

Letter from the Chairperson of the Board of Trustees



lakwe and Warmest Greetings from Micronesia! I am so pleased to present the Micronesia Conservation Trust's (MCT) 2016 Annual Report. This year's report is an especially notable one for MCT because it is our first opportunity to report on our progress towards accomplishing the goals we outlined in our 2016-2018 Strategic Action Plan. 2016 saw MCT make great strides in enhancing its ability to serve our partners throughout Micronesia and internationally. We supported innovative work lead by our partners, initiated new programs, hired new staff, and continued to pursue improvements in our internal systems and capacity. We also continued our core work around seeking and providing sustained funding for biodiversity conservation and climate change adaptation and building capacity in the region to undertake the work necessary to care for the ecosystems that sustain us all.

We hope that you enjoy reading this report, learning more about our Strategic Plan, the programs we have supported in the past year, and discovering the successes of our shared work across the region. Please also explore the websites, Facebook pages and other information available from our partners and support their work. And please follow MCT's website and social media to keep abreast of future developments, especially the upcoming selection of the first two Bill Raynor Micronesia Challenge Scholarship awardees. While we take this opportunity to look back at and celebrate our progress in 2016, we are also clearly focused on the work coming up in 2017 and are excited to continue engaging friends and supporters in furthering our efforts to achieve Micronesia's shared conservation and climate change adaptation goals.

Komol Tata,

Letter from the Executive Director



Kaselehlie and salutations from Pohnpei. It is again my pleasure and honor to prepare and share the Micronesia Conservation Trust's Annual Report. A pleasure because of the successes and progress it includes, and an honor because of the people and organizations we have had the privilege of supporting to make it happen. MCT and our partners worked with every level of government and civil society, from local community members and their traditional leaders, to state and national government line agency staff and leadership, to governors and presidents to lay the foundations for effective conservation and climate change adaptation work. The remote community of Hatohobei in Palau is implementing a project "Strengthening the Compliance and Enforcement of MPAs." While, with the support of MCT and partners, the Association of Pacific Island Legislatures five resolutions during the 35th passed important meeting June 2016 http://apilpacific.com/currentissues old.php#35. The adoption of these resolutions has led to the now expanded FSM no commercial fishing zone from 12 miles to 24 miles (FSM PL-19-167).

We also have made internal improvements to our organization, moving to a new and larger office facility, expanding our team, developing and implementing new policies and improving on existing ones. We have trained our staff on the newly approved Environmental and Social Risk and Gender policies and continued to streamline and rationalize our internal systems. We also began work towards developing a Monitoring and Evaluation Framework for internal purposes and for sharing with partners.

Please stay tuned to MCT in 2017 as there are many exciting developments on the horizon including training and capacity-building for partners around project management and monitoring and evaluation. MCT with support from local and international partners will be developing and submitting a proposal to the Adaptation Fund to support a project to support "Practical Solutions to Reducing Community Vulnerability to Climate Change in the Federated States of Micronesia." With endorsement from our Government leaders in the Republic of the Marshall Islands, Federated States of Micronesia, Republic of Palau we have begun to pursue accreditation to serve as an Accredited Entity for the Green Climate Fund.

Thank you all for your interest in our work and for any and all support you have or will render to Micronesian conservation and climate change adaptation. We deeply appreciate and depend on the relationships we have built with individuals and organizations in Micronesia and beyond.

Kalahngan,

Vision

Enduring partnerships that conserve our land and sea to improve quality of life for communities across Micronesia.

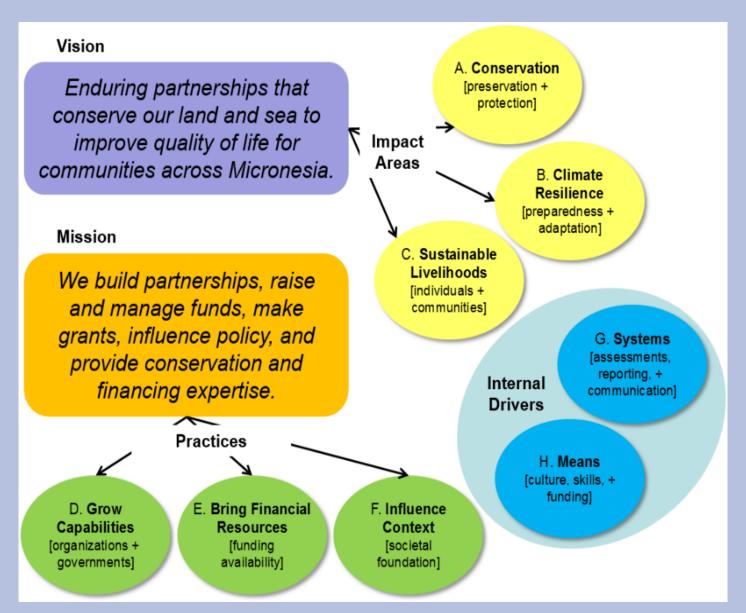
Mission

We build partnerships, raise and manage funds, make grants, influence policy, and provide conservation and financing expertise.

