

2019 Annual Report

Micronesia Conservation Trust



LETTER FROM THE CHAIRPERSON OF THE BOARD OF TRUSTEES



Dear Friends and Supporters of MCT,

Alii and Warmest Greetings from Micronesia. I am so very pleased to represent my colleagues on the Board of Trustees of the Micronesia Conservation Trust (MCT), in relaying this letter at the end of yet another year of progress at MCT. It was my distinct honor to assume the Chairmanship of the Board of Trustees at the beginning of this year when our former Chairwoman, the Honorable Doreen deBrum stepped into her role as the Ambassador from the Marshall Islands to the European Union. She now serves the Board as an International Trustee. I am confident that I speak for my colleagues in thanking her for her years of leadership and service to MCT, the Micronesia Challenge, and to conservation and Climate Action in Micronesia.

2019 represented the second year of implementation of our updated Strategic Action Plan and my fellow Trustees and I would like to congratulate the Staff and Management of MCT for the progress made and for the support lent to our partners across the region. We are especially pleased by the expansion of the Livelihoods work and projects and with the approval of the concept note for the proposed Green Climate Fund project for food security in the Federated States of Micronesia, which we hope to replicate in the other jurisdictions we support. On the regional scale, the Trustees are honored to be involved in advancing the work to re-vision the Micronesia Challenge and update its targets to reflect the success of the first phase of the Challenge. We look forward to now supporting the achievement of effectively managing 50% of the Micronesia's near-shore marine resources and 30% of the region's terrestrial resources.

The Trustees wish to thank all of our partners in the region, from communities focused on the appropriate and sustainable management of their natural resources, to our NGO partners and local experts. We also acknowledge the support of the donors and technical partners who share our commitment to ensuring the success of the Micronesia Challenge and adaptation to the rapidly escalating impacts of Climate Change. Please read through the report to learn more about these and the many other initiatives and achievements we have done our humble best to support. I hope you enjoy.

Kokmal Mesulang,

Elbuchel Sadang, Chairman of the Board of Trustees

MESSAGE FROM THE EXECUTIVE DIRECTOR

Dear friends and partners of MCT,

Kaselehlie and greetings from Pohnpei, Micronesia! Like so many years in the past, 2019 proved itself a remarkable year for us. The tremendous work that our partners and communities on the ground do, and the technical and financial support we receive from our superb regional and international partners, have made our joint work significant and meaningful in the lives of those we serve.

As you will find from the report, we have amassed concrete success stories this year and have seen bold leadership decisions which will allow our partnerships to leverage more supporters and financial and technical assistance to our region. In September 2019 Governor Lourdes A. Leon Guerrero and Lt. Governor Joshua F. Tenorio launched the Guam Green Growth Initiative to transition Guam to a sustainable future, and FSM President, the Honorable David Panuelo, demonstrated foresight in launching the Blue Prosperity Micronesia initiative. These are just two examples of the outstanding leadership steps our Micronesian Presidents, Governors, and legislators are taking to build a more resilient and sustainable Micronesia.

We have also seen tremendous developments in the capacity of Micronesians to lead conservation programs across our region, with support from peer learning networks like Micronesians in Island Conservation and Pacific Islands Managed and Protected Areas Community, and our internship and scholarship programs. 100% of the young and talented champions who have received scholarship support from both the Bill Raynor Micronesia Challenge and the APIC-Sophia University scholarship programs have returned home to take up leadership roles in their organizations.

We are now seeing good progress and conservation results in many of the communities that have been working hard to build their resilience to the impacts of climate change. Not only are they increasing their resilience, some of them are enjoying improved livelihoods from some of our programs like the Coconut for Life Project and other alternative livelihoods programs. Community members and leaders, traditional leaders, and local NGOs and government leaders are all striving to conserve our land and sea to improve quality of life for communities across Micronesia. Together, we are achieving tangible results and scaling these model programs across Micronesia. MCT most sincerely thanks you all for your vision, dedication, and partnership in these programs and we look forward to continuing our joint work in 2020.

