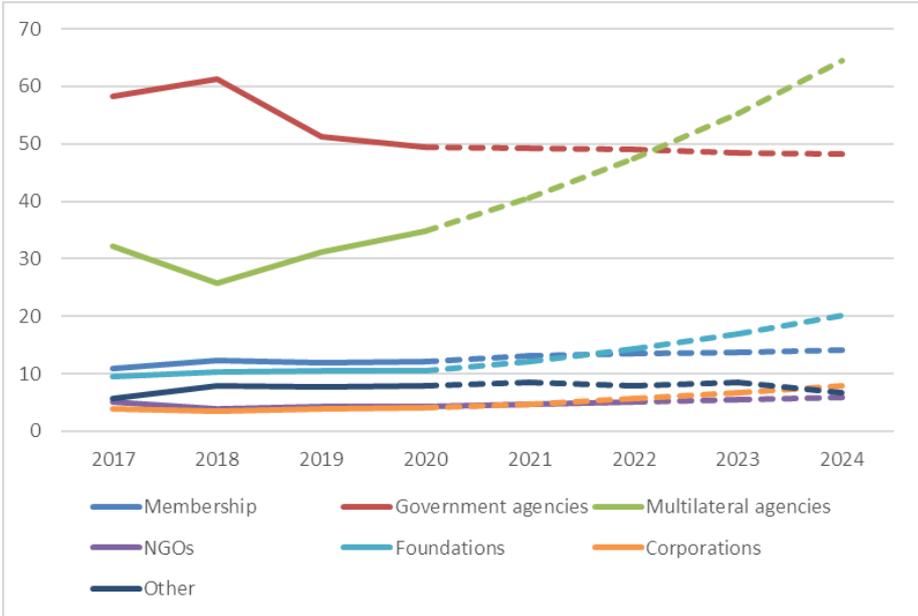
### 10. Resource mobilisation

IUCN operates in an increasingly competitive and results-accountable environment. In order to deliver the 2021–2024 Programme IUCN will require an adequate level of predictable and multi-year investment from ongoing and new donors.

Historically, IUCN’s main source of funding has been Official Development Assistance (ODA), through the provision of unrestricted (core) and restricted (projects and programmes) funding from bilateral government agencies and multilateral agencies. Income from bilateral agencies formed the largest share, representing over 45% of total annual income during the period 2017–2020. During the same period annual income from multilateral institutions grew from 17% to a projected 28% in 2020. Income from philanthropy and the private sector remained stable over the period 2017–2020, representing 8% and 3% respectively.

Figure 9 shows the expected evolution of funding streams over the period 2021–2024, in CHF million.

**Figure 9: Evolution of funding streams, CHF million**



Official Development Assistance from OECD DAC countries and multilateral institutions will remain the largest income source to support the implementation of the IUCN Programme 2021–2024. Over the years, OECD DAC countries and multilateral institutions have shown an important commitment to the IUCN Programme, and it is expected that by strengthening the organisation’s efficiency and visibility this support will continue. On the other hand, it is important to monitor the world political environment since changes could influence the support for the environmental agenda. To reduce risk and uncertainty IUCN needs to diversify and broaden its donor base.

IUCN's resource mobilisation strategy will therefore focus on growing and diversifying the resource base to ensure sustainable resources for the implementation of the IUCN Programme from ODA donors as well as from philanthropy and the private sector.

#### Framework funding:

IUCN's Framework Partners – currently all OECD DAC donor countries – provide unrestricted support to IUCN. Framework funding is essential to support the core functions of the Union needed for the delivery of the IUCN Programme globally as well as at the regional level.

Shifts in donor priorities in recent years have resulted in a significant decrease in unrestricted funding during the past two intersessional periods, while the overall value of project restricted funding has increased steadily.

During the period 2021–2024, IUCN will focus on securing the same level of multi-year framework funding that was achieved in the period 2017–2020. Targeted engagements with Framework Partners will be prioritised at the start of the intersessional period. Sustaining strong relations with Framework Partners who are also State Members will require continued and intensified engagements at the political level (in capitals and at country level) as well as at the technical level.

At the same time, IUCN will work towards identifying OECD DAC donors who are significant donors to IUCN but not Framework Partners and work towards commitments to provide Framework funding. IUCN will also explore opportunities for new Framework funding with non-OECD DAC emerging economies and Gulf States. This will require focussed and strategic outreach with IUCN State Members.

The role of the IUCN Council will be key in supporting the growth of Framework Partners.

