

UNEP-WCMC Scientific Advisory Council

Dr Cristián Samper (Chair)

Director
Smithsonian National Museum of Natural
History
Washington, DC, USA

Dr Asghar M. Fazel
Advisor to the Chancellor
University of Applied Science and Technology
Tehran, Islamic Republic of IRAN

Dr Setijati Sastrapradja
Chair
Naturae Indonesiana (NATURINDO)
Jakarta, INDONESIA

Dr Peter Schei
Director
Fridtjof Nansen Institute
NORWAY

Professor Jameson Henry Seyani
Director-General
National Herbarium & Botanic Gardens
of Malawi
Zomba, MALAWI

Dr Jorge Soberón
Senior Scientist
Natural History Museum & Biodiversity Centre
Kansas, USA

WCMC 2000 Board of Trustees

Sir Rudolph Agnew (Chair)

Mr Adnan Amin
Mr Alasdair Poore
Mr Patrick Haighton

Dr Ray Gambell OBE (Company Secretary)

© UNEP-WCMC 2005

Photos

Front cover left to right; back cover right to left:

David W. Wehner/UNEP; UNEP; UNEP; Thomas Levermann/UNEP; Wen-Chin Wu/UNEP; Jeff Foott/UNEP.

Molecule (cover and throughout): Rick Wallington, using images from the UNEP International Photographic Competition on the Environment.

Clockwise from top right: M. Balan/UNEP; Shan Dan/UNEP; Artie Eisenberg/UNEP; Inge Perny-Pucher/UNEP; Teoh Chin Hock/UNEP;

M Wendler/UNEP; Mike Kendust/UNEP; UNEP; Mutsu/UNEP; Denis Ryan Kelly Jr/UNEP; L Wright/UNEP; Sven Hensek/UNEP;

Tony Mwai/UNEP; UNEP; Piotr Gesicki/UNEP; Bui Uyen/UNEP; Amos Nachoum/UNEP; Zhang Qunyne/UNEP.

Text:

p. 2 UNEP; p. 4 Ikuko Ito/UNEP; p. 5 Ohkuma/UNEP; p. 7 Stephen G. Benavides/UNEP; p. 8 Alberto Zollinog/UNEP; p. 10 Lim Kien Hock/UNEP;
p. 15 Alan Brown/UNEP; p. 17 Dirk Buwalda/UNEP.

A Banson production

Printed by Cambridge Printers

The contents of this report do not necessarily reflect the views or policies of UNEP, UNEP-WCMC or contributory organizations. The designations employed and the presentation of material in this report do not imply the expression of any opinion whatsoever on the part of UNEP concerning the legal status of any country, territory or city or its authorities, or concerning the delimitation of its frontiers or boundaries.

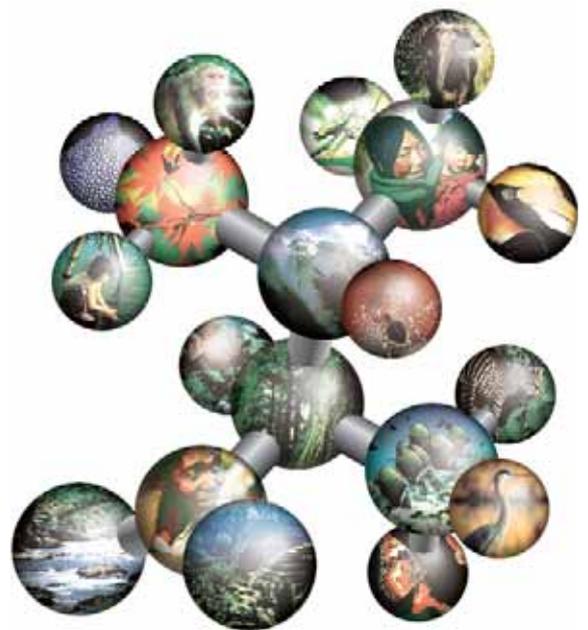


UNEP World Conservation Monitoring Centre

THE UNITED NATIONS ENVIRONMENT
PROGRAMME WORLD CONSERVATION
MONITORING CENTRE (UNEP-WCMC)

is the biodiversity assessment and policy implementation arm of the United Nations Environment Programme (UNEP), the world's foremost intergovernmental environmental organization. The Centre has been in operation for over 25 years, combining scientific research with practical policy advice.

UNEP-WCMC provides objective, scientifically rigorous products and services to help decision makers recognize the value of biodiversity and apply this knowledge to all that they do. Its core business is managing data about ecosystems and biodiversity, interpreting and analysing that data to provide assessments and policy analysis, and making the results available to national and international decision makers and businesses.





Welcome

It is my pleasure to welcome you
to the 2004 UNEP-WCMC Annual Report.

IT HAS BEEN AN EXCITING, DEMANDING AND CHALLENGING YEAR for the UNEP World Conservation Monitoring Centre, during which we initiated a review of the Centre's activities and structure with the aim of helping it prepare to take on the challenges of the next decade.

The Millennium Ecosystem Assessment (MA) reminded us of how great these challenges could be. Staff at the Centre have played an important role in the compilation and dissemination of several key reports including the MA and its spin-off synthesis reports in areas such as biodiversity. The Assessment is, in many ways for the first time, putting some hard figures on the economic importance of forests, coral reefs, wetlands and other ecosystems in terms of the goods and services they provide for communities, countries and the planet.

Data from the Centre on protected areas have also been important for helping to assess progress on delivering Goal 7 – Ensuring Environmental Sustainability – of the UN Millennium Development Goals. In September 2005, in New York, world leaders will meet to evaluate how far we have gone in meeting these eight Goals by the deadline of 2015. Without the type of analysis undertaken by UNEP-WCMC and the data housed at the Centre, such reviews would be even more challenging.

Reports, such as those of the Millennium Project and the Secretary-General's *In Larger Freedom*, written to inform the UN's September Summit,

make it clear that the environment is the red ribbon. They show that the environment is vital for achieving all our other aspirations from poverty eradication and the provision of safe and sufficient amounts of clean drinking water to the empowerment of women and reversing the spread of infectious diseases. So the Centre's expertise in biodiversity and ecosystems is no marginal topic, but central to delivering a healthier, more stable and sustainable world.

