

**Baa Atoll Conservation Fund  
Annual Report 2012**

## ***Message from the Managing Director***

*Assalaamu Alaikum,*

*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 Baa Atoll Conservation Fund (BACF) is to co-finance activities that ensure Baa Atoll is a world class model of atoll ecosystem conservation in accordance with its designation as a UNESCO World Biosphere Reserve on 28 June 2011.*

*Conservation finance is indeed a new concept to the Maldives but the necessity for conservation finance has been highlighted through the work undertaken by the Atoll Ecosystem Conservation Project (AEC Project) implemented by the Ministry of Environment and Energy from 2004 to 2012 in Baa Atoll.*

*The report titled “The economic case for biodiversity conservation in the Maldives” produced by the project clearly indicates why we need to value coastal ecosystems, what are the implications of it and how valuation aids in decision making. Furthermore this study demonstrates how biodiversity-based sectors contribute towards national employment, public revenue, foreign exchange, total exports and the considerable amount it contributes to the GDP of the country. The study also specifies the need for conservation finance centred on the biodiversity-based sectors contribution to the economy of the country.*

*With the advent of tourism in Maldives and its introduction to Baa Atoll the local communities of Baa have been indirectly benefiting through employment, business earnings, sale of biological resources etc. which brings us to an interesting question raised by a participant at the Inception Workshop of the AEC project in 2004.*

*“What is in it there for us if this project is undertaken in Baa Atoll?”*

*The answer given to this question back then was workshops, meeting, studies and research would be undertaken by the AEC Project working closely with the local communities and all other stakeholders involved and local knowledge would be overlaid with the scientific data obtained through research to come with a way forward in managing the natural resources of Baa Atoll in a sustainable manner.*

*It is envisaged that the newly established Baa Atoll Conservation Fund would act as a catalyst by which grants from the fund would be made available to the local communities from 2013 onwards in the areas of Improvement of Livelihood, Conservation, Awareness, education and research directly benefiting the communities and also answering the question raised at the Inception Workshop back in 2004.*

*The establishment BACF alone does not answer the question of environmental management of the natural resources of Baa Atoll rather it is the work which needs to be commenced in parallel in the management of the newly established Baa Atoll UNESCO Biosphere Reserve which will define whether this is a success or not. At present there are a lot of challenges and these needs to be addressed and this can only be achieved by working together to gain, build the confidence and the trust of the partners of the Baa Atoll Biosphere Reserve.*

*I sincerely hope that working with the local communities, tourism sector, the councils, the government and all other stakeholders the Baa Atoll Conservation Fund would be a starting point in managing our environment and the environment of Baa Atoll in a sustainable manner.*

*Abdulla Shibau  
Baa Atoll Conservation Fund*

## **Introduction**

The Baa Atoll Conservation Fund 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 the Fund Board of Directors and the Fund Managing Director in accordance with the provisions of the founding documents, TOR and Rules of Procedure and other applicable laws and regulations of the Republic of Maldives.

The Annual Report of the Baa Atoll Conservation Fund aims to capture the activities undertaken by the Fund in the year 2012.

## **The purpose**

The purpose of the Fund is to co-finance activities that ensure that Baa Atoll is a world class model of atoll ecosystem conservation in accordance with its designation as a UNESCO World Biosphere Reserve. The objectives of the Biosphere Reserve are:

- Conserving and enhancing the natural beauty, biodiversity and cultural heritage of Baa Atoll
- Promoting opportunities for the understanding and enjoyment of the special qualities of Baa atoll by local communities and visitors
- Supporting the sustainable development of Baa Atoll, including fishing, tourism and the economic and social interests of those who live and work in the area.

The Fund's reach is limited to Baa Atoll and is open to applications for funding support and will potentially support projects in the form of grants focused on the above, subject to the approval of an independent evaluation committee.

It is envisaged that the Fund's establishment will act as a catalyst to attract additional donations from third party sources to ensure the Fund's annual contribution to the purpose the fund was created increases over time.