The Micronesia Conservation Trust (MCT) promotes Conservation, Climate Resilience, and Sustainable Livelihoods for the people of Micronesia in the Federated States of Micronesia (FSM), the Republic of Palau, the Republic of the Marshall Islands (RMI), the US Territory of Guam and the Commonwealth of the Northern Mariana Islands (CNMI).

World Class and Deeply Micronesian

MCT Strategic Action Plan 2016 – 2018



Statement of Strategy: 2016-18

MCT's core value proposition is to act as an effective bridge between the international conservation community, development partners and our Micronesian communities and Governments.

MCT aims to create positive and meaningful results in three primary **Impact** Areas: conservation, climate resilience, and sustainable livelihoods. To do so, we focus our efforts on three main **Practices**: growing capabilities of our partner organizations and governments, bringing financial resources to bear in the region in both proven and innovative ways, from international and local sources, and **influencing the context** of Micronesian conservation work by affecting decision-makers and cultural expectations and parameters. We will further develop our own organization and enable our success by focusing on two Internal Drivers: our **systems** and our **means**.

Key MCT Results - 2016

In this annual report MCT shares examples of some of the most inspiring and consequential achievements in Micronesian conservation in 2016. Because MCT is a grant-making and capacity-building organization, and does not implement on the ground activities, our successes are part of local and larger regional initiatives. We collaborate with governments, non-government organizations, community based organizations, academia, the private sector, and our donor partners to achieve our goals. By the numbers, following are some of the highlights from 2016:

Total Projects funded

As of December 2016, MCT was managing 22 projects, trainings, sub awards, and consultancies for a total value of \$1,667,938.73.

The Micronesia Challenge Sustainable Financing Mechanism

The endowment funds managed by MCT stood as following as of December 2016:

Total Fund:	\$18,	500,000
MCT Operational Endowment:	\$	690,700
Bill Raynor MC Scholarship:	\$	110,450
Yela Conservation Easement:	\$	519,000



<u>Awards</u>

MCT received an award at the Coral Reef Task Force Meeting for "Developing a community-based climate change adaptation tool that integrates socio-economic linkages and traditional knowledge in the development of locally relevant climate change adaptation actions and community management"

Micronesia Challenge Highlights 2016



The Micronesia Challenge, a regional initiative launched in 2006 to effectively conserve 30% of near-shore marine resources, and 20% of terrestrial resources across Micronesia by 2020, celebrated its 10th Year Anniversary in 2016, reflecting on a decade of accomplishments as well as highlights for the year. Capacity of local organizations and upcoming conservation leaders continued to be developed through the MC Young Champion intern program, training through partner networks including PIMPAC, the MC Support Team and MC Measures group, and fundraising began to support two graduate students a year through the new MC Bill Raynor scholarship fund. The MC Measures group worked to track progress of MC indicators by drafting 'scorecards', monitoring marine and terrestrial areas, and surveying the human impact of the MC through socio-economic monitoring.

The Micronesia Challenge is over half way toward meeting its conservation percentage goals through protected areas networks (PANs), with more than 150 protected areas established across the region. The MC has taken steps to promote legislation supporting government recognition of locally managed areas and effort, which are also crucial to create a path for sustainable finance mechanisms. Legislation is in place in several jurisdictions, and in progress for others. The MCT continues to house the MC endowment, which was valued at over \$18 million at the end of 2016. Palau was the first to reach, and go beyond, its target endowment, and in early 2017 will become the first MC jurisdiction to request a drawdown of funds to support conservation efforts. In addition to the endowment, the MC is an enabling mechanism that has helped leverage over \$20 million in funds.



Trainers and participants of Socioeconomic Data Analysis Training Workshop. Back row, left to right: Angel Jonathan, Kailikea Shayler, Matt Gorstein, Bond Segal, Jane Dia, Mochieg Reyuw, Kodep Ogumoro-Uludong, Rachael Nash. Front row, left to right: Noelle Oldiais, Erin Zanre, Supin Wongbusarakum, Marybelle Quinata, Lincy Marino, Alicia Edwards.



Francis Baybat DeBrum - interning with MICS thru CMI

Conservation/Climate Resilience/Sustainable Livelihoods

Program Support Partner(s) Implementing Partner(s)

Achievements

Supporting more effective natural resource management in Micronesia

Margaret A. Cargill Foundation, David and Lucile Packard Foundation

Kosrae Conservation and Safety Organization (KCSO), Coral Consulting, University of Guam's Research Corporation (UOG), Palau International Coral Reef Center (PICRC), Palau Conservation Society (PCS), Conservation Society of Pohnpei (CSP), Hatohobei Organization for People and Environment (HOPE), Ebiil Society, Inc.