2005 is also the year of UN reform. At the Centre we have been implementing our own, smaller, but important reforms which should enable the Centre's work to be even more relevant to the world community in the 21st century.

I sincerely believe that we have sailed through the most difficult financial and structural waters. We now look forward to continuing with the excellent scientific work for which the Centre is quite rightly known, strengthened by a capacity for world-beating policy analysis so urgently needed by governments in both the developing and developed world.

Klaus Toepfer
Executive Director, UNEP

Foreword

UNEP-WCMC works with partners to ensure that biodiversity knowledge and information of the highest quality are the basis of decision making in all sectors.

PARTNERSHIP HAS BEEN AT THE HEART OF UNEP-WCMC throughout its 25-year history. Today the Centre is a partnership between UNEP and the UK-based charity WCMC 2000. In the past, organizations such as IUCN and WWF have also been part of the partnership, and the UK Government, our host, has always been a vital supporter of the Centre and its activities. In 2004, the Centre began a process to review both the 'internal' partnership between UNEP and WCMC 2000 and its 'external' partnerships with clients and collaborators. We hope to have this review finalized by the middle of 2005 and thereby establish a road map for the Centre for the next five years, one that builds upon our history of bringing together the UN, intergovernmental organizations, non-governmental organizations, governments and other key actors for the benefit of our Earth's biodiversity.

But the importance of partnership is much more far reaching than the set-up of the Centre itself. As technology and communications have advanced, the Centre has begun to build on partnerships to provide data, information and assessments on the world's living resources, from plants and animals and the ecosystems that house them, to protected areas and biodiversity policy. Over the next five years we will extend our work with national partners from around the globe in using distributed systems for improving access to these data and information. The Centre will increasingly rely on national and

regional centres for data and information, while in turn providing technical support, analysis and global distribution.

UNEP-WCMC has also continued to provide technical support and capacity building to its partners in areas such as the collection and housing of biodiversity data and the building of biodiversity indicators for use in decision making. The Centre will keep on moving in this direction over the next few years, supporting institutions with their biodiversity information, assessment and policy needs. This reflects the direction that UNEP is taking in response to the calls by countries in the Bali Strategic Plan on Capacity Building and Technology Transfer.

Over the years we have developed programmes and activities to help support the work of the secretariats of the biodiversity-related conventions, private sector companies, especially in the oil, gas and mining industries, and national governments in both the developed and developing worlds. These partnerships not only form the bulk of our programme activities, but they also ensure that the activity that the Centre undertakes helps to shape the work and decisions of clients in industry, government, the UN and beyond.

Kaveh Zahedi
Acting Director
UNEP-WCMC



Can we measure progress?

ECONOMIC AND SOCIAL INDICATORS are widely available, fairly reliable and well understood, but comparable indicators for ecosystems and biodiversity are in their infancy. They are urgently needed if we are to monitor environmental change, and move towards sustainable development.

To understand what the pressures on biological diversity mean for life on Earth, we need to know a lot more, including where species mixtures are richest; where ecosystems are most distinctive; whether protected area networks contain viable samples of most ecosystems; where the greatest pressure is being exerted on nature; and how our policies and actions are making a difference.

The Convention on Biological Diversity (CBD) and the World Summit on Sustainable Development have both adopted the target of achieving a significant reduction in the current rate of biodiversity loss by 2010, with the European Union introducing the more stringent goal of entirely halting the loss of biodiversity by the same date. Measuring progress against these targets has thus become important, as it is vital to be able to state, year on year and unambiguously, whether these targets are likely to be met.

In February 2004, the CBD agreed a framework for assessing progress towards the 2010 target, and called for UNEP-WCMC's support in facilitating the regular delivery of these indicators.

Since then the Centre has made substantial contributions to discussion on 2010 indicators, working closely with the many stakeholders. This has led to input to both scientific and intergovernmental meetings.

UNEP-WCMC is also working on a range of indicator-related projects based at national, regional and global levels:

TRENDS IN ABUNDANCE AND DISTRIBUTION OF SELECTED SPECIES. The widely cited Living Planet Index, developed in partnership with WWF, the global conservation organization, is based on trends in populations of species. It combines data on changes in abundance of individual species in forests, freshwaters and marine systems to provide a global biodiversity trend index.

COVERAGE OF PROTECTED AREAS. UNEP-WCMC manages the World Database on Protected Areas, the sole repository of global information on the world's protected area system. A version was released on CD-Rom in November 2004, backed by a regularly updated database available on the Centre's website. Relevant indicators for 2010 and the Millennium Development Goals are derived from this, providing information on global patterns of coverage, management, security and integrity.

BIODIVERSITY TRENDS AND THREATS IN EUROPE. This project involved European non-governmental organizations, the European Environment Agency, the European Topic Centre for Biological



Indicators for ecosystems and biodiversity are urgently needed if we are to move towards sustainable development...

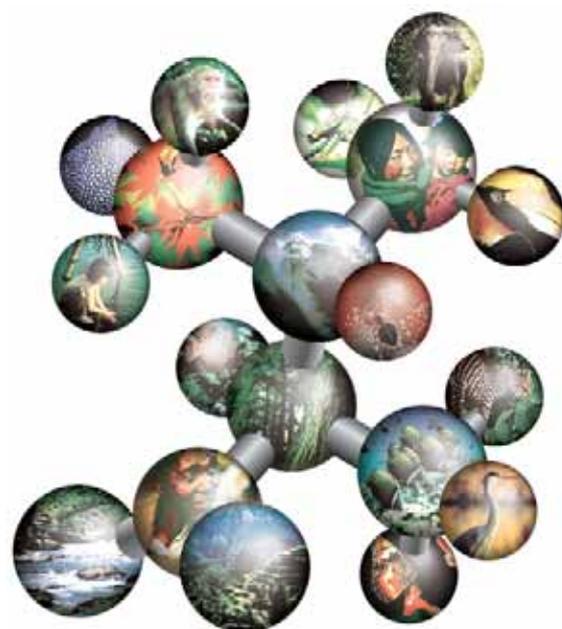
Diversity, and the Netherlands' National Institute for Public Health and the Environment (RIVM) in testing a robust and meaningful indicator of biodiversity change since 1970. Using population trend indices for bird, butterfly, mammal and marine species in 22 terrestrial and 11 marine ecoregions across 43 European countries, it highlighted dramatic differences in population diversity and trends between the 15 countries of the 'old' European Union, the ten accession states, and the rest of Europe, shedding new light on links between policy, land-use practices, and the diversity of nature.