## **Vision**

Baa Atoll: a world - class model of atoll ecosystem conservation where sustainable use supports a prosperous economy and good quality of life for all, for ever – for replication across the Maldives.

## **Mission**

Working with public, private and nonprofit partners, protect, preserve and manage the natural resources of Baa Atoll for future generations through education, awareness, research and the spread of knowledge.

## **BACF Board Meeting**

Following establishment of the Baa Atoll Conservation Fund (BACF) on 19 April 2012 as a Trust Fund under the Ministry of Finance and Treasury one single board meeting was held in 2012 and the first meeting of the BACF Board of Directors took place on 7 November, chaired by EPA based on the agenda and papers prepared.

The purpose of the Board meeting was to update members of the Board about Baa Atoll Conservation Fund (BACF) and of the Baa Atoll UNESCO Biosphere Reserve and their current status and to discuss future plans (minutes attached)

## **BACF Board approved decisions**

The following decisions were made by the BACF Board at the meeting held on 7 November 2012.

1. The management budget for BACF 2013 was approved as US\$ 52,000.00 (Fifty Two Thousand United States Dollars) by the Board (Annex 5).
2. The Biosphere Reserve Office management budget 2013 was approved as US\$ 50,000.00 (Fifty Thousand United States Dollars) after clarifications by the Board members (Annex 6).
3. As Programmatic grants for 2013/2014 the Board approved US\$ 100,00.00 (Hundred Thousand United States Dollars) and it was also decided that programmatic grants for 2013/2014 should be in line with priority spending strategies of BACF which include Biosphere Reserve Management program, Biodiversity program, Livelihoods Program and Education and Research Programme.
4. In conclusion it was decided that BACF Board meetings should be held at least thrice a year and the following dates were assigned as probable dates for the next BACF Board meetings (which are 7 February 2013, 01 June 2013 and 14 November 2012) provided that all necessary work were completed (Article 12 of BACF Memorandum and Articles of Association and Rules of Procedure states Board meetings should be held twice a year).

5. The Board approved the budget for 2013 for Baa Atoll Conservation Fund and the Baa Atoll Biosphere Reserve Office for 2012.
  
6. The Board approved an amount of US 100,000.00 (One Thousand United States Dollars) as grants to be disbursed for projects in 2013 and 2014.

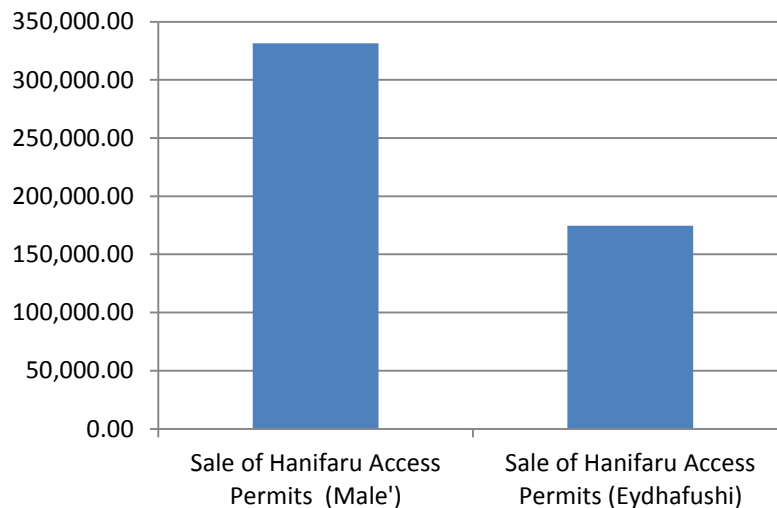
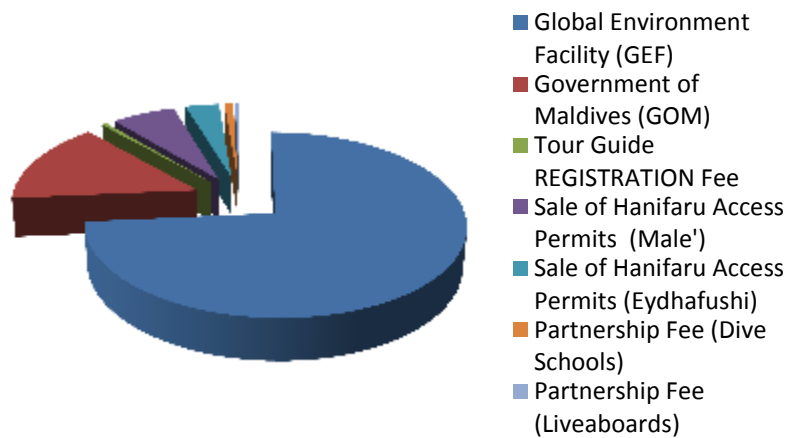
The minutes of BACF Board 1 is attached to this document.