Capitalizing on momentum from the Micronesia Challenge, this project aimed to 1) support consolidation of national PANs, 2) increase the number of protected areas under effective management, 3) link fishers and communities to fisheries management efforts across Micronesia, and 4) support increased financial and human capacity, including the Bill Raynor Micronesia Challenge Scholarship program for Micronesians seeking advanced degrees in environmental management and related fields. MCT and its partners in Pohnpei are working with two municipalities, U and Kitti, to establish community based fisheries management plans. When these plans are finalized and adopted, MCT and its local partners will continue to work with the rest of the communities in Pohnpei to share technical expertise for each to develop their own management plan. Moreover, in late July, a video on Pohnpei fisheries was produced explaining the current status of Pohnpei fisheries declines on the islands and strategies for reversing the trend. This video can be viewed at: https://www.youtube.com/watch?v=nUQHfZfC734.



In 2016, MCT issued sub-awards - KCSO: Ensuring Effective Biodiversity and Ecosystem Management in Kosrae; Coral Consulting: Expansion, Maintenance, Visualization of the MC Coral Reef Monitoring Database; UOG: Improving Resources Management through Ecosystem-based Fisheries Management; PICRC: Monitoring and Assessing the Impact of Growing Tourism on Coral Reefs; PCS: Cultivating Effective Management of Protected Areas; CSP: 1) Mobilizing MPA Communities to Increase Adaptive Fisheries Management, 2) Enhancing Monitoring Surveillance Control on Ant Atoll, and 3) Supporting Depehk, Takaiou and Lenger MPA's as Model Sites; HOPE: Strengthening the Compliance and Enforcement of MPA's; and, Ebiil Society, Inc: Increasing Observation and Practices of "Sustainably Caught Fish" as a Marketing Campaign Funds have also been allocated to update the Micronesia Protected Area Management Effectiveness Tool and training workshops and implementation in all 4 states of the FSM.

Conservation/Climate Resilience/Sustainable Livelihoods



Program

Support Partner(s)

Implementing Partner(s)

Achievements

Photos: Top: Angel Jonathan in Yap Bottom: FIA team in Yap Micronesia Challenge Forest Inventory and Analysis (FIA) Program in the Federated States of Micronesia

USDA Forest Service (Donor), FSM National Government – the Department of Resources and Development and Transportation Communication and Infrastructure, Micronesia Challenge Regional Office, Pohnpei State Government - Division of Forestry, Guam Plant Extinction Prevention Program, Yap State Government, Chuuk State Agriculture Conservation Society of Pohnpei, Pohnpei State Government - Division of Forestry, Yap State Government, Kosrae Island Resource Management Authority, Chuuk State Agriculture, Kosrae Conservation and Safety Organization, Yela Environmental Landowners Association, Chuuk Conservation Society, Yap Council of Tamol, Yap Community Action Agency The ultimate goal of the program is to improve the effectiveness of the Micronesia Challenge to conserve priority areas by providing leadership, strengthening partnerships, increasing terrestrial monitoring capacity, and establishing intensified FIA plots within PAN and other priority landscape areas. In 2016 MCT secured a Cooperative Forestry Assistance Grant through the USDA US Forest Service and initiated the FSM Micronesia Challenge Forest Inventory and Analysis Program (MCFIA):

- In March and July 2016 FIC plots were established in important terrestrial areas in the four FSM States (Phase I and II)
- In November 2016 FIC plots were established and monitored in the outer islands of Yap (Phase III) 19 new plots: Sorol (2 plots), Woleai (10 plots), Ifaluk (3 plots), Fechelap (2 plots) and Elato/Lamotrek (2 plots)
- Overall 93 FIC plots were successfully established, visited or ground checked in FSM in 2016.

mpact Areas

Conservation/Climate Resilience/Sustainable Livelihoods



Program

Enhancing Sustainable Coral Reef Monitoring and Management Capacity for the Micronesia Challenge, and Beyond

Support Partner(s)
Implementing
Partner(s)

US National Oceanic and Atmospheric Administration (NOAA)

University of Guam Marine Laboratory, Chuuk Conservation Society, Yap Community Action Program, Kosrae Conservation and Safety Organization, Conservation Society of Pohnpei, College of the Marshall Islands, Palau International Coral Reef Center, Mariana Islands Nature Alliance, The Nature Conservancy

Achievements

The NOAA cooperative agreement has advanced the Micronesia Challenge through enhanced local coral reef management and monitoring capacity. Through this project MCT and its partners have achieved:

- full training of FSM, Palau, and RMI marine biophysical monitoring teams with standardized & quality-controlled local databases that are in line with MC measures & indicators;
- analytical support for database needs, transmitting data to MC-database, and reporting back to local programs for decision support
- assembled a Micronesia Socioeconomic Monitoring Team that is relevant in scope and spatial scale to the regional biological monitoring teams
- field-based monitoring to establish temporal trends across Micronesia
- storage of all past and present data into the online, standardized MC database
- several peer-reviewed and technical publications describing the drivers of reef status and deeper causes behind changing coral health and fish resources,
- analytical data analysis workshops where science-to-management translations were built in partnership with UOGML and local partners
- generation of simple translations of science for local consumption, presentations, and evaluating management strategies.