BIODIVERSITY INDICATORS FOR NATIONAL USE. This project pioneered a participatory process for enabling national stakeholders to design and test indicators suitable for their own circumstances. In addition to the process itself, which can serve as a model, it will yield a tested set of indicators for forests, wetlands,

agricultural lands and coastal environments, developed respectively in Ecuador, Kenya, Ukraine and the Philippines. The project is supported by the Global Environment Facility through UNEP, and by the governments of the Netherlands, Switzerland and the UK.

UNEP-WCMC's role remains more than just monitoring progress towards achieving the 2010 targets. An essential part of its mission is to develop an understanding of the components of biodiversity, environmental sustainability and their trends among decision makers, stakeholders and wider civil society. For example, the Centre collaborated with the Marine Resources Assessment Group to develop species trend indicators for each of six large marine ecosystems in European waters, using the species datasets held at UNEP-WCMC, various European institutes and non-governmental organizations.

The resulting Marine Biodiversity Indicators will support the European Environment Agency's 2005 *State of the European Environment Report*.



How is nature faring?



About 60 per cent of the world's ecosystem services are being degraded or used unsustainably.

Fisheries and freshwater supplies are now so degraded that they cannot even meet current demands in many parts of the world.

A huge increase in the use of fertilizers has caused eutrophication and dead zones in lakes and oceans.

Deforestation and fossil-fuel burning have boosted carbon dioxide levels in the atmosphere by a third.

Up to 30 per cent of the world's land vertebrates are threatened with extinction.

Millennium Ecosystem Assessment, 2005

WE ALL LIVE IN ECOSYSTEMS, and we all use their goods and services to stay alive. Some are owned, controlled, bought and sold. These include water rights by ranchers in Montana, truffle rights by farmers in Italy, and timber rights by communities in Switzerland or businesses in Sarawak.

However things that appear inexhaustible or are just not noticed are often seen as having little or no value. These include such goods and services as fish, wild animals and plants, water supplies and the forests and wetlands that enhance them, and mangroves that provide coastal protection and nurseries for fish.

A better valuation of ecosystem goods and services – that incorporates all aspects of biodiversity – is central to conservation and sustainable development. Since people are active

participants in most ecosystems, and depend upon them for food and water, building materials, fuels, medicines and much besides, the 'Ecosystem Approach' has become a key concept in promoting sustainable and equitable living. It stresses the connectedness of ecosystems, the need for adequate knowledge, care and a long-term perspective when managing them, and for the reconciliation of all uses with conservation, to maintain long-term ecosystem services and hence livelihoods.

The Centre hosted the coordination of the Conditions and Trends Assessment Working Group of the Millennium Ecosystem Assessment (MA). The assessment, prepared in close coordination with four key environmental conventions – those concerned with migratory species, biological diversity, wetlands and desertification –

is the most comprehensive global inventory of natural resources. It draws on more than 1,300 scientists in 95 countries to provide scientific information on conditions and trends in ecosystems and their services, likely future changes and their impacts on people, and potential ways to enhance human life while conserving ecosystems.

The Millennium Assessment, with its implications for poverty alleviation and the survival of nature, is transforming international debate on environment and development policy. As a result, it is becoming harder to suggest that 'business as usual' is a viable option for any of us. The Centre's work in providing scientifically based, impartial information to all parties is intended to inform this debate and contribute to the evolution of new paradigms.



A better valuation of ecosystem goods and services is central to conservation and sustainable development...

The global patterns described in the MA emerge from local trends that affect particular ecosystems and the organisms living in them. Hence, UNEP-WCMC has continued its work on the assessment of specific ecosystems and taxa that contribute to the greater whole:

UNDERTAKING ASSESSMENTS FOR THE EUROPEAN COMMISSION of biodiversity conservation, restoration and sustainable use in fragmented landscapes; of agricultural impacts on biodiversity; and of the vulnerabilities of the Barents Sea Arctic system to climate change.

PREPARING *THE WORLD ATLAS OF GREAT APES AND THEIR CONSERVATION*, in association with the Great Apes Survival Project. This compendium of species and country accounts brings together all that is known about the taxonomy, ecology, behaviour and conservation status of the six great ape

species in the 23 African and Asian countries where they live in the wild. The development of the Atlas and the underlying database was supported by UNEP, the UK Department for Environment, Food and Rural Affairs, the University of California Press and the Ernest Kleinwort Trust.

UPDATING, EXPANDING AND PROMOTING THE FOREST RESTORATION INFORMATION SERVICE WEBSITE, with the support of the UK Forestry Commission, the Danish Konings School Foundation and WWF.

UNDERTAKING RESEARCH ON IMPACTS OF NON-TIMBER FOREST PRODUCT COMMERCIALIZATION IN BOLIVIA AND MEXICO for the UK Government. Studies covered factors influencing success in the commercialization of ten non-timber forest products at 17 communities, and of the vulnerability of forest ecosystems to environmental change. A report, to be published in 2005, will

document five years' research on the impacts of non-timber forest product commercialization on poverty alleviation, gender equality and sustainable resource use and make recommendations for policy intervention.

RELEASING A SERIES OF DETAILED ASSESSMENTS on cloud forests, protected areas and biodiversity, bamboo biodiversity and cold-water coral reefs.

MAPPING AND CONSOLIDATING INFORMATION ON DRY FORESTS, and conducting an analysis of their vulnerability to environmental change.

PROVIDING TECHNICAL SUPPORT to the 2005 Global Environmental Outlook (GEO) .

MEETING THE URGENT INFORMATION DEMANDS CREATED BY SUDDEN EMERGENCIES, such as oil tanker groundings and the Indian Ocean tsunami.



Can we do better...