Kalahngan,

William Kostka



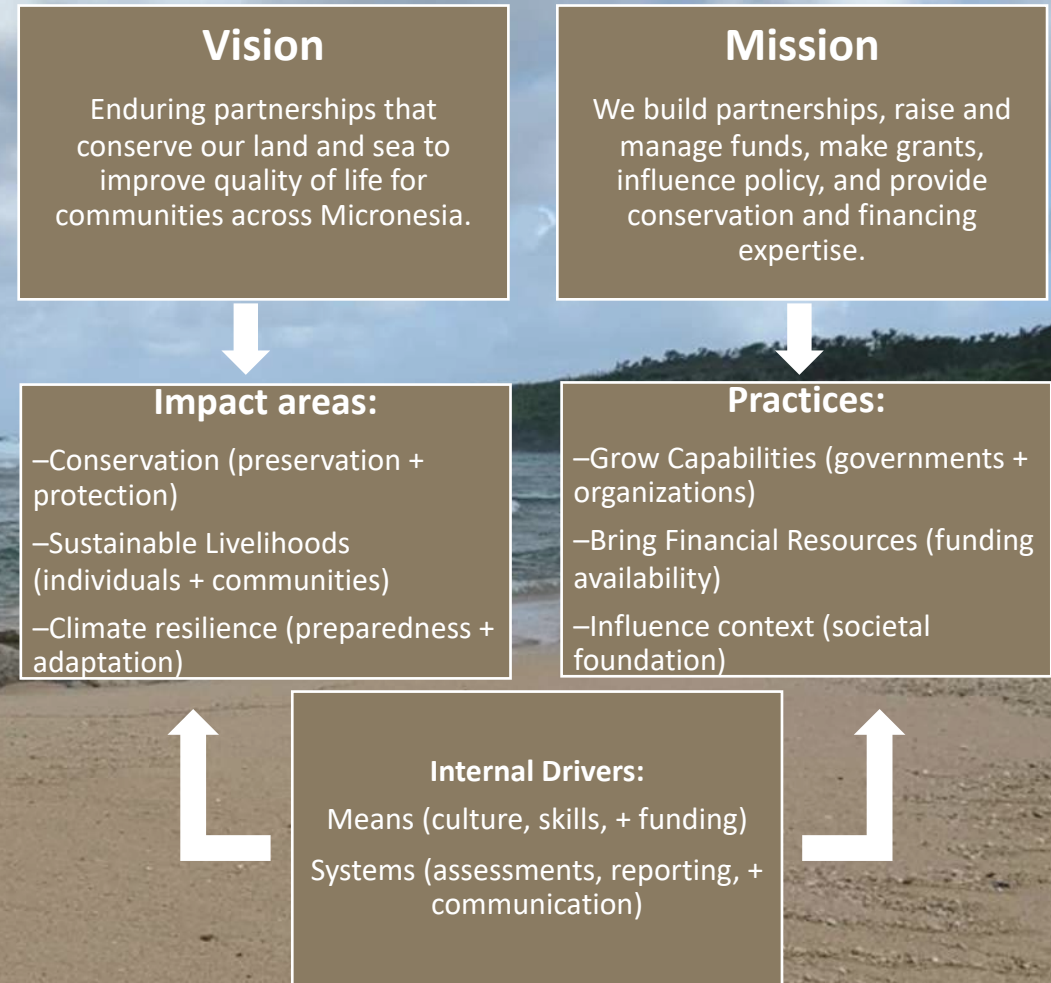
World Class and Deeply Micronesian

MCT Strategic Action Plan 2019-2021

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

Statement of Strategy: 2019-2021

We will strengthen our core value proposition: acting as an effective bridge between the international conservation community, development partners, and our Micronesian communities and governments. We will deliver efficient funding, insightful conservation and resource management practices, financing expertise, partnership access to stakeholders, and continued improvements to measuring and sharing results. We will balance increasing our ability to lead regional action for conservation, climate resilience and sustainable livelihoods with strengthening and supporting key partners and partnerships and engaging influential champions to guide policy and action in all political jurisdictions throughout Micronesia. We will continue to gather conservation insights and bring best practices to the region and the international community.





