ANNUAL REPORT 2014

Baa Atoll Conservation Fund

Republic of Maldives

It is my pleasure to present the Annual Report of the Baa Atoll Conservation Fund (BACF) for 2014, documenting another important year in the development of the Fund and its contribution to the conservation and sustainable development objectives of Baa Atoll.

The Baa Atoll Conservation Fund was established as a financial mechanism to support activities that contribute to the conservation and sustainable management of Baa Atoll's natural resources, biodiversity and ecosystems, while also supporting sustainable livelihoods, environmental awareness, research and education.

Following the designation of Baa Atoll as a UNESCO Biosphere Reserve in 2011, BACF has an important role in helping to translate the objectives of the Biosphere Reserve into practical initiatives that benefit communities and contribute to the long-term protection of the Atoll's natural environment.

During 2014, the BACF Board continued to strengthen the Fund's grant-making framework and considered proposals addressing a range of livelihood, conservation, education and awareness needs across Baa Atoll.

Two Board meetings held in **August 2014** were particularly significant. The first meeting, held on **14 August 2014**, considered the BACF 2014 budget and proposals received for BACF grants. The meeting was chaired by the **Director General of the Ministry of Environment and Energy, Mr. Ibrahim Naeem**. Following the discussion, the Board agreed to circulate relevant documents to members and reconvene in Eydhafushi to finalise the budget and grant approvals.

At its subsequent meeting on **21 August 2014**, the Board approved grants for **seven proposals**. These projects represented a diverse range of community initiatives, including hydroponics training, outboard engine repair and maintenance, turtle conservation and education, organic agriculture, a community monument, environmentally friendly fertiliser production and lacquer-work training.

The approved projects demonstrate the Fund's approach of supporting initiatives that connect environmental objectives with local livelihoods, education and community participation. The inclusion of projects from different islands also reflects the importance of ensuring that the benefits of BACF support extend across Baa Atoll.

The Board also decided that **no projects submitted by resorts would receive BACF funding during this grant cycle**, while requesting improvements to the proposal submitted by FEYLI of Eydhafushi before proceeding with the project.

Financially, 2014 was a year of continued growth for BACF. The Fund recorded total income of **MVR 1,813,900.00** and total expenditure of **MVR 561,800.42**, resulting in an increase of **MVR 1,252,099.58**. The Fund therefore ended the year with running capital of **MVR 7,084,717.86**, strengthening its financial foundation for future conservation and community initiatives.

The progress achieved during 2014 was made possible through the continued cooperation of government institutions, local councils, communities, NGOs, development partners and tourism stakeholders. Their contribution remains essential to ensuring that the Fund can effectively support the objectives of the Baa Atoll UNESCO Biosphere Reserve.

As BACF continues to develop, the Fund will remain committed to responsible financial management, transparent grant-making and support for practical initiatives that contribute to conservation, sustainable livelihoods, education and community participation throughout Baa Atoll.

Abdulla Shibau

Baa Atoll Conservation Fund
Republic of Maldives

2. EXECUTIVE SUMMARY

The **Baa Atoll Conservation Fund (BACF)** continued its institutional and financial development during 2014, with particular emphasis on grant-making and supporting community-based initiatives across Baa Atoll.

The BACF Board met on **14 August 2014** to discuss the **2014 budget** and proposals received for BACF grants. Following the initial discussion, the Board agreed to circulate the relevant documents to members and hold its next meeting in Eydhafushi on 18 August 2014, with the intention of finalising the budget and approving grants based on the circulated documents.

At the subsequent Board meeting on **21 August 2014**, seven grant proposals were approved.

The approved projects covered:

- Hydroponics and sustainable livelihood training;
- Outboard engine repair and maintenance;
- Turtle conservation and environmental education;
- Organic agriculture;
- Community development;
- Environmentally friendly fertiliser production; and
- Traditional lacquer-work skills.

The Board also decided that no funding would be awarded to resort projects during the grant cycle and requested improvements to the proposal submitted by FEYLI of Eydhafushi.

Financially, BACF recorded **MVR 1,813,900.00 in income** and **MVR 561,800.42 in expenditure**.

This resulted in a net increase of **MVR 1,252,099.58**

The Fund's running capital increased from **MVR 5,832,618.28 at the end of 2013** to

MVR 7,084,717.86 at the end of 2014.

The year therefore represented continued progress in strengthening BACF's financial capacity and expanding its support for community-based initiatives.

3. ABOUT THE BAA ATOLL CONSERVATION FUND

The **Baa Atoll Conservation Fund (BACF)** is a Trust Fund established on **18 April 2012** under the **Public Finance Act (Act No. 3/2006) of the Republic of Maldives**.