THE CHALLENGES WE MUST MEET in order to preserve the world's biodiversity are abundant and diverse, and helping to overcome them is a leading aim of UNEP-WCMC. Working with other UN agencies and international convention secretariats, the Centre conducted an analysis of capacity building for biodiversity among UN agencies and international agreements, including lessons learned, and made recommendations for increased cooperation among the agencies concerned. The resulting report was delivered in December 2004 to the UN Environmental Management Group and the Intergovernmental Working Group on Technology Support and Capacity Building.

The Centre continues to develop the concepts of harmonizing national biodiversity information management and reporting. The work focuses on promoting synergies and cooperation among the five global conventions concerned with migratory species, biological diversity, trade in endangered species, wetlands and World Heritage sites. Building on experience gained from pilot projects in Ghana, Indonesia, Panama and the Seychelles, UNEP-WCMC convened a workshop in September 2004 on harmonizing national reporting, with the support of the Governments of Belgium, Germany and the UK.

All this work reinforces the lessons learned from collaboration with international knowledge-management networks such as the ASEAN Regional

by working together?

UNEP-WCMC works internationally to increase inherent capacity through networking and training, and to reduce duplication among those providing information on biodiversity for sustainable development.

Centre for Biodiversity Conservation and the Inter-American Biodiversity Information Network (IABIN), as well as participation in the development of the Global Biodiversity Information Facility and the Conservation Commons.

During 2004 UNEP-WCMC undertook a number of other initiatives aimed at reinforcing this process:

THE BINU PROJECT. This has a major capacity-building role because of its focus on repeated consultation with a range of stakeholders, both in-country and elsewhere. The four national teams have developed experience with biodiversity indicators and are keen to share this and help other countries

to build on it. Using this resource, UNEP-WCMC is considering developing a collaborative network and a process of South-South knowledge transfer to allow the BINU partners to support other countries in developing key biodiversity indicators.

IABIN. UNEP-WCMC has prepared a number of briefing papers and guidelines at the request of the World Bank to support development of IABIN, in collaboration with a Japanese consultancy, Nippon Koei.

BUILDING CAPACITY FOR BIODIVERSITY ASSESSMENT AND MONITORING IN NEPAL. With the support of the King Mahendra Trust for Nature Conservation and the UK

Government's Darwin Initiative, UNEP-WCMC has been working to build the capacity of local protected area managers. This involves training in the UK and Nepal, and providing guidelines on tested indicators and best practices.

THE INTERNATIONAL PETROLEUM INDUSTRY ENVIRONMENTAL CONSERVATION ASSOCIATION. UNEP-WCMC furthered its partnership with IPIECA by developing oil spill training courses and accompanying videos. These tools, used in conjunction with the Centre's Interactive Map Service, IMapS, train emergency response units to react quickly and effectively to oil spills, so as to minimize damage to ecosystems.

UNEP-WCMC CHEVENING SCHOLARS

Capacity building can also be seen in action at the Centre with the **UNEP-WCMC Chevening Scholars**. These young researchers, all holding good degrees in biological or environmental science from biodiversity-rich countries, are supported by UK Foreign & Commonwealth Office-funded scholarships which aim to help them prepare for a role in national and regional conservation policy development and decision making. The 2003-2004 intake comprised scholars from Cameroon, Jamaica, Kenya, Nepal, Pakistan and Seychelles. In October 2004 they were replaced by the 2004-2005 intake from Colombia, India, Malaysia and Sri Lanka. Many of the past scholars have gone on to hold important positions in their home countries, applying knowledge they developed at UNEP-WCMC.

All Chevening Scholars focus on individual projects in line with their own interests and that fit into the work of

the Centre, thus maximizing the usefulness of their learning experiences to both. Pragati Tuladhar, who worked on the World Database on Protected Areas and assisted in the production of the *State of the World's Protected Areas* publication, said of her year at UNEP-WCMC: "The knowledge I've gathered here will be of immense use to my future work in Nepal. Protected areas projects are vital in terms of country development, and access to the right data and information can have a positive influence on environmental policy."

The UNEP-WCMC Chevening Scholarship programme is consistent with the priority to develop collaborating networks for capacity building in biodiversity-rich countries, encouraged both by the UNEP Governing Council and the UNEP-WCMC Scientific Advisory Council. Additional support for Chevening has been received from the Salters' Company, RMC and Premier Oil.

Can we work with the commercial sector to achieve win-win outcomes?



decision making by governments, international organizations and the private sector. Proteus will also facilitate development of links to data held by others.

Key elements of Proteus in 2004 included developing the basic structure for managing information in seven core modules: protected areas, species, ecosystems, conventions, private sector activities, environmental projects and online resources; and migrating data to stable Oracle platforms. This enhanced capability has enabled UNEP-WCMC to:

- Launch the CITES Trade Database online, to provide easy access to over 6 million records of trade in wildlife dating back to 1975, and 30,000 scientific names of taxa listed by CITES. The new online facility has made the whole resource accessible to a global audience of CITES Management and Scientific Authorities, non-governmental organizations, commercial traders, researchers and the general public.
- Provide Co-operative Insurance Services with a review of biodiversity and ecosystem issues associated with the Baku-Tbilisi-Ceyhan Pipeline. The Centre also produced a version for use by all those interested in environments between the Caspian and Mediterranean Seas.
- Improve our ability to generate maps and associated biodiversity briefings

UNEP-WCMC has pioneered a partnership-based strategy with the private sector over several years, with the pace and depth of the resulting relationships expanding in 2004. Ways have been found by which the Centre can genuinely address the needs of its corporate partners – in image, in sustainability and in profitability – while also helping them contribute to the Centre’s mission of enabling people to make wise decisions in their capacity as stewards of life on Earth.

The aim of Proteus is an across-the-board improvement in capacity to

PROTEUS Partners for a wiser world

manage the biodiversity data and knowledge held and created by UNEP-WCMC and its Proteus Partners: Anglo American, BP, Co-operative Insurance Services, Earthwatch Institute-Europe, ESRI, HSBC, Oracle, Premier Oil, Rio Tinto, Statoil, the Total Corporate Foundation for Biodiversity and the Vodafone Group Foundation.

Proteus will integrate these data and knowledge to provide the information needed for informed



for industry and for others, for example for the Persian Gulf and the Gulf of Suez.

- Develop projects, with BirdLife International, IUCN and Microsoft Research, to enable the biodiversity community to produce new information management tools and services to share knowledge.