Conservation/Climate Resilience/Sustainable Livelihoods

Program

Support Partner(s) Implementing Partner(s)

Achievements

The Yela Conservation Easement

United States Forest Service – Legacy Program, David and Lucile Packard Foundation Kosrae Island Resources Management Authority (KIRMA), Yela Environmental Landowners Association (YELA)

In 2009, KIRMA, YELA and MCT established a conservation easement in order to preserve the Yela Ka Forest and its surrounding ecosystem in Tafunsak, Kosrae. Ten landowners and their families (approximately 200 people) own the 84.39 acres of the Yela Ka Forest. The ultimate aim of the Conservation Easement is to protect the area while simultaneously providing an economic benefit to the landowners. MCT made the second, annual allocation to the families in 2016.





Program

Support Partner(s)

Implementing Partner(s)

Achievements

Piggery Dry-litter Technology Project

Association for the Promotion of International Cooperation, GEF Small Grants Programme, Global Greengrants Fund

People of Awak, Conservation Society of Pohnpei, Pohnpei EPA, College of Micronesia-FSM, University of Hawaii, Pohnpei Agriculture, USDA Natural Resources Conservation Service and others

Results from a study of rivers and streams around Pohnpei demonstrated high levels of ecoli in the water making them unfit for human use, with the main Awak Village river declared one of the most severely contaminated. The primary source of pollution was 26 pigpens built nearby. Farmers in the area followed remediation recommendations by converting their pigpens to a dry-litter system designed to prevent pig waste entering the river system.

- In 2016, 11 farmers benefitted from compost/natural fertilizers created from pigs'
 wastes with increased crop yield, and profits from the sale of excess compost.
- Community members incorporated an Awak Farmers' Association to ensure that the project is community lead, self-sufficient and self-funded.

Impact Areas

Conservation/Climate Resilience/Sustainable Livelihoods

Program

Building the Resilience of Communities and their Ecosystems to the Impacts of Climate Change in Micronesia and Melanesia

Support Partner(s)

The Nature Conservancy (TNC), Rare

Implementing Partner(s)

Achievements

Conservation Society of Pohnpei, Kosrae Conservation & Safety Organization, Chuuk Conservation Society, Marshall Islands Conservation Society, and Palau Conservation Society. Palau International Coral Reef Center, and Melekeok State, Palau The program objectives include, 1: to measurably improve the adaptive capacity of communities in each of the eight project sites; Objective 2: To demonstrate progress, and share lessons learned with island neighbors and counterparts at local, national, and regional levels Objective 3: Target countries have received strategic direction and guidance regarding sustainable financing and related policy recommendations for climate adaptation at the national level and Objective 4: To identify and share lessons learned and adapt management plan. MCT has engaged local partner organizations as subcontractors to implement community-based climate change vulnerability assessments, management planning, and other actions to improve community resilience to the impacts of climate change in the following eight sites: Wotho Atoll, Republic of the Marshall Islands (RMI); Mejit Island, RMI; Malem, Kosrae, Federated States of Micronesia (FSM); Pakin Atoll, Pohnpei, FSM; Oneisomw Watershed, Chuuk, FSM; Tamil Watershed, Yap, FSM; Melekeok, Republic of Palau (ROP); and, Kayangel Atoll, ROP.

- Supported the incorporation of the TNC lead cost-benefit analyses into the LEAP documents as well as facilitation support of local partners during meetings to share the results with the communities
- Shared project information, lessons learned and outcomes at local, national and regional forums including the Pacific Island Forum Specialist Sub-Committee on Regionalism, The Micronesia Presidents' Summit and Micronesia Chief Executives Summit, International Coral Reef Symposium and the Association of Pacific Island Legislatures meeting.



LEAP process meeting on Mejit Island, Marshall Islands

Impact Areas

Conservation/Climate Resilience/Sustainable Livelihoods



Program
Support Partner(s)
Implementing Partner(s)
Achievements

Solar Mamas

The Barefoot College https://www.barefootcollege.org/, Government of India Chuuk Women's Council

In March of 2016, MCT, the Chuuk Women's Council and the Barefoot College of India launched a new program in FSM, funded by the Indian Government, that selected eight mature women from the islands of Kosrae, Chuuk and Pohnpei who live in villages that are not connected to the main power grid, and sent them to the Barefoot College in India to attend a 6-month course to become certified solar engineers. These women graduated in September 2016 and came home to "light up" their communities in Pohnpei (Parem, Lenger, Mwahnd, Depehk and Takaiou Islands), Kosrae (Walung Village) and Chuuk (Parem Island) with solar energy systems which come as part of the program funded by the Indian Government.