## BACF 2012 Financials

A total of Five Million One Hundred and Ninety Five Thousand and Fifty Nine Laari was received as revenue by the Baa Atoll Conservation Fund in 2012 through Global Environment Facility, Government of Maldives, Tour Guide Registration fees , Sale of Hanifaru Access Permits from Male' and Eydhafushi, and partnership fees from Dive Schools and Liveboards.

## SOURCES OF FUNDS 2012

	<b>AMOUNT (MVR)</b>
Global Environment Facility (GEF)	3,820,425.00
Government of Maldives (GOM)	771,000.00
Tour Guide REGISTRATION Fee	28,200.00
Sale of Hanifaru Access Permits (Male')	331,364.00
Sale of Hanifaru Access Permits (Eydhafushi)	174,680.00
Partnership Fee (Dive Schools)	46,260.00
Partnership Fee (Liveboards)	23,130.00
<b>Total</b>	<b>5,195,059.00</b>





## **Partnership Agreements**

Partnership agreements were signed between Baa Atoll Conservation Fund and 3 resorts in 2012, namely Reethi Beach Resort, Four Seasons at Landaa Giraavaru and Sonevafushi Resort.

Partnership agreements were also signed with 1 Liveboard namely Haveyli Safari Boat and 3 dive schools namely Soleni Dive Centre at Sonevafushi Resort, Sea Explorer Reethi Beach and Sea Splash Maldives, Dusit Thani.

Furthermore the Liveboard Association of Maldives and Baa Atoll Conservation Fund also signed the partnership agreement in 2012.

In 2012 partnerships were also forged with 5 local NGOs from Baa Atoll which are Hithaadhoo Youth Wing from Hithaadhoo, Dharavandhoo Islanders from Dharavandhoo, Thulhaadhoo Mala from Thulhaadhoo, Club Combination and U Sports from Eydhafushi.

## **Partnership Fees**

As part of the partnership agreements signed Soleni Dive Centre of Sonevafushi Resort, Sea Explorer Reethi Beach of Reethi Beach Resort and Sea Splash Maldives of Dusit Thani parties paid their annual partnership fee to the Baa Atoll Conservation Fund in 2012.

Haveyli Safari Boat and Maldivian Siren were the two Liveboards who paid their annual partnership fee in 2012.

The 3 Resorts which signed the partnership agreements in 2012 with Baa Atoll Conservation Fund are to be invoiced quarterly in 2013.

## **Promotional Material**

All finances to develop promotional material by the Baa Atoll Conservation Fund has been raised through Atoll Ecosystem Conservation Project and no funds have been utilized from BACF.

- A contract was signed between Maldives Post Limited and Baa Atoll Conservation Fund in 2012 to design a stamp set including a postcard to be used as the first official souvenir of Baa Atoll UNESCO Biosphere Reserve. Under the work assigned to Maldives Post the company is to develop the product on an A4 size center folded folder with full colour print on one side and the folder will contain both the souvenir sheet of stamps and the postcard inside.
- Contracts were also to various parties in 2012 to produce 5000 pens, 1000 paper files, 500 pen drives and 1000 squish balls and 500 fridge magnets.