A new concept in 'citizen science', **earthdive** seeks to raise global awareness and financial support for the protection of the oceans.



In the first phase of the Centre's partnership with **earthdive**, a website was

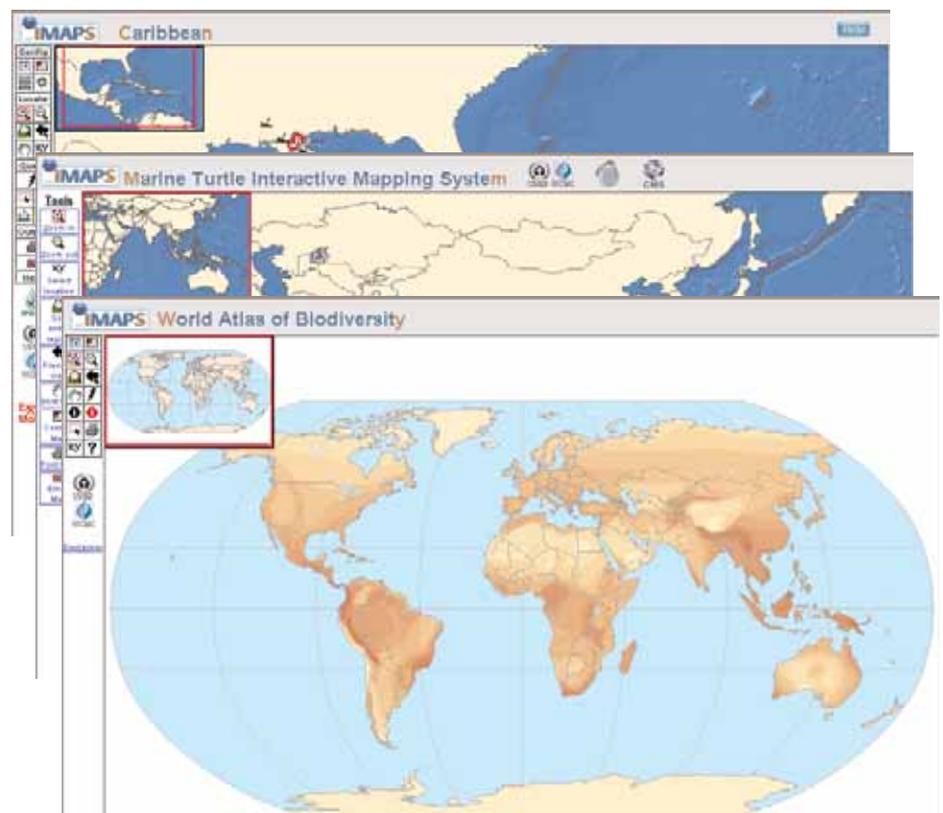
established at which the world's estimated 20 million scuba divers and 200 million snorkellers can contribute their observations of marine biodiversity and human pressures, and both build and use a global knowledge resource – the Global Dive Log. Participants subscribe to use this service, and all revenues and data are shared between **earthdive**, UNEP-WCMC and Coral Cay.

ECOISHARE. The Centre consolidated its existing partnership with the extractive industries by continuing to develop ECOISHARE, an initiative to improve access to information on biodiversity generated by multinational companies such as partners BP, Rio Tinto and Shell. At the November

2004 IUCN World Conservation Congress, the project was applauded for its consistency with the principles of the Conservation Commons, 'a collaborative effort to improve open access to, and unrestricted use of, data, information, and knowledge related to the conservation of biodiversity with the belief that this will contribute to improving conservation outcomes.'

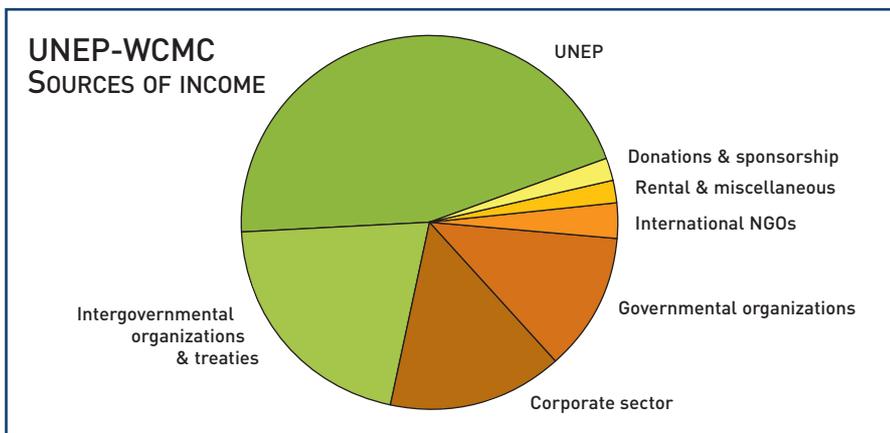
This all adds up to an exciting time for the Centre and its partners, and the key to UNEP-WCMC's future growth and influence.

The resources, organization and influence of private companies can and should become powerful tools in the drive for sound development. Today's priority has to be for public and private institutions to share knowledge and work together in all sorts of ways to move closer to environmental sustainability.



Financial Report

UNEP-WCMC financial results, year end 31 December 2004



maintain the stream of UNEP projects and income while at the same time increasing its work with other clients so as to diversify its income sources.

UNEP-WCMC undertakes a host of projects with multiple partners from within and outside the UN, and is always striving to increase its collaboration with current and new donors in areas of strategic importance related to biodiversity data, information, assessment and policy.

With the help of our partners and guided by the results of the review process over the next few years we will continue to build the financial basis to meet the world's need for biodiversity data, information and assessments to inform policy.

2004 SAW UNEP-WCMC CONTINUING TO BUILD UPON ITS HEALTHY, BROAD PORTFOLIO OF CLIENTS. Since 2000 the Centre has had more than 100 clients or funders and has implemented well over 500 projects.

Overall UNEP contributed 44 per cent of the Centre's total income in 2004, intergovernmental organizations 21 per cent, the corporate sector 15 per cent and governmental organizations 12 per cent. For the next few years, the Centre would like to

INDEPENDENT AUDITORS' STATEMENT TO THE DIRECTOR OF UNEP DEWA

We have examined the summarized financial statements of the UNEP-WCMC.