The purpose of the Fund is to support activities contributing to the conservation and sustainable development of Baa Atoll in accordance with its designation as a **UNESCO Biosphere Reserve**.

BACF provides a financial mechanism for supporting initiatives related to:

- Conservation of biodiversity;
- Sustainable management of natural resources;
- Environmental protection;
- Sustainable livelihoods;
- Environmental awareness;
- Research and education; and
- Community participation in conservation and sustainable development.

The Fund is governed by a **Board of Directors** and managed by the **Fund Manager/Managing Director**, in accordance with its governing documents, applicable laws and established procedures.

3. GOVERNANCE AND MANAGEMENT

The BACF Board provides strategic direction and oversight of the Fund.

The Board considers and approves major matters relating to:

- BACF policies and priorities;
- Annual budgets;
- Grant programmes;
- Grant proposals;
- Financial management; and
- Strategic partnerships and activities.

The Fund Manager/Managing Director is responsible for the day-to-day management and administration of BACF and for implementing decisions approved by the Board.

During 2014, the Board continued to provide direction for the Fund's grant programme and financial management.

4. BAA ATOLL UNESCO BIOSPHERE RESERVE

Baa Atoll was designated a **UNESCO Biosphere Reserve on 28 June 2011** under UNESCO's Man and the Biosphere Programme.

The designation recognises the ecological significance of Baa Atoll and promotes an approach that links conservation with sustainable development and community participation.

BACF supports this approach by providing financial resources for activities that contribute to conservation, sustainable livelihoods, environmental awareness, education and community-based initiatives.

The Fund's 2014 grant programme reflected these principles by supporting projects that combined practical livelihood benefits with environmental awareness, conservation and sustainable resource use.

5. BACF BOARD MEETINGS IN 2014

5.1 Board Meeting — 14 August 2014

The BACF Board meeting held on 14 August 2014 was chaired by the Director General of the Ministry of Environment and Energy, Mr. Ibrahim Naeem.

Agenda

1. BACF 2014 Budget Discussion
2. Presentation of proposals received for BACF Grants

Decisions

Following discussion, the Board decided:

1. To circulate all relevant documents to Board members.
2. To hold the next Board meeting in Eydhafushi on 18 August 2014.

3. To finalise the BACF 2014 budget and approve BACF grants at the next meeting based on the documents circulated.

The meeting provided an opportunity for the Board to review the Fund's financial requirements and grant proposals before making final decisions.

5.2. BACF BOARD MEETING — 21 AUGUST 2014

The BACF Board subsequently met on **21 August 2014**.

Agenda

1. Approval of BACF Grants

Following consideration of the grant proposals, the Board approved funding for seven projects.

6. BACF 2014 GRANT PROGRAMME

The 2014 grant programme demonstrated the broad range of activities that BACF could support under its established priorities.

The seven approved projects covered livelihoods, education, environmental awareness and conservation.

6.1 Introduction and Training Programme on Hydroponics

Applicant: Dharavandhoo Development Cooperative Society
Category: Livelihood; Education/Awareness

The project focused on introducing and providing training in **hydroponics**, supporting the development of alternative agricultural practices and strengthening community knowledge of environmentally appropriate food production.

The project combined livelihood development with education and awareness.

6.2 Training Course on Outboard Engine Repair and Maintenance

Applicant: FEYLI of Eydhafushi
Category: Livelihood

The proposal focused on providing training in **outboard engine repair and maintenance**.

The project was intended to strengthen practical technical skills and create livelihood opportunities within the community.

6.3 Save Turtle Forum

Applicant: Kendhoo School
Category: Education/Awareness; Conservation

The **Save Turtle Forum** was approved as an education, awareness and conservation initiative.

The project provided an opportunity for students to engage with marine conservation and increase awareness of turtle protection and the importance of safeguarding marine biodiversity.

6.4 Kihaadhoo Goes Organic

Applicant: FAAM Foundation of Kihaadhoo
Category: Education/Awareness; Livelihood

The project promoted **organic practices** in Kihaadhoo.

The initiative linked environmental awareness and sustainable livelihood development, encouraging more environmentally responsible approaches to agriculture and community activities.

6.5 Construction of Monument

Applicant: Kudarikilu Council
Category: Livelihood

The Board approved the proposal submitted by Kudarikilu Council for the erection of a monument.

The project was considered under the Fund's livelihood/community development category.