#### Patrons of Nature:

The Patrons of Nature (PoN) initiative grew successfully between 2017 and 2020 with new Patrons from the US, Europe, Asia and Oceania supporting IUCN. Patrons play a key role by providing unrestricted funding to the Union as well as providing strategic guidance, enhancing IUCN's visibility and working together on joint areas of interest. IUCN will continue to invest in growing the Patrons of Nature initiative over the 2021–2024.

#### Other unrestricted funding:

Individual giving, through bequests/legacies and online donations, remains small – due in part to the lack of outreach with the general public. During the 2021–2024 period IUCN will seek to develop targeted campaigns, including crowd funding to grow this segment of unrestricted funding, with an initial focus on the USA and Europe.

#### Restricted funding:

IUCN's growing project portfolio is strongly supported by bilateral donors – the bulk of which is provided by OECD DAC countries – as well as by multilateral institutions, together supporting close to 80% of the project portfolio. Foundations, the private sector and Non-Governmental Organisations represent a stable but small percentage of project funding.

During 2021–2024 IUCN expects to see a growth of 10% per year in restricted funding. Much of this will be through increased partnerships with multilateral institutions and bilateral

agencies, while IUCN will seek to increase its share of support from foundations and the private sector.

#### Bilateral funding:

Bilateral funding remains IUCN's largest source of funding.

While the level of funding from bilateral agencies is expected to remain stable with a small increase during 2021–2024, IUCN will focus on consolidating and strengthening its strategic engagements with key donors through large-scale initiatives that will deliver against key results and impact areas of the 2021–2024 Programme. At the same time, IUCN will look to diversify its donor base further in order to reduce the risk of dependency on a few large donor countries. In 2019, the five largest bilateral donors were Germany, USA, Sweden, Norway and France. This will be done by engaging with current and potential OECD-DAC donors, while at the same time reaching out to non-OECD DAC emerging donor countries to expand and develop new opportunities for collaboration. In particular, IUCN will seek to increase its level of engagement with smaller donors.

At the regional and country level, IUCN will seek to continue to develop stronger links with bilateral aid agencies to strengthen the programmatic collaboration through the development of regional and country partnership agreements. Strong engagement and clear links to partner country priorities remains critical to ensure IUCN's strategic positioning.

#### Multilateral funding:

Multilateral funding has seen a steady growth during the period 2017–2020 and is expected to grow significantly over the next four years to become IUCN's largest source of funding.

To date, the European Union remains IUCN's largest donor with a large portfolio, followed by the Global Environment Facility, the World Bank and the Green Climate Fund.

IUCN expects a 10% increase in restricted funding as a result of a significant growth in the project portfolio with the Global Environment Facility and the Green Climate Fund – much of which is already in the pipeline (see Figure 8).

The current portfolio with the European Union (€120m +) is expected to increase steadily if negotiations underway with the European Commission for accreditation for "indirect budget management" are successful. Such a status would enable greater opportunities to build large on-granting mechanisms for IUCN Members and other partners and avoid high transaction costs through competitive bidding.

Engagement with regional development banks remains limited. Over the 2021–2024 period, IUCN will seek to strengthen and develop new collaboration with key regional development banks to support the delivery of the IUCN Programme at regional level. IUCN will work with Regional Offices and the IUCN Council to develop clear and targeted engagement plans to respond to regional priorities.

#### Private sector:

IUCN's engagement with business remains stable but small, representing a mere 3% of IUCN's income. The engagements focus primarily on changing business practices by working with companies and key sectors to identify their impacts on biodiversity and create innovative solutions. With a number of programmatic engagements coming to an end in 2020, IUCN does not expect a significant growth during 2021–2024.

During 2021–2024 IUCN will seek to strengthen its efforts to mobilise private investment in conservation through the use of investment models that incorporate innovative blended (grant and non-grant) finance to enable the participation of return-seeking private investors. There are significant opportunities for IUCN to grow this area of work but investments will be needed institutionally to move this forward.

Beyond programmatic engagement, IUCN receives sponsorship and donations – mostly through Corporate Social Responsibility (CSR) budgets. Sponsorship agreements and donations have mostly supported species related work and events such as the World Conservation Congress. A number of new engagements have provided interesting platforms to increase IUCN’s visibility as well as increase awareness of IUCN, particularly around the Red List of Threatened Species.

During 2021–2024 IUCN will increase the number of engagements with the private sector through their CSR commitments for sponsorships at country level (in some cases legally binding) to support the implementation and delivery of the IUCN Programme.