Program

Support Partner(s)
Implementing Partner(s)

Achievements

Building Community Climate Resilience on Sapwuafik Island, Pohnpei, Federated States of Micronesia

Association for the Promotion of International Cooperation, Japan Municipal Government of Sapwuafik

The objective of the project is to build climate resilience and increase food security for the people and communities of Sapwuafik Atoll by providing clean and adequate water resources and reducing threats from contaminants and invasive species to their taro patches/pits. Specifically, this project provided eight (8) one thousand gallon water tanks to each of the nine islets of the atoll to provide them with safe and adequate water resources.



Impact Areas

Conservation/Climate Resilience/Sustainable Livelihoods



Program
Support Partner(s)
Implementing Partner(s)

Achievements

Photos:
Community meeting PC:
YapCAP
Group photo of Declaration
ceremony held in
Ramaan,Okaw PC: YapCAP

Micronesian Forest Stewardship Program

US Forest Service, The Nature Conservancy, Natural Resource Conservation Service Yela Environmental Landowners Association (YELA), Yap Community Action Program (YapCAP), the Conservation Society of Pohnpei (CSP), the Chuuk Conservation Society (CCS) Goals of the Program include: Implement selected, eligible activities from the Yela Forest Stewardship Landowners Plan; Develop parcel-specific Forest Stewardship Landowner plans tiered with existing Conservation Area Plans in selected sites in the Federated States of Micronesia and other islands; Develop Conservation Area Plans (where they do not already exist) or Local Early Action Plans (LEAP) and tiered Forest Stewardship Landowner plans in selected forest sites in the FSM and other Micronesia Challenge jurisdictions; Support the implementation of eligible activities from approved Stewardship Plans, and; Advance Micronesia Challenge Terrestrial monitoring efforts.

- YELA was able to train tour guides, improve YELA's means of transportation by boat, focus more attention on the benefits of ecotourism and share their success stories
- Weloy Traditional Council in Yap authorized the signing the public declaration of the "Weloy Forest Stewardship Conservation Area"
- CCS made significant progress in its implementation of the UFO Forest Stewardship Planning Project
- KCSO submitted a final LEAP in December of 2016. Priorities identified include: develop a solid waste management project for reducing the impact of illegal dump sites on coral reef, declaring an MPA and planting mangroves or other coastal trees as a barrier for erosion
- the Nanwel en Rohi community continued to promote the Grow Low campaign, including training community members on best practices for caring for sakau seedlings and preparing them for lowland planting. CSP assisted community members with the construction of a community nursery. Following the construction of the nursery, two nursery trainings were completed by NRCS and Pohnpei State Forestry.

Grow Capabilities/Bring Financial Resources/Influence Context



Program

Support Partner(s)

Implementing Partner(s)
Achievements

The Bill Raynor Micronesia Challenge Scholarship

David and Lucile Packard Foundation, Margaret A. Cargill Foundation, The Nature Conservancy, Japan Association for the Promotion of International Cooperation, Personal donations from Bill Raynor's friends, family and peers

Micronesia Conservation Trust, Micronesia Challenge Regional Office, the Nature Conservancy
The establishment of the Bill Raynor Micronesia
Challenge Scholarship Fund was inspired by the life and work of one of Micronesia's lead conservation pioneers, William Charles Raynor, known to many as Bill Raynor. Bill Raynor (Feb. 22nd, 1957-Sept. 1st, 2015), former Director of The Nature Conservancy's Micronesia Program, first came to the region as a Jesuit volunteer on the island of Pohnpei in the Federated States of Micronesia (FSM). MCT and TNC

partners have raised approximately \$120,000 for the Scholarship and have opened the application process to recruit the first two scholars for the Fall semester

2017.

Grow Capabilities/Bring Financial Resources/Influence Context

Program

Implementing Protected Area Networks and Improving Fisheries Management in Micronesia

Support Partner(s)

Legislatures, Rare, University of Guam Marine Lab

Implementing Partner(s)