6.6 Eco-Friendly Fertilizer Production

Applicant: Maalhos Women's Development Committee
Category: Livelihood

The project focused on the production of **environmentally friendly fertiliser**.

The initiative supported the development of a community-based livelihood activity while promoting more environmentally sustainable agricultural practices.

6.7 Training Course on Lacquer Works

Applicant: Thulhaadhoo Council
Category: Livelihood

The project supported training in **traditional lacquer work**.

The initiative contributed to the preservation and development of traditional skills while supporting livelihood opportunities within the community.

7. GRANT DECISIONS AND CONDITIONS

The BACF Board made the following additional decisions concerning the 2014 grant cycle.

The Board decided:

1. No funding for projects shall be awarded to any resort during this cycle from BACF.
2. The Board further decided to communicate the selection decisions to all successful grantees.

8. SUMMARY OF APPROVED GRANTS

#.	Project	Applicant	Main Area
1	Introduction and Training Programme on Hydroponics	Dharavandhoo Development Cooperative Society	Livelihood; Education/Awareness
2	Training Course on Outboard Engine Repair and Maintenance	FEYLI, Eydhafushi	Livelihood
3	Save Turtle Forum	Kendhoo School	Education/Awareness; Conservation
4	Kihaadhoo Goes Organic	FAAM Foundation, Kihaadhoo	Education/Awareness; Livelihood
5	Erection of Monument	Kudarikilu Council	Livelihood
6	Eco-Friendly Fertilizer Production	Maalhos Women's Development Committee	Livelihood
7	Training Course on Lacquer Works	Thulhaadhoo Council	Livelihood

The seven approved proposals demonstrate the breadth of community initiatives supported through the BACF grant programme.

9. FINANCIAL PERFORMANCE

The financial performance of BACF during 2014 reflected continued growth in the Fund's resources.

The Fund began the year with running capital of **MVR 5,832,618.28**

During 2014, total income amounted to **MVR 1,813,900.00**

Total expenditure amounted to **MVR 561,800.42**

The resulting increase in the Fund's capital was **MVR 1,252,099.58**

The Fund therefore ended 2014 with running capital of **MVR 7,084,717.86**

10. INCOME

BACF recorded total income of **MVR 1,813,900.00** during 2014.

Income Source	MVR
Sale of Hanifaru Access Permits	352,412.00
BR Partnership Fees — Resorts, Dive Schools and Liveaboards	663,115.00
Tour Guide Examination Registration Fees	19,273.00
Photography and Videography Permits and Others	8,100.00
Donations	771,000.00
TOTAL INCOME	**1,813,900.00**

The income figures demonstrate contributions from access permits, Biosphere Reserve partnership fees, tour guide examinations, photography and videography permits and donations.

11. EXPENDITURE

Total expenditure during 2014 amounted to **MVR 561,800.42**

The expenditure categories recorded for the year were management costs, travel and transport, office management, maintenance and procurement.

11.1 BACF Management Costs

Description	**MVR**
Salary and Allowances	472,600.00

11.2 Travel and Transport

Description	**MVR**
Internal / Sea	1,728.00
Internal / Air	3,267.00
Internal / Land	0.00
Overseas Travel	0.00
Total	**4,995.00**

11.3 Office Management Costs

Description	**MVR**
Office Stationery	1,425.70
Miscellaneous Expenses	0.00
Communication	3,646.17
Fuel	29,518.00
Total	**34,589.87**

11.4 Maintenance

Description	**MVR**
BR Vessel	20,202.67
BR Vessel Communication Equipment	17,979.72
Machinery and Equipment	0.00
Office Maintenance	1,946.16
Total	**40,128.55**

11.5 Procurement of Goods

Description	**MVR**
Furniture and Fittings	5,962.50
Machinery and Equipment	3,524.50
Total	**9,487.00**

12. FINANCIAL POSITION AT YEAR-END

The financial movement of BACF during 2014 was as follows:

Financial Position	MVR
Running Capital — End 2013	5,832,618.28
Add: Total Income	1,813,900.00
Less: Total Expenditure	(561,800.42)
Income Minus Expenditure	**1,252,099.58**
Running Capital — End 2014	**7,084,717.86**

The Fund recorded an increase in running capital of **MVR 1,252,099.58** during the year.

13. FINANCIAL HIGHLIGHTS

Opening Capital	**MVR 5,832,618.28**
Total Income	**MVR 1,813,900.00**
Total Expenditure	**MVR 561,800.42**
Net Increase	**MVR 1,252,099.58**
Closing Capital	**MVR 7,084,717.86**

The increase in capital strengthened the Fund's financial foundation and provided greater capacity to support future conservation and community-based initiatives.