### **BACF Website**

The contract to develop the Baa Atoll Conservation Fund websites was also awarded in 2012 which will once complete will act as the main gateway in terms of communication of BACF.

### **Expenditure**

No expenditure was incurred by the Baa Atoll Conservation Fund in 2012 as there were no activities undertaken by the Baa Atoll Conservation Fund and the Baa Atoll Biosphere Reserve in 2012.

The second Board meeting of Baa Atoll Conservation Fund is planned for July 2013.

**Annex 1**  
**Meeting Minutes**

**BAA ATOLL CONSERVATION FUND BOARD MEETING**

Meeting No: 01  
Date: 07<sup>th</sup> November 2012  
Time: 1300 Opm to 1500pm  
Venue: Ministry of Environment and Energy / Meeting Room 1

Following establishment of the Baa Atoll Conservation Fund (BACF) on 19 April 2012 as a Trust Fund under the Ministry of Finance and Treasury, the first meeting of the BACF Board of Directors took place on 7 November, chaired by EPA based on the agenda and papers prepared.

The purpose of the Board meeting was to update members of the Board about Baa Atoll Conservation Fund (BACF) and of the Baa Atoll UNESCO Biosphere Reserve and its current status and to discuss future plans.

**Minutes of the Meeting**

The first meeting of the Baa Atoll Conservation Fund Board of Directors was attended by 7 participants from 7 Stakeholders and 7 other participants (participant's list attached).

The meeting was chaired by the Director General of the Ministry of Environment and Energy, Mr. Ibrahim Naeem.

In his opening remarks he welcomed all members who attended the meeting and briefed the participants on the agenda items scheduled for the meeting.

**Agenda, Item 2**  
**Update on the BACF, Biosphere Reserve and AEC Project**

A presentation on BACF, Baa Atoll UNESCO Biosphere Reserve and the AEC Project was given by the Project Manager of AEC Project. In his presentation he informed all members of the Board of the current status of BACF, Baa Atoll UNESCO Biosphere Reserve and the AEC Project.

In the presentation given by the Project Manager he highlighted the highs and lows of the project, achievements to date and the challenges faced during the project's implementation

and outlined the way forward in terms of what the exit strategy of the project is as the AEC project is to expire by end December 2012.

He also stated that as outlined in the project document work is in progress by the Ministry of Environment and Energy to replicate the lessons learned from the project elsewhere in the Maldives.

### **Agenda, Item 3**

#### **Overview of BACF governance and institutional arrangements**

The second presentation was also given by the Manager of AEC Project. In his presentation he briefed how the fund came in to existence. Also he explained about the fund governance, capitalization, spending strategies and priority spending areas.

The members cleared their doubts about the fund while the presentation was given.

### **Agenda, Item 4**

#### **Confirmation of members of the Board and Chairman.**

As the BACF Memorandum and Articles of Association and Rules of Procedure under Article 9: Membership of the Board states that the chairman of the Board shall be appointed by the Minister responsible for Environmental Protection Agency (EPA) from among the members and since Mr.Ibrahim Naeem represents Environmental Protection Agency (EPA) he was declared as the Chairman of the Fund Board.

While discussing this agenda item, an issue was raised regarding non representation of fisherman and farmers from Baa Atoll on the Board. After deliberating on this issue it was finalized that since a member from the Baa Atoll Council is present on the Board the representative from the Atoll Council would be acting on behalf of Baa Atoll fisherman and farmers.

It was also brought to the attention of the Board that presently only one name was nominated so far as a member from the resort community to the Board although the composition of the Board allows room for 2 members. On this matter it was decided that the Chair should communicate to the resort community and the second slot for the resorts on the Board should be filled for the next BACF Board meeting.