Key MCT Results 2019

MCT continues to promote conservation and support livelihoods development projects for the communities in Micronesia through funding opportunities. The projects have led to heightened community support for natural resource management efforts, resulting in effective management of over 80,000 hectares of nearshore and terrestrial areas with endorsed management plans as of the end of 2019. New partnerships were developed and additional funding sources secured that will further the work of MCT and its partners.

As a non-implementing entity, MCT shares with its partners the key achievements highlighted in this 2019 annual report. The financial accomplishments from the past year are illustrated in the table to the right.

Total projects funded	\$1,658,230.93
Total endowment funds	\$23,197,840.48
MCT operational endowment	\$895,997.51
MC Endowment RMI	\$4,711,548.00
MC endowment FSM	\$6,645,413.83
MC endowment CNMI	\$1,265.42
MC endowment ROP	\$10,424,075.23
MC endowment Guam	\$44,794.77
Bill Raynor MC Scholarship	\$443,119.84
Helen Reef MCA	\$31,635.57
Yela Easement Endowment	\$547,354.61

**Financial information is unaudited*

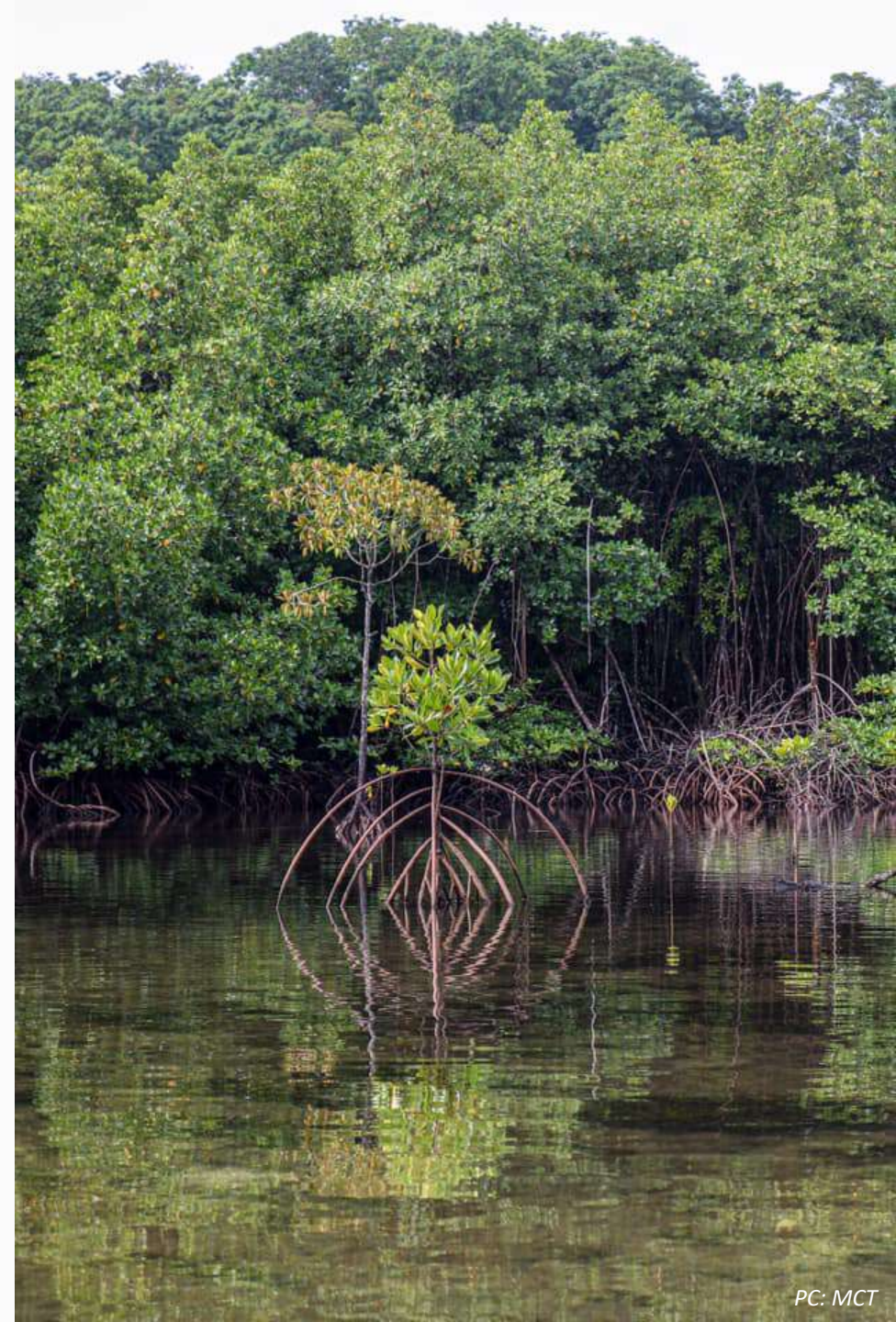
2019 Highlights

About: The Micronesia Challenge (MC) is an ambitious regional initiative with an initial commitment to effectively conserve 30% of near-shore marine resources and 20% of terrestrial resources by 2020. It was launched in 2006 by the chief executives of the Republic of Palau (ROP), the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI), the Commonwealth of the Northern Mariana Islands (CNMI), and US Territory of Guam.

Status: The MC partners have achieved more than half the Challenge's 2020 goals through Protected Area Networks (PAN), with more than 150 sites established across the region. Progress is assessed by biological and socio-economic measures and management effectiveness. The joint communique of the 24th Micronesia Islands Forum in July of 2019 expanded the MC to include sustainable livelihoods, fisheries management, enforcement capacity, and climate change mitigation and risk reduction. The goals were updated to effectively conserve 50% of near-shore marine and 30% of terrestrial resources by 2030. The MC has enabled tens of millions of dollars to be leveraged toward conservation, and MCT continues to manage an endowment to support recurring expenses which had reached nearly 22 million USD by the end of 2019. Palau is the first jurisdiction to draw funds from its endowment (2017-2019).