14. KEY OUTCOMES OF 2014

Several important outcomes were achieved during 2014.

Strengthened Grant Programme

The Board approved seven projects covering multiple islands and a range of activities.

Community-Based Livelihood Support

A significant portion of the approved grants focused on practical livelihood activities, including:

- Hydroponics;
- Outboard engine maintenance;
- Organic agriculture;
- Eco-friendly fertiliser production; and
- Lacquer work.

Conservation and Education

The **Save Turtle Forum** provided a direct link between education, awareness and marine conservation.

Sustainable Practices

The hydroponics, organic agriculture and environmentally friendly fertiliser initiatives supported the promotion of more sustainable practices.

Traditional Skills

The lacquer-work training supported a traditional livelihood activity and skills development.

Financial Growth

BACF's running capital increased by more than **MVR 1.25 million** during the year.

15. CONTRIBUTION TO THE BIOSPHERE RESERVE

The 2014 grant programme supported the wider objectives of the Baa Atoll UNESCO Biosphere Reserve by linking community development with environmental awareness and conservation.

The projects supported through BACF demonstrate the potential for local initiatives to contribute to broader Biosphere Reserve objectives.

In particular:

- Sustainable agriculture can reduce pressure on natural resources;
- Environmental education can strengthen awareness among younger generations;
- Turtle conservation can contribute to marine biodiversity protection;
- Sustainable livelihood projects can provide alternatives that are compatible with environmental objectives; and
- Traditional skills and community activities can be supported within a sustainable development framework.

16. PRIORITIES GOING FORWARD

Building on the progress made during 2014, BACF's future work can continue to focus on:

- Strengthening community-based conservation;
- Supporting sustainable livelihood opportunities;
- Promoting environmentally friendly agricultural practices;
- Supporting environmental education and awareness;
- Encouraging biodiversity conservation;
- Strengthening local participation in the Biosphere Reserve;
- Maintaining transparent and accountable grant-making;
- Expanding partnerships with Councils and community organisations; and
- Maintaining a sound and sustainable financial base for future activities.

17. CONCLUSION

The year 2014 marked another important stage in the development of the Baa Atoll Conservation Fund.

The Board continued to strengthen the Fund's grant programme and approved seven community-oriented projects addressing livelihoods, education, awareness and conservation.

The approved initiatives demonstrated the broad range of activities that can contribute to sustainable development in Baa Atoll. From hydroponics and organic agriculture to turtle conservation and traditional lacquer work, the projects connected community needs with environmental and educational objectives.

The Board's decision not to fund resort projects during the 2014 grant cycle also established a clear focus for the allocation of available resources during that particular funding round.

Financially, BACF experienced substantial growth during the year. Total income reached **MVR 1,813,900.00**, while expenditure amounted to **MVR 561,800.42**, producing a net increase of **MVR 1,252,099.58**.

The Fund consequently closed the year with running capital of **MVR 7,084,717.86**

The financial and institutional progress achieved during 2014 provided a stronger foundation for BACF to continue supporting conservation, sustainable livelihoods, environmental education and community participation in Baa Atoll.

The continued cooperation of government agencies, local councils, communities, NGOs, development partners and other stakeholders remains essential to achieving the long-term objectives of BACF and the Baa Atoll UNESCO Biosphere Reserve.

FINANCIAL SUMMARY — 2014

Indicator	MVR
Running Capital — End 2013	**5,832,618.28**
Total Income	**1,813,900.00**
Total Expenditure	**561,800.42**
Income Minus Expenditure	**1,252,099.58**
Running Capital — End 2014	**7,084,717.86**

APPROVED BACF GRANTS 2014

#	Applicant	Project	Category
1	Dharavandhoo Development Cooperative Society	Introduction and Training Programme on Hydroponics	Livelihood; Education/Awareness
2	FEYLI, Eydhafushi	Training Course on Outboard Engine Repair and Maintenance	Livelihood
3	Kendhoo School	Save Turtle Forum	Education/Awareness; Conservation
4	FAAM Foundation, Kihaadhoo	Kihaadhoo Goes Organic	Education/Awareness; Livelihood
5	Kudarikilu Council	Construction of Monument	Livelihood
6	Maalhos Women's Development Committee	Eco-Friendly Fertilizer Production	Livelihood
7	Thulhaadhoo Council	Training Course on Lacquer Works	Livelihood

Supporting conservation, sustainable livelihoods, environmental awareness and community participation in the Baa Atoll UNESCO Biosphere Reserve.

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