IUCN will explore corporate-driven fundraising campaigns. These could represent an additional source of new funds through the development of partnerships for joint resource mobilisation campaigns with the private sector. Such campaigns could further contribute to diversifying IUCN’s income base.

IUCN’s engagement with the private sector is subject to IUCN’s Operational Guidelines for Private Sector Engagement. Application of the guidelines ensure coherence and consistency when embarking on new engagements and help the organisation reduce the risk of damage to its reputation as a result of working with the business sector.

#### Foundations:

Income from trusts and foundations represented CHF 11m in 2019. The potential for growth is significant, although this will require investment in strengthening resource mobilisation in key countries. A limited increase is expected during the 2021–2024 as IUCN will need to secure new and alternative funding due to the closure of one of its main foundation supporters.

A focused engagement strategy with US based foundations will be developed during 2020 and be implemented during 2021–2024. IUCN will work with its Council and Members to develop key partnerships to support the delivery of the Programme.

## 11. Annual projections 2017–2020

### a. Global budget

The Financial Plan is broken down into two sections: unrestricted income and expenditure; and restricted income and expenditure, as shown in Table 8.

**Table 8: Unrestricted and restricted income and expenditure**

	2017	2018	2019	2020	2021	2022	2023	2024	Total 2021-24
	Actual	Actual	Actual	Forecast	Plan	Plan	Plan	Plan	Plan
	CHF m								
<b>Unrestricted income and expenditure</b>									
<b>Unrestricted income</b>									
Membership dues	11.7	12.8	12.8	12.9	13.0	13.8	13.9	14.2	55
Framework income	12.6	11.2	11.6	11.9	12.6	12.6	12.6	12.6	50
Other unrestricted income	5.8	7.5	7.4	7.8	8.0	8.2	8.2	8.6	33
<b>Total unrestricted income</b>	<b>30.1</b>	<b>31.5</b>	<b>31.8</b>	<b>32.6</b>	<b>33.6</b>	<b>34.6</b>	<b>34.7</b>	<b>35.4</b>	<b>138</b>
<b>Unrestricted expenditure</b>									
Investments	0.0	0.0	0.0	0.0	2.0	2.0	1.5	1.5	7
<b>Total unrestricted expenditure</b>	<b>29.0</b>	<b>32.6</b>	<b>32.0</b>	<b>32.6</b>	<b>33.6</b>	<b>34.1</b>	<b>33.7</b>	<b>33.8</b>	<b>135</b>
<b>Surplus/(deficit)</b>	<b>1.1</b>	<b>-1.1</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.5</b>	<b>1.0</b>	<b>1.5</b>	<b>3</b>
<b>Restricted income and expenditure</b>									
<b>Restricted income</b>									
Restricted income	95.4	93.4	89.1	90.0	99.0	108.9	119.8	131.8	459
<b>Restricted expenditure</b>									
Restricted expenditure	95.4	93.4	89.1	90.0	99.0	108.9	119.8	131.8	459
<b>Surplus/(deficit)</b>	<b>0.0</b>	<b>0</b>							
<b>Total income and expenditure</b>									
<b>Total income</b>	<b>125.5</b>	<b>124.9</b>	<b>120.9</b>	<b>122.6</b>	<b>132.6</b>	<b>143.5</b>	<b>154.5</b>	<b>167.1</b>	<b>597</b>
<b>Total expenditure</b>	<b>124.4</b>	<b>126.0</b>	<b>121.1</b>	<b>122.6</b>	<b>132.6</b>	<b>143.0</b>	<b>153.5</b>	<b>165.6</b>	<b>594</b>
<b>Surplus/(deficit)</b>	<b>1.1</b>	<b>-1.1</b>	<b>-0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.5</b>	<b>1.0</b>	<b>1.5</b>	<b>3</b>

A surplus was achieved in 2017, counteracted by a deficit in 2018 and a small deficit in 2019. A breakeven result is forecast for 2020. Modest surpluses are planned over the period 2021–2024, leading to an overall increase in reserves of CHF 3m. No increase in reserves is envisaged in 2021 and is limited to CHF 0.5m in 2022 to take into consideration planned investments (section 9). No provision has been made for a possible Congress deficit. As noted in section 5: Financial Risks, in the event of cancellation of the Congress, a deficit of up to CHF 5 million could be realised, which would negatively impact the result for 2021.