The Chairman then highlighted what the quorum of the meeting should be and most members of the meeting agreed 5 as the quorum number for a BACF meeting to convene.

It was decided that the composition Board as presented to the meeting was fine and there was no need to make any changes to the composition or the amount of members on the Board.

**Agenda, Item 5**  
**TOR and Rules of Procedure of the Board**

The TOR and Rules of Procedure of the Board was handed over to all members as handouts and after discussing this it was decided that these should be approved in the next meeting if there were any comments from the board members (Annex 3).

**Agenda, Item 6**  
**Appointment of Managing Director for BACF and other staff**

It was informed to the BACF Board that at present the AEC Project team, staff from Environment Ministry, EPA and Baa Atoll Council is involved in Fund Management and that the BACF Secretariat is based at the Ministry. It was also informed to the Board that the need for a dedicated individual to run and manage BACF as the post for Managing Director defined in the BACF Memorandum and Articles of Association and Rules of Procedure under Article 9 is vacant.

In this regard it was also brought to the attention of the Board that a public announcement would be made late 2012 through the Government Gazette to find a suitable candidate for the post of Managing Director of BACF. The issue of hiring more staff apart from the BACF MD was also raised as the fund would need more manpower from 2013 onwards to carry out the fund's activities.

The Chair informed that as per the Memorandum and Articles of Association of BACF, the BACF Board has the power to hire and fire staff. He also stated that BACF Trust Statement also allows the Board to undertake this as it is clearly mentioned in the statement that finance can be spent on hiring of staff for BACF.

After deliberating on this issue it was decided that Project Manager of AEC Project should act as the interim Fund Manager of BACF till the end of December 2012 and since the Secretariat of BACF is based in the Ministry, the Ministry would announce for the post of Managing

Director and once this process is completed a candidate should be hired for this post as soon as possible and if the need arises for more staff to be hired during the course of 2013 and beyond.

#### **Agenda, Item 7**

##### **Revenue streams – status, projections and plans**

The Project Manager of AEC informed to the Board of the revenues generated to date to BACF in the form of one-ff GEF and GOM contributions and also regarding income generated to date through the sale of Hanifaru Access Permits and management fees from resorts , live-aboards, and dive schools and forecasted income to be generated via BACF (Annex 4).

#### **Agenda, Item 8**

##### **Expenditure Projections and Decisions**

The management budget for BACF 2013 was then tabled and after deliberating on this the budget for 2013 was approved as US\$ 52,000.00 (Fifty Two Thousand United States Dollars) by the Board (Annex 5).

The Biosphere Reserve Office management budget 2013 was also tabled and the budget for 2013 was approved as US\$ 50,000.00 (Fifty Thousand United States Dollars) after clarifications by the Board members (Annex 6).

As Programmatic grants for 2013 the members having discussed previously on the revenue streams of BACF, it was agreed that US\$ 100,00.00 (Hundred Thousand United States Dollars) would be allocated.

It was also decided that programmatic grants for 2013 should be in line with priority spending strategies of BACF which include Biosphere Reserve Management program, Biodiversity program, Livelihoods Program and Education and Research Programme.

#### **Agenda, Item 9**

##### **General Discussion on BACF work plan priorities**

The members were also made aware of the planned activities for BACF in terms of communications. In this regard it was informed that the BACF website would be developed soon and once completed would act as the main gateway in terms of information flow.

Members were also made aware of the fact that at present work is underway to develop promotional materials in terms of BR and BACF merchandise and once this is also completed these would strengthen the revenue flow of BACF.

### **Concluding Remarks**

In conclusion it was decided that BACF Board meetings should be held at least thrice a year and the following dates were assigned as probable dates for the next BACF Board meetings (which are 7 February 2013, 01 June 2013 and 14 November 2012) provided that all necessary work were completed (Article12 of BACF Memorandum and Articles of Association and Rules of Procedure states Board meetings should be held twice a year).