Respective responsibilities of trustees and auditors

The UNEP-WCMC Officer in Charge is responsible for preparing the summarized financial statements in accordance with applicable law and accounting standards.

Our responsibility is to report to you our opinion on the consistency of the summarized financial statements with the full financial statements and Annual Report. We also read

the other information contained in the summarized annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summarized statements.

Basis of opinion

We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement' issued by the Auditing Practices Board for use in the UK.

Qualified Opinion arising from Limitation of Audit Scope of Prior Year

The income and expenditure account for the year ended 31 December 2003 and the balance

sheet as at 31 December 2003 have not been audited. The opening balances for the current year to 31 December 2004 were based on last year's accounts and therefore are also unaudited.

In our opinion the financial statements give a true and fair view of the state of the Centre's affairs as at 31 December 2004 and, except for any adjustments that might have been necessary had we audited the projects in progress at 31 December 2003, of its income and expenditure for the year then ended and have been properly prepared in accordance with applicable law and accounting policies.

Kingston Smith

Chartered Accountants and Registered Auditors
60 Goswell Road, London EC1M 7AD

INCOME AND EXPENDITURE REPORT

	2004		2003	
	£	US\$*	£	US\$*
Income				
UNEP institutional support	76,529	147,410	113,745	219,096
UNEP institutional support in kind	117,916	227,130	83,105	160,077
Rental and miscellaneous income	205,183	395,223	173,357	333,920
	399,628	769,763	370,207	713,093
Restricted project income (UNEP)	1,599,101	3,080,188	1,674,828	3,226,054
Restricted project income	1,483,297	2,857,127	1,872,833	3,607,451
	3,482,026	6,707,078	3,917,868	7,546,597
Expenditure				
Personnel	2,585,415	4,980,026	2,833,686	5,458,246
UNEP institutional expenses in kind	117,916	227,130	83,105	160,077
Travel	187,986	362,099	228,433	440,008
Operational	164,125	316,138	315,907	608,500
Marketing and outreach	31,586	60,840	78,456	151,122
Establishment	81,341	156,679	73,869	142,286
Office supplies	35,132	67,671	41,783	80,482
Computer equipment	90,360	174,052	175,885	338,790
Professional services	49,180	94,731	1,000	1,926
Depreciation	156,431	301,317	159,729	307,670
Bank charges	4,491	8,651	4,593	8,847
Bad debts	-	-	-10,000	-19,262
Irrecoverable VAT	3,998	7,701	671	1,292
WCMC 2000 bank interest payable	-	-	24	46
	3,507,961	6,757,035	3,987,141	7,680,031
Operating surplus	-25,935	-49,957	-69,273	-133,434
Bank interest receivable	3	6	690	1,329
Surplus/deficit on ordinary activities for the period	-25,932	-49,951	-68,583	-132,105

BALANCE SHEET

	2004				2003			
	£	US\$*	£	US\$*	£	US\$*	£	US\$*
Fixed assets								
Tangible assets			289,731	558,079			322,486	621,173
Current assets	1,381,666	2,661,365			1,200,745	2,312,875		
Less: current liabilities	1,471,377	2,834,166			1,297,279	2,498,819		
Net current liabilities			-89,711	-172,801			-96,534	-185,944
Total assets less liabilities			200,020	385,278			225,952	435,229
Representing: Income and expenditure account								
Opening balance	225,952	435,229			294,535	567,333		
Deficit for period	-25,932	-49,950			-68,583	-132,105		
			200,020	385,279			225,952	435,229

* US\$ exchange rate as at 31 December 2004 = 1.9262

UNEP-WCMC partners, donors and sponsors, 2004

INTERNATIONAL AND REGIONAL PARTNERS

AEWA (African Eurasian Migratory Waterbird Agreement)	European Commission	Ramsar Convention Secretariat
ARCBC (ASEAN Regional Centre for Biodiversity Conservation)	European Commission Joint Research Centre	SPREP (South Pacific Regional Environment Programme)
BirdLife International	European Topic Centre on Biological Diversity	The Nature Conservancy
CAFF (Conservation of Arctic Flora & Fauna)	FAO (Food and Agriculture Organization of the United Nations)	TRAFFIC International
CBD (Convention on Biological Diversity)	FFI (Fauna & Flora International)	UNEP/GRID-Arendal
CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora)	GEF (Global Environment Facility) Secretariat	UNESCO (United Nations Educational, Scientific and Cultural Organization)
CMS (Convention on Migratory Species)	International Arctic Science Committee (IASC)	UNESCO World Heritage Centre
Conservation International	IOSEA MoU (Memorandum of Understanding on the Conservation of Marine Turtles in the Indian Ocean and Southeast Asian Region)	WDPA (World Database on Protected Areas) Consortium
Earthwatch Institute, Europe	IUCN (The World Conservation Union)	Wetlands International
EEA (European Environment Agency)		Wildlife Conservation Society
		WorldFish Center
		World Resources Institute
		WWF International

NATIONAL PARTNERS

Autoridad Nacional de Ambiente, Panama	Forestry Commission, Ghana	Protected Areas & Wildlife Bureau, Philippines
British Antarctic Survey	Instituto de Ecologia, Mexico	Royal Botanic Gardens Kew, UK
Bureau of Fisheries & Aquatic Resources, Philippines	Instituto Politécnico Nacional, Mexico	St Edmund's College, University of Cambridge, UK
CEEPA (Centre for Environmental Economics and Policy in Africa), South Africa	JNCC (Joint Nature Conservation Committee), UK	UFZ Centre for Environmental Research, Germany
Colegio de la Frontera Sur, Mexico	Kenya Wildlife Service	ULRMC (Ukrainian Land and Resource Management Center), Ukraine
CONABIO (Comision nacional para el conocimiento y uso de la biodiversidad), Mexico	Ministry of Ecology & Natural Resources, Ukraine	Universidad Austral de Chile
CSIR (Council for Scientific and Industrial Research), South Africa	Ministry of Environment, Ecuador	Universidad de Alcalá, Spain
Defra (Department for Environment, Food & Rural Affairs), UK	Ministry of Environment, Indonesia	Universidad de Chile
Delius Klasing, Denmark	Ministry of the Flemish Community, Belgium	Universidad Nacional del Comahue, Argentina
EcoCiencia, Ecuador	MNP (Netherlands Environmental Assessment Agency)	University of California Press, USA
	NASA (National Aeronautics & Space Administration), USA	University of Hull, UK
	New Hall, University of Cambridge, UK	Zoological Society of London, UK



DONORS AND SPONSORS

African-Eurasian Migratory Waterbird Agreement (AEWA)

Anglo American

Belgian Institute of Nature Conservation

BP

BP America Inc.

