

ANNUAL REPORT 2020

Baa Atoll Conservation Fund

The year 2020 was an unprecedented and challenging period for the Baa Atoll Conservation Fund and for communities throughout Baa Atoll. The COVID-19 pandemic had a significant impact on tourism, travel, community activities and field operations, resulting in a substantial reduction in visitor numbers to protected areas and restricting the implementation of planned programmes.

Despite these challenges, BACF continued to fulfil its mandate and maintained its support for conservation and sustainable community development in Baa Atoll.

One of the principal initiatives during the year was the implementation of the two-bedroom apartment development programme across all 13 inhabited islands of Baa Atoll. This initiative followed a decision of the BACF Board in 2019 to provide financial support for the development of two-bedroom apartment facilities on each inhabited island.

Under a Memorandum of Understanding between BACF and the Baa Atoll Council, an MVR 3 million was transferred to the Council to support implementation of the programme. Development activities commenced on all 13 islands, with the intention of completing the projects during the year. However, implementation was affected by movement restrictions, logistical difficulties and other challenges associated with the COVID-19 pandemic.

BACF and its stakeholders continued coordination through Zoom meetings and other online communication, enabling work to continue despite restrictions on travel and physical meetings.

The year also included preparatory work for the Periodic Review of the Baa Atoll Biosphere Reserve. While no major new activities could be undertaken because of the pandemic, BACF continued essential operations and maintained its financial and administrative responsibilities.

The Fund's financial performance reflected the severe decline in tourism activity. Nevertheless, BACF retained a running capital balance of MVR 8,364,595.52 at the end of 2020, providing a foundation for continued support to conservation and community development programmes.

Abdulla Shibau
Baa Atoll Conservation Fund

1. 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 Fund is governed by a Board of Directors and managed by the Fund Manager/Managing Director in accordance with its founding documents, Rules of Procedure and applicable laws and regulations.

The principal purpose of BACF is to co-finance activities that contribute to making Baa Atoll a world-class model of atoll ecosystem conservation, consistent with its designation as a **UNESCO Biosphere Reserve**.

BACF supports activities relating to:

- conservation of biodiversity and ecosystems;
- protected-area management;
- research and monitoring;
- environmental education and awareness;
- sustainable livelihoods;
- community development;
- sustainable tourism; and
- other activities contributing to the objectives of the Baa Atoll Biosphere Reserve.

The Fund supports activities that contribute to making Baa Atoll a world-class model of atoll ecosystem conservation and sustainable development, in accordance with its designation as a UNESCO Biosphere Reserve on 28 June 2011.

2. BACF BOARD DECISION ON TWO-BEDROOM APARTMENTS

A major community development decision was taken by the BACF Board in 2019 to support the development of two-bedroom apartments on all 13 inhabited islands of Baa Atoll.

The initiative was developed as a community-focused investment intended to create useful and sustainable accommodation facilities while providing a long-term community asset on each island.

Following the Board's decision, BACF worked with the Baa Atoll Council to establish an implementation and management arrangement for the programme.

A Memorandum of Understanding (MOU) was signed between Baa Atoll Conservation Fund and the Baa Atoll Council, and MVR 3 million was transferred to the Baa Atoll Council for implementation of the programme.

The programme represented a significant investment by BACF in community-level development and demonstrated the Fund's role in supporting initiatives that complement the conservation and sustainable-development objectives of the Baa Atoll Biosphere Reserve.

3. TWO-BEDROOM APARTMENT DEVELOPMENT PROGRAMME

Development work on the two-bedroom apartments commenced on all 13 inhabited islands of Baa Atoll during 2020.

The intention was for the developments to be completed by the end of the year. However, the COVID-19 pandemic created considerable difficulties for construction and project coordination.

Restrictions on inter-island travel, disruptions to supply chains, limitations on contractor movement and other logistical constraints affected the implementation of the projects.

Nevertheless, the programme continued to be coordinated across the islands, with BACF and the Baa Atoll Council working together with island-level stakeholders.

The investment of MVR 3 million was recorded under BACF's community programmes expenditure for the year.

4. ROLE OF THE BAA ATOLL COUNCIL

The Baa Atoll Council played a central role in coordinating implementation of the two-bedroom apartment programme.

Under the MOU, the Council was responsible for facilitating implementation at atoll and island level and coordinating with the respective island councils and other stakeholders.

The Council's role included:

- Coordinating implementation across the 13 inhabited islands;
- Facilitating identification and preparation of suitable sites;
- Coordinating with individual island councils;
- Facilitating communication with contractors and other stakeholders;
- Monitoring the progress of construction activities;
- Supporting the implementation of the programme in accordance with the agreed objectives;
- Facilitating the appropriate management and use of the completed apartments; and
- Maintaining coordination between BACF and the island-level stakeholders.

The arrangement allowed BACF to provide financial resources while utilising the Baa Atoll Council's administrative and coordination mechanisms to facilitate implementation across the atoll.

5. COVID-19 AND IMPLEMENTATION CHALLENGES

The COVID-19 pandemic significantly affected BACF's activities during 2020.