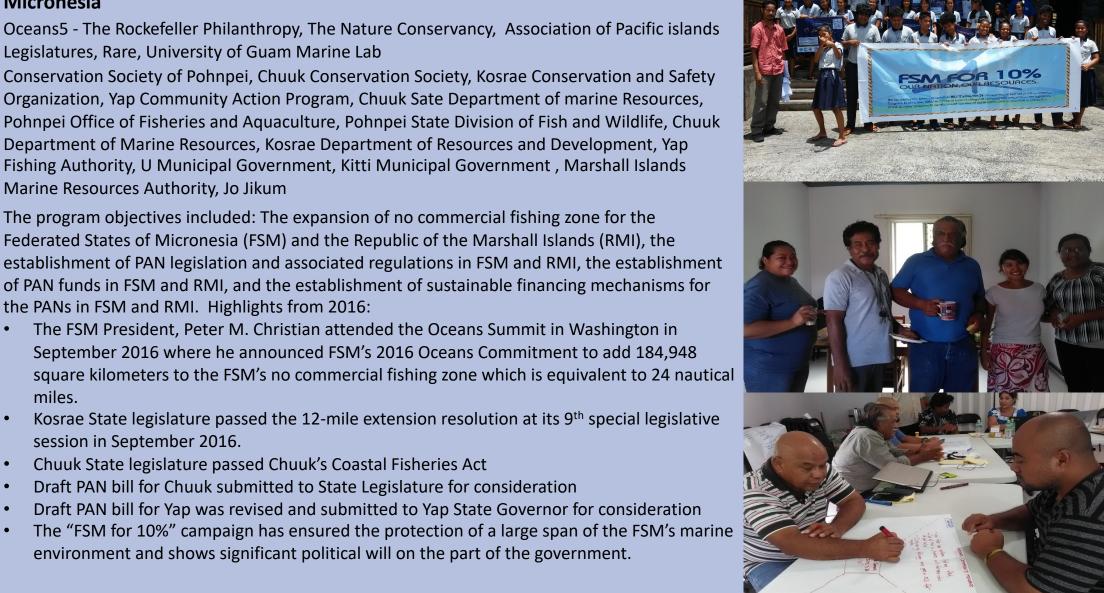
Achievements

Top photo: PCS 8th

Congressional session to support the passage of the

graders at the

- The FSM President, Peter M. Christian attended the Oceans Summit in Washington in September 2016 where he announced FSM's 2016 Oceans Commitment to add 184,948 miles.
- session in September 2016.



12 mile extension Middle photo: from left to right: Mary Linda Salvador, Tony Sarapio, Casiano Schoniber, Crissy Canlas, and Bertha Reyuw at Campaign Training workshop for the 12 mile extension and Protected Areas Network Bottom photo: Jack Sham and Marz Akapito at campaign training

Grow Capabilities/Bring Financial Resources/Influence Context





Program

Support Partner(s)
Implementing
Partners
Achievements

Support to the Global Climate Change Alliance through capacity-building, community engagement and applied research

Global Climate Change Alliance (GCCA), University of the South Pacific Kosrae Conservation and Safety Organization, Conservation Society of Pohnpei, Chuuk Conservation Society Vulnerability Assessment and LEAPs

- Completion of Vulnerability & Adaptation (VA) Assessments and Community Local Early Action Plans (LEAPs) for Walung Village in Kosrae, and the Pakin Community in Pohnpei.
- Initial implementation of V&A Assessment for Piis atoll in Chuuk.
 Training completed with key stakeholders and local partners; initial implementation of V&A Assessment carried out.

Implementation of LEAP priorities:

- Pohnpei: construction of two 10,000 gal. concrete tanks completed to collect, store, and provide clean potable water for the atoll community. Additionally, installation of a pilot 'dry litter pig pen' system was also completed.
- Kosrae: installation of two 1,500 gal. water catchments at strategic public locations in Walung, providing improved access and availability of safe potable water to community. Main water lines also relocated from the coast, further in-land to prevent damage from king tides and coastal damages; and planting of 1,000+ coastal seedlings along the village's coasts for coastal vegetation rehabilitation/ coastal protection completed.

Photos: Top – 1 of two 1,500 water tanks installed at Walung Village in Kosrae-PC: KCSO; Bottom- Pohnpei V&A Assessment Team in Pakin-PC: CSP.

Grow Capabilities/Bring Financial Resources/Influence Context

Program Pacific Islands Managed and Protected Areas Community

Achievements

Support Partner(s) US National Oceanic and Atmospheric Administration, The Nature Conservancy

Partner(s)
Palau International Coral Reef Center, Micronesia Islands
Nature Alliance, University of Guam – Marine Lab, Micronesia
Challenge Regional Office

MCT supports on-the-ground conservation work while also increasing the skill-sets of Micronesians responsible for natural resource management at the state and national levels. In 2016, MCT concentrated its capacity development efforts in this program on:

- Achieving PIMPAC goals and objectives of the updated PIMPAC 2013-2016 Strategic Action Plan (http://www.pimpac.org/images/file/PIMPAC%20Strategic %20Plan 2013-16%20final.pdf); and
- Advancing coordination support for implementation of the Micronesia Challenge (MC), including the MC Measures and the MC Young Champions Internship Program.





Photos: Top- MCYC Intern, Ms. Carey Demapan, with school children during an (MC) outreach event in Saipan-PC::C.Demapan; Bottom - MC Socioeconomic Monitoring Core Team-PC:MINA

Grow Capabilities/Bring Financial Resources/Influence Context



Program Professional Internships in Pacific Terrestrial Island Ecosystem

Management (PIPTIEM)

Support Partner(s) USDA Forest Service, Micronesia Challenge Regional Office, Pacific Islands
Managed and Protected Areas Community -NOAA

Implementing Partner(s) Republic of the Marshall Islands (RMI) Ministry of Resources & Development, Federated States of Micronesia (FSM) Dept. of Resources & Development, Palau Bureau of Agriculture & Forestry, Guam Forestry, Commonwealth of the Northern Mariana Islands Dept. of Land & Natural Resources