Highlights

- MC partners evaluated the 2006-2020 status of the Challenge to review progress and develop lessons learned which will contribute to planning and implementing the updated goals of the next MC iteration (2020-2030).
- The SEM (Socioeconomic monitoring)-core team developed a survey tool to be used across the MC region to help long-term socioeconomic monitoring for all MC jurisdictions.
- The Palau International Coral Reef Center has been contracted to establish the regional SEM database.
- The Terrestrial measures Lead conducted Forest Inventory Analysis (FIA) data analysis workshops in Pohnpei and the Marshall Islands.
- An FIA database and associated training were completed with the Palau Automated Land and Resources Information System
- Standardized MC coral-reef monitoring conducted in partnerships between UOGML and local agencies at 10 long-term sites on Kosrae, 22 sites on Pohnpei, 36 sites on Chuuk, and 12 sites on Yap.
- Continued capacity building through partner networks (Pacific Islands Managed and Protected Areas Community, Micronesians in Island Conservation, Micronesians in Finance Administration Network, Locally Managed Marine Areas, Rare)
- Bill Raynor MC Scholarship/APIC and Sophia University have supported graduate studies for a total of 13 students from across the region.



Impact Areas

Conservation/Climate Resilience/Sustainable Livelihoods

Meeting the Goals of the Micronesia Challenge: 2020 Milestone and Beyond

Supporting Partner: Margaret A. Cargill Philanthropies (MACP)

Implementing Partners: Kosrae Conservation and Safety Organization, Coral Consulting, University of Guam's Research Corporation, Palau International Coral Reef Center, Palau Conservation Society (PCS), Conservation Society of Pohnpei (CSP), Ebil Society, Inc., the Nature Conservancy, Ridge to Reef, Kitti Municipal Government, Marcela Foundation, Namdrik Atoll Development Association, Pakin Community Association, Duk Duk Goose, Inc., Micronesia Conservation Coalition, Mariana Islands Nature Alliance, Palau Protected Area Network Fund

Overview: Through continued support from the MACP, this project continued to capitalize on the momentum from the Micronesia Challenge (MC) while expanding necessary support for Protected Area Networks (PAN), improving protected area effectiveness, and advancing fisheries management. The project is still strengthening financial and human capacity and supporting the MC jurisdictions to celebrate the successes of MC 2020 and launch the next iteration of the MC to 2030.