## b. Unrestricted income and expenditure

### i. Membership income

Table 9 shows the expected evolution in the number of Members and Table 10 the corresponding value of dues

#### Number of Members

Table 9: IUCN Members

	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Forecast	Plan	Plan	Plan	Plan
Category	Number							
States	88	83	88	90	87	90	93	96
Government agencies	125	128	118	118	120	124	120	126
National Non-Government Organisations	957	983	987	1,028	1,010	1,030	1,035	1,075
International Non-Government Organisations	107	105	104	105	105	109	110	115
Indigenous peoples organisations	17	17	21	23	28	30	33	36
Affiliates	45	44	45	51	45	48	48	53
<b>Total</b>	<b>1,339</b>	<b>1,360</b>	<b>1,363</b>	<b>1,415</b>	<b>1,395</b>	<b>1,431</b>	<b>1,439</b>	<b>1,501</b>
Growth	-3%	2%	0%	4%	-1%	3%	1%	4%
Growth over intersessional period				2%				6%

#### Value of membership dues

Table 10: Membership dues

	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Forecast	Plan	Plan	Plan	Plan
Category	CHF m							
States	9.1	10.0	10.0	10.1	10.4	10.4	10.5	10.6
Government agencies	1.1	1.2	1.2	1.2	1.1	1.1	1.1	1.2
National Non-Government Organisations	0.9	1.0	1.0	1.0	1.0	1.7	1.7	1.8
International Non-Government Organisations	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4
Indigenous peoples organisations	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Affiliates	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Total</b>	<b>11.7</b>	<b>12.8</b>	<b>12.8</b>	<b>12.9</b>	<b>13.0</b>	<b>13.8</b>	<b>13.9</b>	<b>14.2</b>
Annual growth	-9%	9%	0%	1%	1%	6%	1%	2%
Growth over intersessional period				0%				10%

During the period 2017–2020, a 2% increase in the number of Members was achieved, driven primarily by an increase in the category National Non-Government Organisations. A decline in the number of Members is expected in 2021 as a result of the withdrawal of Members likely to be rescinded at the 2020 World Conservation Congress (as a result of non-payment of membership dues), after which a modest annual increase in the number of Members is expected.

In the event that the World Conservation Congress approves the creation of a new membership category for subnational governments, a further increase in the number of Members and total dues could be realised. No estimate has been included in the Financial Plan.

## ii. Framework income

**Table 11: Framework income**

	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Forecast	Plan	Plan	Plan	Plan
Number of partners	8	7	7	7	8	8	8	8
Value of contributions (CHF m)	12.6	11.2	11.6	11.9	12.6	12.6	12.6	12.6
Annual growth	-9%	-11%	4%	3%	6%	0%	0%	0%
Change over intersessional period				-14%				6%

The value of framework contributions declined by 14% over the period 2017 to 2020. Contributions are projected to increase marginally over the 2021–2024 period.

## iii. Other unrestricted income

Other unrestricted income includes a variety of items such as rental income and the in-kind value of tax concessions received from the Swiss Government. It also includes unrestricted donations from individuals such as the Patrons of Nature. Modest increases are foreseen over the 2021–2024 period.

## iv. Unrestricted expenditure

**Table 12: Unrestricted expenditure**

	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Forecast	Plan	Plan	Plan	Plan
	CHF m							
Unrestricted expenditure	29.0	32.6	32.0	32.6	31.6	32.1	32.2	32.3
Investments	0.0	0.0	0.0	0.0	2.0	2.0	1.5	1.5
<b>Total unrestricted expenditure</b>	<b>29.0</b>	<b>32.6</b>	<b>32.0</b>	<b>32.6</b>	<b>33.6</b>	<b>34.1</b>	<b>33.7</b>	<b>33.8</b>
Annual growth	-9%	12%	-2%	2%	3%	1%	-1%	0%
Growth over intersessional period				2%				4%

Unrestricted expenditure is aligned with the level of unrestricted income. It provides the capacity to meet statutory objectives, deliver core knowledge products and policy work, and support the delivery of the Programme.

Unrestricted expenditure is forecast to remain fairly constant over the period 2021–2024. Although it will be necessary to increase operational capacity to support a growing project portfolio, this will be funded from project restricted funding.

Unrestricted income is allocated during the annual budgeting process in accordance with the statutory objectives of IUCN and strategic priorities. The following are the key areas funded by unrestricted income.

- **Statutory obligations** such as the World Conservation Congress and governance meetings
- **Union governance and development functions** that are necessary for coordinating the delivery of the IUCN Programme and for providing associated constituency support
- **Strategic priorities that focus on delivery of priority programme results**, including:
  - a. allocations to Commissions to fund operational costs and capacity building;
  - b. IUCN's global policy-influencing function;
  - c. flagship knowledge products; and
  - d. investments in thematic areas as a basis for leveraging restricted funding.