British Council

CAFF (Conservation of Arctic Flora & Fauna)

Cambridge City Council

CBD (Convention on Biological Diversity)

CEP (Caribbean Environment Programme)

ChevronTexaco

CIS (Co-operative Insurance Society)

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

Darwin Initiative, UK

Defra (Department for Environment, Food & Rural Affairs), UK

DfID (Department for International Development), UK

DG Norsk Veritas AS

Earthdive

Earthwatch

ECNC (European Centre for Nature Conservation)

EEA (European Environment Agency)

EMG (Environmental Management Group)

Ernest Kleinwort Charitable Trust

ESRI (Environmental Systems Research Institute)

European Commission

European Environment Agency/
European Topic Centre on Biological Diversity

ExxonMobil

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

Foreign & Commonwealth Office, UK

Forestry Commission, UK

Forestry Stewardship Council

GEF (Global Environment Facility)

Government of the Netherlands

Granherne Engineering

HSBC

ICRAN (International Coral Reef Action Network)

IEEP (Institute for European Environmental Policy)

IPIECA (International Petroleum Industry Environmental Conservation Association)

ITTO (International Tropical Timber Organization)

IUCN (The World Conservation Union)

JWRC (Japan Wildlife Research Centre)

Louisiana C&F Council

M&S (Marks & Spencer)

Ministry of the Flemish Community, Belgium

Ministry of the Walloon Region, Belgium

National Parks & Wildlife Service, Ireland

Netherlands Environmental Assessment Agency (MNP at RIVM)

Nippon Koei UK Ltd

NOAA (National Oceanic & Atmospheric Administration), USA

Norwegian Ministry of the Environment

Oracle

PADI

Premier Oil

Rio Tinto

RMC (CEMEX)

ROGRAM

Salters' Company

Shell International

SKM Environmental

Statoil

Swiss Agency for the Environment, Forests and Landscape

TOTAL

TOTAL Foundation

TRAFFIC International

UKHO (UK Hydrographic Office)

UNDP (United Nations Development Programme)

UNEP (United Nations Environment Programme)

UN Foundation

UNESCO (United Nations Educational, Scientific and Cultural Organization)

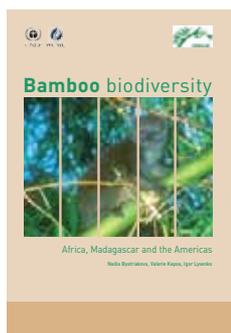
USAID (US Agency for International Development)

Vodafone Group Foundation

World Bank

UNEP-WCMC 2004

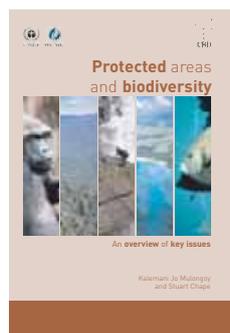
principal publications and reports



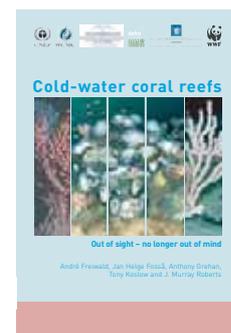
**Bamboo biodiversity:
Africa, Madagascar
and the Americas**
Nadia Bystrakova,
Valerie Kapos and
Igor Lysenko



Cloud forest agenda
Philip Bubb, Ian May,
Lera Miles and Jeff Sayer



**Protected areas and
biodiversity**
Eds Kalemani Jo
Mulongoy and
Stuart Chape



Cold-water coral reefs
André Freiwald,
Jan Helge Fosså,
Anthony Grehan,
Tony Koslow and
J. Murray Roberts

UNEP-WCMC 2004 Review of significant trade. Analysis of trade trends with notes on the conservation status of selected species. Volume 2. Animals. UNEP-WCMC. 206pp. <http://www.cites.org/eng/cttee/PC/14/EPC14-09-03.pdf>

UNEP-WCMC 2004 Synergies and cooperation: a status report on activities promoting synergies and cooperation between Multilateral Environmental Agreements, in particular biodiversity-related conventions and related mechanisms. UNEP-WCMC. 64pp. <http://www.unep-wcmc.org/conventions/harmonization/workshop04/BackgroundSynergies.pdf>

UNEP-WCMC 2004 Towards the harmonization of national reporting to biodiversity-related treaties. A workshop convened by UNEP-WCMC in cooperation with the governments of Belgium and the

UK, Haasrode, Belgium, 22-23 September, 2004. Workshop report. Document CoP13 Inf. 43. 9 pp. <http://www.unep-wcmc.org/conventions/harmonization/workshop/REPORT.pdf>

Magin, C., Chape, S. 2004 Review of the World Heritage network: biogeography, habitats and biodiversity. Final draft. UNEP World Conservation Monitoring Centre, IUCN. viii + 178 pp. http://www.unep-wcmc.org/protected_areas/world_heritage/wh_review.htm