Highlights:

- 15 small grants equaling a total of \$390,876.00 were awarded to organizations across the MC jurisdictions; project implementation began.
- MCT developed a Terms of Reference and announced a request for proposals for the revision of the Micronesia Challenge Sustainable Financing Plan
- The Micronesia Challenge Young Champions (MCYC) Program recruited a new intern from each MC jurisdiction: Shuri Chibana from Palau; William Naden from The US territory of Guam; Pheona David from Commonwealth of the Northern Mariana Islands; Berlando Hadley from Federated States of Micronesia; and David Aiseia from Republic of the Marshall Islands.
- The SEM (Socioeconomic Monitoring) Measures Lead, Winfred Mudong, was certified in Statistical Package for the Social Science (SPSS) as a data analysis tool and then conducted training on the software with the SEM Core team members from across MC jurisdictions.



Photos: MCT and CSP at International Women's Day (top left), SPSS Training (top right), Community project in RMI (bottom right), reef fish (bottom left)



PICRC outreach day (above), Coral reef monitoring dives conducted in Kosrae, FSM (left)

PC: MCT

Advancing science-to-management feedback loops to prioritize stressors on coral reef ecosystems in support of the Micronesia Challenge

Support Partner: US National Oceanic and Atmospheric Administration (NOAA)

Implementing Partners: University of Guam Marine Lab (UOGML), Palau International Coral Reef Center, Marshall Islands Marine Resources Authority, Conservation Society of Pohnpei, Kosrae Conservation and Safety Organization, Yap Community Action Program, The Nature Conservancy, Locally Managed Marine Areas, Micronesians in Island Conservation, Pacific Islands Managed and Protected Areas Community, Chuuk Women's Council.

Overview: The NOAA Cooperative Agreement supported the development of science across Micronesia. The project continued the marine biophysical and socioeconomic monitoring efforts across the jurisdictions in Micronesia. MCT and partners achieved the following throughout 2019:

Highlights:

- The SEM Coordinator completed Socioeconomic Monitoring Trainings in Tamil, Yap in the FSM and Majuro in the RMI.
- As part of the PacIOOS Water Quality Sensor Partnership Program (WQSPP), CSP worked with PacIOOS to deploy the instrument in coastal waters to improve sediment monitoring capabilities.
- A formal examination into the long-term trends across Micronesia with respect to the recent 2015/17 El Nino Southern Oscillation (ENSO) event was conducted by Dr. Houk at the University of Guam.
- Dr. Peter Houk and Mr. Andrew McInnis of the UOGML conducted a refresher training on the Micronesia Challenge Protocol in Kosrae.
- The Chuuk Coral Reef monitoring team and partners implemented the “NOAA Summer Camp 2019” for students aged 10-15.
- The Marshall Islands Conservation Society produced 8 articles for their Shark Awareness Program.
- The Micronesia Challenge Socioeconomic Coordinator and Pohnpei SEM core team completed the Nahtik/Woanun Kepin Soamwoai (Pohnpei) socioeconomic assessment report.
- Standardized MC coral-reef monitoring was conducted in partnerships between UOGML and local agencies at 10 long-term sites on Kosrae, 22 sites on Pohnpei, 36 sites on Chuuk, and 12 sites on Yap.
- Field data has been processed and entered for 62% of these sites and available in the online, long-term Micronesia Challenge marine database hosted by UOGML.
- The Earth Council at Akoyikoyi Elementary school was established in Weno, Chuuk where members will learn about environmental conservation.