Travel restrictions, limitations on movement between islands, reduced tourism activity and disruptions to normal government and community operations made the implementation of programmes considerably more difficult.

The two-bedroom apartment programme was particularly affected because construction activities required movement of people, materials and equipment between islands.

In response to these restrictions, Zoom meetings and online coordination were conducted among BACF, the Baa Atoll Council, island councils and other stakeholders.

These virtual meetings enabled stakeholders to review progress, discuss implementation challenges and coordinate the next steps without requiring physical meetings.

Although efforts were made to continue planned activities, the pandemic meant that no major new activities were undertaken during the year.

BACF instead concentrated on maintaining essential operations, supporting ongoing commitments and preparing for activities that could be implemented when circumstances improved.

6. PERIODIC REVIEW OF THE BAA ATOLL BIOSPHERE RESERVE

Preparatory work was undertaken during 2020 for the Periodic Review of the Baa Atoll Biosphere Reserve, including the coordination and compilation of relevant information on the management, activities and development of the Biosphere Reserve. The review provided an important opportunity to assess progress since Baa Atoll's designation as a UNESCO Biosphere Reserve and to identify future priorities for conservation, sustainable development, community participation, education and research.

Although the COVID-19 pandemic affected the pace of the preparatory process, BACF continued to support and facilitate the review as part of its broader mandate to strengthen the management and long-term sustainability of the Baa Atoll Biosphere Reserve.

7. Protected-Area Management

Protected-area management remained an important component of BACF's mandate during 2020. However, the COVID-19 pandemic caused a drastic reduction in tourist arrivals, resulting in a substantial decline in visitation to Baa Atoll's protected areas. This impact was particularly evident in the Hanifaru Region, which normally receives significant visitor numbers through tourism activities in the atoll. During 2020, 3,685 entries were recorded in the Hanifaru Region and 450 entries in the Mendhoo Region. The significant reduction in visitor numbers also affected revenue generated through protected-area access permits and other tourism-related activities.

8. FINANCIAL PERFORMANCE

BACF commenced 2020 with a **running capital balance of MVR 8,816,679.72**.

During the year, the Fund generated total income of **MVR 3,212,336.69**.

The principal source of income remained the sale of Hanifaru Access Permits, although income from tourism-related activities was significantly affected by the COVID-19 pandemic.

8.1 Income

Running Capital BACF end 2019	**8,816,679.72**
Income	
Sale of Hanifaru Access Permits	2,637,339.45
BR Partnership Fees	
Resorts, Dives Schools and Liveaboards	336,840.00
Tour Guide Exam Registration Fees	26,424.00
Photography and Videography permits	
	211,305.00
Others	428.24
Total Income	**3,212,336.69**

9. EXPENDITURE

Total expenditure during 2020 amounted to **MVR 3,664,420.89**.

The largest programme expenditure was the MVR 3 million community programme allocation for the two-bedroom apartment development programme across the 13 inhabited islands.

Expenditure	
BACF Management Costs	
Salary and Allowances	**467,714.00**
Travel and Transport	
Internal/Sea	45,556.00
Internal/Air	1,750.17
Fuel	67,432.00
Overseas Travel	35,527.68
	150,265.85
OFFICE Management Costs	
Office Operation	**0.00**
Services for Office Operation	**0.00**
Office Equipment	**0.00**
Office Stationery	2,253.83
Meeting,Workshops and Seminars	**0.00**
Miscellaneous Expenses	**0.00**
Priniting Costs	10,323.34
Advertisements and Announcements	**0.00**
Maintenance	
BR Vessel	25,379.36
Machinery and Equipent	**0.00**
Procurement of Goods	0.00
Furniture and Fittings	3,244.00
Machinery and Equipent	0.00
IT related hardware	0.00
Spareparts	5,240.51
	46,441.04
Programmes	
Celebrations of Events/Occassions	
Community Programmes	3,000,000.00
	3,000,000.00
Total Expenditure	**3,664,420.89**

10. FINANCIAL POSITION AT THE END OF 2020

The Fund recorded:

Total Income: MVR 3,212,336.69

Total Expenditure: MVR 3,664,420.89

Income Minus Expenditure: -MVR 452,084.20

The resulting running capital balance at the end of 2020 was **MVR 8,364,595.52**

12. CONCLUSION

The year 2020 was defined by the unprecedented impact of the COVID-19 pandemic. The resulting decline in international tourism, restrictions on movement and difficulties in conducting normal operations affected almost every aspect of BACF's work.

Nevertheless, BACF continued to fulfil its core responsibilities and maintained its commitment to conservation and sustainable community development.

The two-bedroom apartment programme on all 13 inhabited islands was the principal community development initiative during the year. Building on the BACF Board's 2019 decision, the programme was supported through a MVR 3 million transfer to the Baa Atoll Council under an MOU. The Baa Atoll Council played an important role in coordinating implementation with island councils and other stakeholders.

While COVID-19 created significant implementation difficulties, the programme established an important foundation for the development of community assets throughout Baa Atoll.

BACF also continued preparations for the Periodic Review of the Baa Atoll Biosphere Reserve and maintained essential operations during a period of severe economic and logistical uncertainty.



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