The main purpose of the PIPTIEM program is to prepare young professionals to lead terrestrial natural resource organizations, and building the capacity of Micronesian organizations to design and manage conservation programs. Support for leadership skills development relevant to environmental management complementary to the "Micronesia Challenge Young Champions" internship program; and towards Continuing Education courses for staff of State & Private Forestry grantees (or partner organizations), have resulted in the following achievements:

Natural Resource Conservation Service Vegetation Guide Training for staff from RMI Ministry of Resources & Development; Urban & Community Forestry (U&CF) training and networking for FSM U&CF Coordinators with Hawaii U&CF Council; participation of MCT staff in the Joint FSM National Environment Conference & Disaster Risk Management Workshop; and an Environment & Social Gender Mainstreaming & Policy Training which was undertaken by the MCT Team. Institutional Self-Assessments with grantees and partners to help evaluate both institutional and professional development needs.

Internal Drivers

Systems/Means

New Faces at MCT



Finley Perman

The Board of Trustees welcomed 1 a new Trustee:

Mr. Finley Perman, Regional Member and Treasurer

For more details about Mr. Perman and the rest of the Board of Trustees, please visit http://ourmicronesia.org/about-mct/our-board



Tamara Greenstone-Alefaio



Anthony Hele



Shirley Ann Pelep

MCT welcomed four new staff members to the team:

Mr. Anthony Hele, Monitoring and Evaluation Specialist

Mr. Charles Meeme, Chief Financial Officer

Ms. Shirley Ann Pelep, Grants Officer

Ms. Tamara Greenstone-Alefaio, Conservation Program Manager



Charles Meeme

For more details about our new team members and the rest of the staff, please visit http://ourmicronesia.org/about-mct/our-staff

Internal Drivers Systems/Means

Gender Policy and Environmental & Social Safeguards Policy

In 2016, MCT also developed both its "Environment and Social Safeguards Policy (E&S)" and its "Gender Policy". The E&S Policy will ensure that adverse environmental and social impacts of all of MCT funded projects are avoided or, when unavoidable, minimized and appropriately mitigated and/or compensated. The Gender Policy codifies MCT's commitment to gender equality and the empowerment of women, launches a policy framework and operating principles, and outlines priority areas of action for the institution and its subgrantees. The E&S Policy was approved by MCT's Board of Trustees at its October 2016 Meeting while MCT expects the Board to approve the Gender Policy during its April 2017 meeting.

MCT held a staff training activity around the new policies in September. MCT also invited partner organizations to participate in the training in order to familiarize them with new requirements.



Above: MCT staff- back row, Roseo Marquez, Lisa Andon, Semleen Jano, Anthony Hele, Charles Meeme – front row, Willy Kostka, Tamara Greenstone-Alefaio. Meileen Albert, Betty Sigrah, Shirley Ann Pelep, Jo Lynne Gallen Below: Jo Lynne Gallen, Betty Sigrah, Tamara



Monitoring, Evaluation, Reporting & Improvement (M&E)

Mr. Anthony Hele, MCT's M&E Specialist completed his review of MCT's programs, policies and procedures and designed a training/orientation document to familiarize MCT staff with M&E concepts and practices. He held the first in a planned series of staff training activities to introduce M&E concepts and the MCT M&E Framework. He has also commenced drafting M&E guidance documents for MCT and its partners, which will support the Framework's implementation and communication.

The Monitoring and Evaluation Specialist now plans to focus on the roll-out of new policies, procedures and tools as reported above. Once completed, he plans to focus on MCT's internal processes and on completing his staff training, with particular emphasis on preparing Grants Officer, Shirley Ann Pelep, to assume the lead on M&E when he completes his volunteer assignment.

Internal Drivers Systems/Means

Audit and Financial Management

MCT follows the Generally Accepted Accounting Principles maintained by the Financial Accounting Standards Board, widely followed and recognized in the United States. MCT has also commissioned independent financial audits since 2005 and each of these audits has resulted in unqualified reports for MCT. Ernst and Young LLP conducted the FY2016 audit.

Also, as part of the obligations for being a section 501(c)(3)tax exempt organization, MCT has submitted the Form 990 for Return of Organization Exempt from Income Tax to the US Internal Revenue Service since 2009.

Photo: Meileen Albert, Finance officer and Semleen Jano, Office Manager



Statements of Financial Position

	2016	2015
Assets		
Current assets:		
Cash	\$ 695,187	\$ 125,674
Grants and contracts receivable	252,274	384,151
Other receivables and other assets	<u>7,181</u>	<u>7,579</u>
Total current assets	954,642	517,404
Investments	19,015,204	17,682,231
Equipment, net		<u> 106</u>
Total assets	\$ <u>19,969,846</u>	\$ <u>18,199,741</u>
Liability and Net Assets Current liability - Accounts payable	\$ 360,755	\$ <u>103,290</u>
Net assets: Unrestricted	12,066	9,656
Temporarily restricted	4,943,200	3,720,358
Permanently restricted	<u>14,653,825</u>	<u>14,366,437</u>
Total net assets	19,609,091	<u>18,096,451</u>
Total liability and net assets	\$ <u>19,969,846</u>	\$ <u>18,199,741</u>