PUBLICATIONS CO-AUTHORED BY UNEP-WCMC STAFF

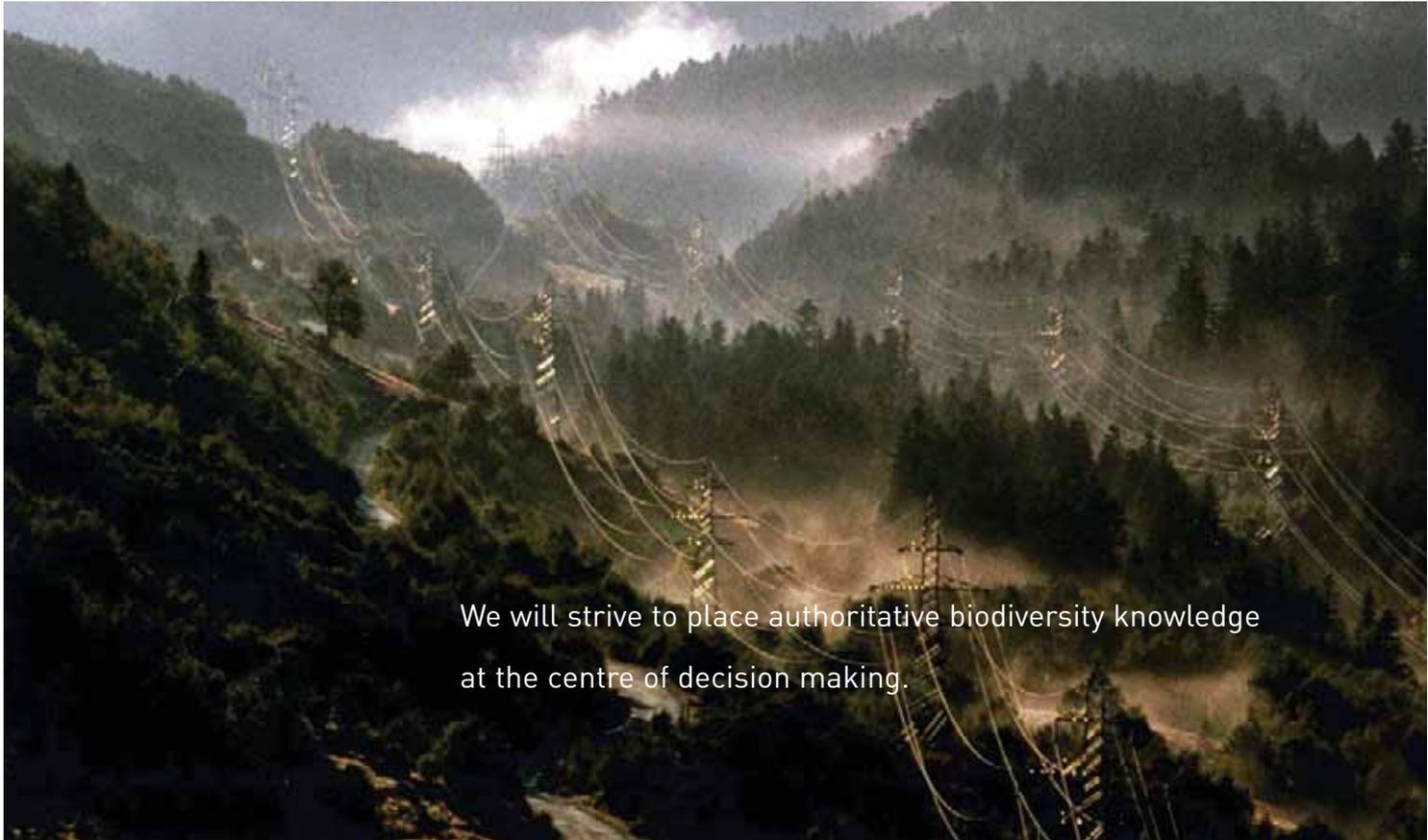
Callaghan, T.V., Björn, L.O., Chernov, Y., Chapin, T., Christensen, T.R., Huntley, B., Ims, R.A., Johansson, M., Jolly, D., Jonasson, S., Mateyeva, N., Panikov, N., Oechel, W., Shaver, G., Schaphoff, S., Sitch, S., Zöckler, C. 2004 Synthesis of effects in four Arctic subregions. *Ambio* 33 (7): 469-473.

Hain, S., Corcoran, E. 2004 The status of the cold-water coral reefs of the world. In: Wilkinson, C. (Ed.) *Status of Coral Reefs of the World: 2004*. Volume 1. Australian Institute of Marine Science, Townsville, Queensland, Australia. pp. 115-135.

Loh, J., Wackernagel, M., Jenkins, M., Kapos, V., Randers, J., Bernal, J., Smith, K., Lacabra, C., Phipps, E., Moran, D., Goldfinger, S., Monfreda, C., Drexler, S., Burns, S., Peck, J., King, P. 2004 *Living Planet Report 2004*. WWF, Gland, Switzerland.

Price, M., Lysenko, I., Gloersen, E. 2004 Delineating Europe's mountains. / La délimitation des montagnes européennes. En./Fr. *Journal of Alpine Research* 92 (2): 75-86.

The way forward



We will strive to place authoritative biodiversity knowledge at the centre of decision making.

Changes in biodiversity as a result of human activities have been more rapid in the past 50 years than at any other time in human history. Many of the services provided by the world's ecosystems that support human well-being, and the biodiversity that underpins them, are now either degraded or heading that way. These include nature's ability to regulate climate, clean air and water, keep pests in check and buffer disasters. Indeed, the economic and life-saving value of ecosystems was

underlined in the aftermath of the 2004 Indian Ocean tsunami.

Our biodiversity and ecosystems are not just about beauty and spiritual well-being, they help us meet our daily needs, and contribute to overall human well-being. This is true for us all, and specially for the world's poor who most directly depend upon biodiversity and ecosystems for food and water, fuel and medicines.

There is wide recognition of the

importance of biodiversity in meeting global development goals and the need to better manage Earth's resources to significantly reduce the rate of loss of biodiversity – a target agreed to at WSSD in Johannesburg in 2002.

UNEP-WCMC will continue to build on its experience in providing quality data, information, and assessment and policy advice to its partners, both private and public sector. We will strive to place authoritative biodiversity knowledge at the centre of decision making.

For further information please contact us at the following address:

UNEP World Conservation Monitoring Centre

219 Huntingdon Road
Cambridge CB3 0DL
United Kingdom
Tel: +44 (0)1223 277314
Fax: +44 (0)1223 277136
email: info@unep-wcmc.org

www.unep-wcmc.org

www.unep.org
United Nations Environment Programme
P.O. Box 30552, Nairobi, Kenya
Tel: +254 (0) 20 621234
Fax: +254 (0) 20 623927
Email: cpinfo@unep.org
Website: www.unep.org