Micronesia Challenge Forestry Inventory and Analysis and Terrestrial Conservation Program in Micronesia

Supporting partners: US Department of Agriculture (USDA), US Forest Service (USFS)

Implementing partners: Micronesia Challenge Regional Office, FSM Department of Resources and Development, The Marshall Islands Ministry of Natural Resource and Commerce, Guam Department of Agriculture, Commonwealth of the Northern Mariana Islands Division of Agriculture, Palau Bureau of Agriculture, Pohnpei State Department of Land and Natural Resources (DLNR), Conservation Society of Pohnpei, Kosrae Island Resource Management Authority, Kosrae Conservation and Safety Organization, Yela Environment and Landowners Authority, Chuuk Division of Agriculture and Forestry, Chuuk Conservation Society, Chuuk Women Council, Yap Department of Resources and Development, Yap Community Action Program, the Guam Plant Extinction Prevention Program of the University of Guam

Overview: The ultimate goal of the program is to improve the effectiveness of the Micronesia Challenge to conserve priority areas by providing leadership, strengthening partnerships, and increasing terrestrial monitoring capacity. This project supports the establishment of intensified Forest Inventory Analysis (FIA) plots within the Protected Area Networks (PAN) and other priority landscape areas. Through the MC Terrestrial Champion (MCTC), MCT provides technical and financial support to all participating governments, promoting partnership across the region by connecting agencies, municipal governments, community representatives, and NGOs to support terrestrial conservation initiatives.

Highlights:

- MCT contracted Mr. Julian Dendy, FIA Data Analyst, to analyze regional FIA data and share results with stakeholders through summaries intended for a local audience. Summaries continued to be updated for the web viewer and available at: <https://mcterrestrialmeasures.org>
- MCTC and Mr. Dendy ((USFS) conducted two FIA data analysis workshops: one in Pohnpei and one in Majuro, Marshall Islands.
- MCT supported the creation of an FIA Guide-to-Tabling Tool to streamline FIA data analysis queries and scientific terms for the use of local Foresters and terrestrial resource managers. Plans to roll out the guide in 2020 will expand capacity by promoting participation and data literacy in the region such that participating jurisdictions can manage their FIA and MC data independently.



PC: MCT



FIA data analysis workshop in the RMI

Highlights continued

- In Pohnpei the MCTC established the Pohnpei State Terrestrial Resource Working Group.
- In 2019 MCT applied for further funding from the USFS to expand this terrestrial conservation program contributing to the MC targets to further support efforts in years to come.
- Mr. Dendy and the MCTC developed a draft journal article: Forest Status and Trends Across Micronesia from Assessment of Micronesia Challenge Terrestrial Measures and Forest Inventory Analysis (FIA), to be published in 2020.
- MCT funded the establishment of a database to house forest monitoring data and to conduct training through the Palau Automated Land and Resource Information System (PALARIS) in Palau.
- The MCTC reengaged with CNMI after super typhoon Yutu struck the islands in 2018. During a visit to Saipan, MCT worked with the Bureau of Environmental and Coastal Quality to develop an updated protected area map for the islands in preparation to conduct FIA in 2021.
- The MC Terrestrial Champion continued to explore tools and funding for measuring the other MC indicators (water and birds) that will be applicable
- The MCTC participated in Pacific Islands Forestry Committee Meeting in Hawaii where he and Mr. Dendy presented the preliminary results of the RMI and the other MC jurisdiction analysis.



Left: MC Terrestrial Champion Roseo Marquez at Guam Department of Agriculture Tissue Culture Lab
Right: Detail of a banana tree seedling in Tissue Culture Lab
Below: Visit to Laulau Bay Watershed in CNMI





Impact Areas

Conservation/Climate Resilience/Sustainable Livelihoods

Update of the National Federated States of Micronesia and Republic of the Marshall Islands Forest Action Plans (FAP)

Supporting partners: US Forest Service (USFS)

Implementing partners: The FSM Department of Resources and Development, Kosrae Island Resource Management Authority, Chuuk Department of Agriculture and Forestry, Pohnpei State Department of Land and Natural Resources, Yap Department of Resources and Development, The Marshall Islands Ministry of Natural Resource and Commerce

Overview: Forest Action Plans are a tool for islands to identify their highest priorities for forest resource management and seek implementation of their strategies, with on-island partners and with assistance from the United States Department of Agriculture Forest Service. The initial strategies were completed in 2010 and need to be updated by middle of 2020. As such, the State Forestry offices in the FSM and the RMI contracted MCT to support them in these updates. Updated FAPs are required by each jurisdiction to continue to secure USFS support and can be used to garner other forestry and terrestrial conservation funds across the region. Outcomes of jurisdictional FIA analyses generate recommendations for FAPs.