Internal Drivers Systems/Means

Statement of Activities Year ended December 31, 2016

	Ur	nrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains and other support:					
Grants, contracts and other contributions	\$		\$ 1,945,125	5 \$ 288,543	\$2233,668
Investment gains, net			1,163,020		1,163,020
Miscellaneous		2,516	(10,158)	(1,155)	(8,797)
Net assets released from restriction: Satisfaction of program restrictions		1,875,145	(1,875,145)		
Total revenues, gains and other support		1,877,661	1,222,842	287,388	3,387,891
Expenses and losses:					
Grant and project expenses		1,875,145			1,875,145
Total expenses and losses		1,875,145			1,875,145
Other changes in net assets:					
Depreciation expense	(106)			(106)
Increase in net assets		2,410	1,222,842	287,388	1,512,640
Net assets at beginning of year		<u>9,656</u>	3,720,358	14,366,437	18,096,451
Net assets at end of year		\$ 12,066	\$4,943,200	\$14,653,825	\$19,609,091

The grant and program expenses by object class for the years ended December 31, 2016 and 2015 are as follows:

Grant and Program Expenses:	2016	<u>2015</u>
Regranting	\$ 815,254	\$ 609,275
Salaries and benefits	397,708	321,525
Contractual	254,520	314,237
Program travel	154,529	64,992
Workshops	153,438	113,751
Miscellaneous	23,096	20,322
Administrative travel	20,314	5,000
Board of Directors meeting	17,533	24,140
Supplies and materials	16,790	4,521
Rent	9,000	8,400
Communication	6,091	5,892
Utilities	3,916	4,212
Insurance	1,730	976
Vehicle fuel	703	1,096
Repair and maintenance	<u>523</u>	240
Total	\$ <u>1,875,145</u>	\$ <u>1,498,579</u>

N	on-government partners			Government partners
	The Nature Conservancy Rare Global Island Partnership Micronesians in Island Conservation Pacific Islands Marine Protected Areas Community	Partners and Supporters Support Partners	Regional	Association of Pacific Islands Legislatures Micronesia Island Forum/Chief Executives Pacific Islands Forum, Committee on Regionalism Department of Resources and Development Office of Emergancy and Environmental
Regional	Pacific Islands Marine Protected Areas Community Locally Managed Marine Areas Network Locally Managed Marine Areas Network Linited States National Oceanographic and			Office of Emergency and Environmental Management Congress, Office of the President, Department of Justice Chuuk Department of Agriculture and Forestry Chuuk Environmental Protection Agency Chuuk Department of Marine Resources Yap Resources and Development (R&D) Yap R&D Division of Agriculture and Forestry
Federated States of Micronesia	Chuuk Women's Council Chuuk Conservation Society Kosrae Conservation and Safety Organization Yela Environment Landowners Authority Yap Institute of Natural Science Yap Community Action Program Waa'gey Conservation Society of Pohnpei Awak Youth Organization Island Food Community of Pohnpei College of Micronesia-FSM	Pew Charitable Trusts University of the South Pacific National Fish and Wild life fondation Global Environment Facility, Small Grants Program Rare Global Environment Facility, UN Development Program Institute of Pacific Island Forestry	Federated States of Micronesia	Yap R&D Division of Agriculture and Forestry Yap R&D Division of Land Resources Yap R&D Marine Resource Management Division Yap Fishing Authority Kosrae Island Resource Management Authority Kosrae DREA Division of Agriculture Kosrae Conservation and Enforcement Taskforce Pohnpei Office of Fisheries and Aquaculture Pohnpei Department of Lands and Natural Resources
Republic of the Marshall Islands	Marshall Islands Conservation Society Women United Together Marshall Islands Jo Jakum Ainiken Kora in Mejit College of the Marshall Islands	Conservation International US Fish and Wildlife Services		Pohnpei Department of Public Safety, Fish and Wildlife Pohnpei Department of Economic Affairs Pohnpei Environmental Protection Agency
Republic of Palau Environment Ebiil Society, Inc Kerradel Conservation Network		Republic of the Marshall Islands	Marshall Islands Marine Resources Authority RMI OEPPC Ministry of Resources and Development	
	Environment Ebiil Society, Inc		Republic of Palau	Palau OERC Palau Ministry of Environment Palau PAN Fund
CNMI	Mariana Islands Natural Alliance		CNMI	Forestry-Division of Land & Natural Resources
US Territory of Guam	Humatak Community Foundation		US Territory of Guam	Department of Agriculture

MCT: World Class and Deeply Micronesian

Kalahngan Kinisou Chapur

Kamagar Kommol Tata

Kulo Mulalap Mesulang

Olomwaay Si Yu'us Ma'ase

Thank You Very Much

Report prepared by:

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