**Annex 2**  
**Meeting Agenda**

Meeting No: 01

Date: 07<sup>th</sup> November 2012

Time: 1300 Opm to 1500pm

Venue: Ministry of Environment and Energy / Meeting Room 1

**AGENDA**

<b>No.</b>	<b>Time</b>	<b>Item</b>	<b>Agency.</b>
1	5	Welcome, introductions and apologies for absence	EPA
2	10	Update on the BACF, Biosphere Reserve and AEC project	AEC
3	10	Overview of BACF governance and institutional arrangements	AEC
4	10	Confirmation of the members of the Board and Chairman	AEC
5	20	TOR and Rules of Procedure of the Board	Board
6	15	Appointment of the Managing Director and staff	Board
7	25	Revenue streams – status, projections and plans <ul style="list-style-type: none"> <li>➤ One-off contributions of GEF and GOM</li> <li>➤ Hanifaru permits</li> <li>➤ Management fees (resorts, live-aboards, dive schools)</li> <li>➤ Biosphere Reserve tokens</li> <li>➤ Donations</li> </ul>	AEC
8	15	Expenditure Projections and Decisions <ul style="list-style-type: none"> <li>➤ Management budget for BACF 2012-13</li> <li>➤ Biosphere Reserve Office management budget 2012-13</li> <li>➤ Programmatic grants – 1<sup>st</sup> Round</li> </ul>	Board
9	15	General discussion on BACF work plan priorities <ul style="list-style-type: none"> <li>➤ Communications, website and promotional activities</li> <li>➤ Conservation Tokens</li> <li>➤ Merchandise</li> </ul>	Board
10	10	Any Other Business <ul style="list-style-type: none"> <li>a) Tentative Dates of next meetings               <ul style="list-style-type: none"> <li>➤ 7 February 2013</li> <li>➤ 1 August 2013</li> <li>➤ 14 November 2013</li> </ul> </li> <li>b) other</li> </ul>	Board
11	5	Review of Action Points	AEC



**Annex 3**  
**Participant's List**

	<b>Name</b>	<b>Designation</b>	<b>Organization</b>
1.	Ibrahim Naeem	Director General	Environment Protection Agency
2.	Mohamed Adhil	Baa Atoll Councilor	Baa Atoll Council
3.	Mohamed Fathuhee	Coordinator	D.I.S
4.	I.Azmeel	CSR Manager	Sonevafushi Resort
5.	Naseeema Saleem	Advocator	LGA
6.	Fazeena Fariq	Managing Director	Baa Atoll UNESCO Biosphere Reserve Office
7.	Ahmed Zubair	President	L.A.M

**Other Participant's**

	<b>Name</b>	<b>Designation</b>	<b>Organization</b>
8.	Hawwa Liuza	Project Officer	AEC Project
9.	Ismail Naseer	Project Officer	AEC Project
10.	Mariyam Rifga	Environment Analyst	EPA
11.	Aminath Inaya	Assistant Project Officer	Ministry of Environment and Energy
12.	Ahmed Shifau	Account Officer	Ministry of Environment and Energy
13.	Abdulla Shibau	Project Manager	AEC Project
14.	Mike Moser	Adaptive Management Advisor	AEC Project