- **Programme delivery and support functions** that are necessary for the delivery of the Programme, including operational frameworks and standards
- **Corporate functions** necessary to provide a basic level of global operational infrastructure, oversight and fiduciary control, including corporate communications
- **Organisation-wide investments** such as investments in information technology that benefit components of the Union and support Programme delivery
- **Allocations to cover institutional risks** both financial and programmatic

### c. Restricted income and expenditure

#### i. Restricted income

Table 13: Restricted income

	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Forecast	Plan	Plan	Plan	Plan
	CHF m	CHF m	CHF m					
Programme/project income	95.1	93.1	88.8	90.0	99.0	108.9	119.8	131.8
Other restricted income	0.3	0.3	0.3	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>95.4</b>	<b>93.4</b>	<b>89.1</b>	<b>90.0</b>	<b>99.0</b>	<b>108.9</b>	<b>119.8</b>	<b>131.8</b>
Annual growth	-3%	-2%	-5%	1%	10%	10%	10%	10%
Growth over intersessional period				-8%				46%

#### ii. Restricted expenditure

Table 14: Restricted expenditure

	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Forecast	Plan	Plan	Plan	Plan
	CHF m	CHF m	CHF m	CHF m	CHF m	CHF m	CHF m	CHF m
Project and other restricted expenditure	95.4	93.4	89.1	90.0	99.0	108.9	119.8	131.8
Annual growth	-3%	-2%	-5%	1%	10%	10%	10%	10%
Growth over intersessional period				-8%				46%

In accordance with IUCN's accounting policy, restricted income is recognised in line with expenditure. Restricted income and expenditure is forecast to increase by 46% over the period 2021–2024. Restricted income is programmatic in nature and accounts for over 90% of programme funding. Growth will come through expansion of the GEF/GCF portfolio and new large-scale, multi-year programmatic initiatives to be funded, primarily, by government agencies and other institutional donors.

#### d. Balance sheet

Table 15: Balance sheet projections

	2017	2018	2019	2020	2021	2022	2023	2024
	Actual	Actual	Actual	Forecast	Plan	Plan	Plan	Plan
	CHF m							
<b>Current assets</b>								
Cash and short term deposits	49	48	58	58	60	62	64	66
Investments	16	16	16	16	17	17	18	19
Other receivables	36	39	39	42	43	44	46	48
<b>Total current assets</b>	<b>101</b>	<b>103</b>	<b>113</b>	<b>116</b>	<b>120</b>	<b>123</b>	<b>128</b>	<b>133</b>
<b>Non-current assets</b>								
Fixed assets	30	29	27	28	28	29	29	29
Intangible assets	0	0	0	0	0	0	0	0
<b>Total non-current assets</b>	<b>30</b>	<b>29</b>	<b>27</b>	<b>28</b>	<b>28</b>	<b>29</b>	<b>29</b>	<b>29</b>
<b>Total assets</b>	<b>131</b>	<b>132</b>	<b>140</b>	<b>144</b>	<b>148</b>	<b>152</b>	<b>157</b>	<b>162</b>
<b>Current liabilities</b>								
Other liabilities	77	80	89	93	97	101	105	109
Provisions	6	6	6	6	6	7	7	7
<b>Total current liabilities</b>	<b>83</b>	<b>86</b>	<b>95</b>	<b>99</b>	<b>103</b>	<b>108</b>	<b>112</b>	<b>116</b>
<b>Non-current liabilities</b>								
Deferred income	17	15	13	15	15	14	14	14
Building loan	11	11	12	11	11	10	10	10
<b>Total non-current liabilities</b>	<b>28</b>	<b>26</b>	<b>25</b>	<b>26</b>	<b>26</b>	<b>24</b>	<b>24</b>	<b>24</b>
Designated reserves	1	3	2	1	1	1	1	1
Unrestricted reserves	19	17	18	18	18	19	20	21
<b>Total reserves</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>19</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>
<b>Total liabilities and reserves</b>	<b>131</b>	<b>132</b>	<b>140</b>	<b>144</b>	<b>148</b>	<b>152</b>	<b>157</b>	<b>162</b>

Table 15 shows the expected evolution of the balance sheet over the period 2017 to 2024. *Cash and short-term deposits* are expected to increase over the period 2021 to 2024, reflecting an increase in the project portfolio over the four-year period. This is matched by an increase in the level of *Other liabilities*, the majority of which represent funds held on behalf of donors for future project implementation. Unrestricted reserves are forecast to increase by CHF 3m, in line with annual projected surpluses.