Highlights:

MCT conducted three FSM state FAP consultation workshops: Chuuk, Yap, and Kosrae (Pohnpei to be done in early 2020).

FAP workshop in:
Kosrae (top left),
Chuuk (bottom left),
and Yap (bottom right)

Increasing Resilience of Micronesia's Mangroves: Pohnpei Pilot Project


Supporting partner: United States Geological Survey (USGS), Department of Interior (DOI), Fish and Wildlife Service (FWS), United States Forest Service (USFS)

Implementing partners: Conservation Society of Pohnpei, Pohnpei State Government, the Nature Conservancy, US Fish and Wildlife Service, US Geological Survey, Department of Interior Office of Insular Affairs, Pacific Islands Climate Change Cooperative, US Forest Service, University of Tasmania, Dr. Stephen Crooks.

Overview: This project will complete a pilot to build local capacity to identify and implement viable management options for increasing mangrove resilience in Pohnpei. It is anticipated that this project will ultimately leverage similar efforts in the rest of Micronesia to address the need to increase long-term resilience and adaptive capacity of mangrove resources across the region.

Highlights:

- During a trip to Pohnpei in September 2019, Ms. Karen Thorne and Mr. Kevin Buffington of USGS presented the preliminary outcomes of the WARMER climate change scenario model to MCT and partners.
- The University of Tasmania continued to develop the island-wide vulnerability assessment to be completed and shared with partners in 2020.



USGS scientists report project findings to Pohnpei stakeholders



Impact Areas

Conservation/Climate Resilience/Sustainable Livelihoods



Assessing and Building Adaptive Capacity to Address Climate Change Impacts on Fishing Communities and Fisheries Resources in Micronesia

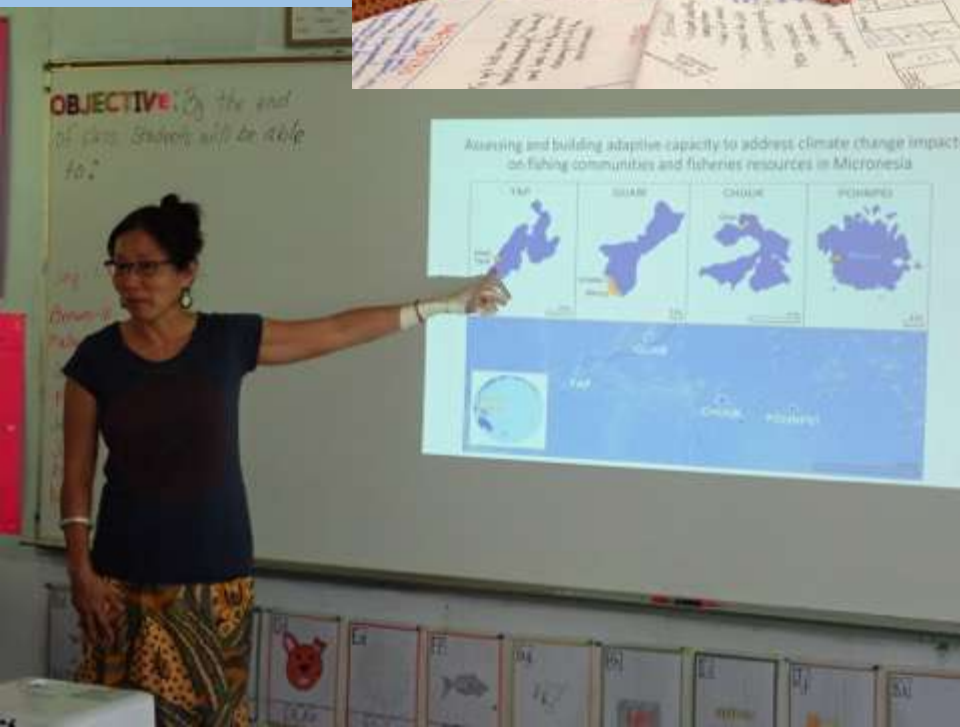
Supporting Partners: US National Oceanic and Atmospheric Administration (NOAA), University of Hawaii (UH)