#### Annex 4

#### BACF income and Expenditure Status and Projections (US\$)

	Actual end October	Predicted end 2012	Predicted end 2013	Predicted end 2014
GEF	250,000.00	250,000.00	0.00	0.00
GOM	50,000.00	50,000.00	50,000.00	50,000.00
Hanifaru Permit				
Male	18,439.69			
Eydhafushi	15,338.85			
	<b>33,778.54</b>	<b>40,000.00</b>	<b>50,000.00</b>	<b>55,000.00</b>
Management Fee Resorts	0.00	0.00	100,000.00	120,000.00
Management Fee Live Aboards	1,500.00	1,500.00	5,000.00	5,000.00
Management Fee Dive Schools	3,000.00	3,000.00	5,000.00	5,500.00
Certification Fees	1,692.61	1,692.61	1,000.00	1,000.00
Conservation Tokens	0.00	0.00	100,000.00	150,000.00
Donations	0.00	0.00	20,000.00	50,000.00
Sales of Merchandise	0.00	0.00	25,000.00	50,000.00
<b>Total Income</b>	<b>339,971.15</b>	<b>346,192.61</b>	<b>356,000.00</b>	<b>486,500.00</b>
<hr/>				
<b>BACF Management Costs</b>		0.00	52,000.00	60,000.00
<b>BR Office Programme Implementation</b>		0.00	50,000.00	55,000.00
<b>Grants for Programmes</b>		0.00	100,000.00	200,000.00
<b>Total Expenditure</b>		<b>0.00</b>	<b>202,000.00</b>	<b>315,000.00</b>
<hr/>				
Income Minus Expenditure		<b>346,192.61</b>	<b>154,000.00</b>	<b>171,500.00</b>
<b>Running Capital BACF</b>		<b>346,192.61</b>	<b>500,192.61</b>	<b>671,692.61</b>

**Annex 5****Proposed Budget (\$) / BACF 2013**

			<b>Comments</b>
MD Remuneration	2,500.00	30,000.00	To be appointed late 2012
Finance Officer Allowance	500.00	6,000.00	
Project officer	0.00	0.00	To be appointed late 2013
Travel		1,500.00	6 Trips
DSA		1,000.00	6 Trips
Promotion		3,000.00	Promotion of BACF locally
BACF Board Exp		2,400.00	3 board mtgs
Mtgs n Workshops		4,000.00	4 meetings
Audit		4,000.00	end of the year
	<b>Total:</b>	<b>51,900.00</b>	

**Annex 6**  
**Baa Atoll UNESCO Biosphere Reserve**  
**BUDGET REQUEST TO BACF 2013**

	Unit	Cost per unit	No. units	Subtotal	Total
<b>Operation expenses</b>					
Fuel for BR speed boat	Day	\$35	365	\$12,775	
Travel of BR staff	Lump sum			\$7,000	
Printing (incl. translations)	Lump sum			\$3,000	
BRO Electricity	Lump sum			\$3,000	
BRO Communications	Lump sum			\$2,300	
BRO Stationaries	Lump sum			\$3,200	
BR staff Uniforms	Lump sum			\$1,200	
BRO Software	Lump sum			\$2,000	
BR insurance	Lump sum			\$2,500	
Miscellaneous expenses	Lump sum			\$3,500	
<b>SUBTOTAL OPERATIONAL EXPENSES</b>					<b>\$40,475</b>
<b>Equipment</b>					
Binoculars (waterproof)	No. binoc.	\$700	5	\$3,500	
Night vision binoculars (waterproof)	"	\$1,000	1	\$1,000	
Mobile telephones (waterproof)	No. Phones	\$500	3	\$1,500	
Miscellaneous expenses	Lump sum			\$2,000	
<b>SUBTOTAL EQUIPMENT</b>					<b>\$8,000</b>
<b>Advisory Board</b>					
Travel for AB meetings (3 meetings)	No. Trips	\$130	15	\$1,950	
Travel for Task force (9 meetings)	No. Trips	\$130	10	\$1,300	
Other AB + TF costs				\$1,000	
<b>SUBTOTAL ADVISORY BOARD</b>					<b>\$4,250</b>
<b>GRAND TOTAL</b>					<b>\$52,725</b>



## **Baa Atoll Conservation Fund Annual Report 2012**

*Baa Atoll Conservation Fund  
Ministry of Environment and Energy  
Telephone: 000000, Fax: 000000  
Email: [info@bacf.gov.mv](mailto:info@bacf.gov.mv)  
[www.bacf.gov.mv](http://www.bacf.gov.mv)*