Implementing Partners: the Nature Conservancy (TNC) Reef Resilience Program, Micronesia Islands Nature Alliance, Conservation Society of Pohnpei, Chuuk Conservation Society, Humatak Community Foundation, Yap Community Action Program, West Fanif Marine Conservation Area, NOAA Fisheries Guam Office, University of Guam, MarAlliance

Overview: This project collected and integrated data on the social adaptive capacity of fishing communities, considering existing fisheries and ecological and climate data. The project provides a leading example of integrating social and ecological data to support the resilience of fisheries and fishing communities in Micronesia. The collected data will inform sustainable fisheries management and climate adaptation planning, in line with the ultimate project goal, which is to support resilient and adaptive fishing communities in Micronesia in the face of climate change. It was completed in 2019.

Highlights:

- In the first half of 2019, research lead Dr. Supin Wongbusarakum and local NGO partners reported preliminary socio-economic monitoring (SEM) results to the target communities: Merizo and Humatak in Guam, Pehleng in Pohnpei, and West Fanif in Yap.
- In June, MCT hosted a workshop in Guam with regional partners to communicate key messages from this project with communities and fisheries managers. The partners developed graphic design concepts and outreach materials supporting the key messages which will be used for communications products regionally. The workshop reflected on lessons learned through the project, process, its implementation, and results.



Final messaging workshop in Guam (top), Dr. Supin Wongbusarakum reports project outcomes to the West Fanif community (bottom)



Impact Areas

Conservation/Climate Resilience/Sustainable Livelihoods

Fishing for Climate Resilience: Empowering vulnerable, fisheries-dependent communities to adopt ecosystem-based adaptation measures for securing food and livelihoods

Supporting Partners: Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU), Rare

Implementing Partners: Rare Micronesia, Conservation Society of Pohnpei, Pohnpei State Government, Pohnpei State Municipal Governments, Ebiil Society, Inc., The Nature Conservancy

Overview: The project aims to empower vulnerable, fisheries-dependent communities to identify and implement ecosystem based-adaptation (EbA) measures. Such measures will restore and sustain small-scale fisheries, conserve critical ecosystems, and sustain the ecosystem services needed to enhance adaptive capacity, coastal protection, food security, and livelihoods. The project will incorporate EbA and disaster risk reduction into coastal fisheries management and thus mainstream EbA into community practices and relevant national strategies. Trainings will facilitate access to existing climate financing mechanisms. Lessons learned will be shared regionally and through international forums.

Highlights:

- Rare hired Principal Program Implementors for Pohnpei and Palau, Jasmine Mendiola and Kevin Mesebeluu, respectively.
- The project was kicked off in Pohnpei with an introductory workshop with municipal government leaders, relevant government agencies, and partnering NGOs.
- Project implementors visited Rare Philippines office and learned more about the program, implementation, and success stories from target communities in the area.

Providing technical and outreach support to harmonize state shark protections and the national shark sanctuary regulations

Supporting partners: Secretariat of the Pacific Regional Environment Programme, Pew Charitable Trust

Implementing partners: Federated States of Micronesia, State governments of Chuuk, Kosrae, and Pohnpei, National Government

Overview: The 2016 Micronesia Shark Sanctuary Regional Symposium held in Palikir, Pohnpei, the Federated States of Micronesia (FSM), identified inconsistencies in regional shark laws. The Micronesia Conservation Trust (MCT) was tasked by the FSM Department of Resources and Development to work with the state governments to ensure that the laws are all in sync and not in conflict with the FSM constitution and other international laws. MCT commissioned a local law firm to draft amendments which were sent to the relevant government offices for ratification. From 2016 to mid 2018, the proposed amendments did not progress as expected. To support these amendments, MCT sought support from Pew Charitable Trust. With the newly leveraged funds from Pew through SPREP, MCT hired local consultants to work with FSM national government and the state governments of Chuuk, Kosrae, and Pohnpei. The shark law for Yap was already consistent with the FSM law.

Highlights:

- The proposed amendments to the shark laws for Chuuk, Kosrae, and Pohnpei state jurisdictions have been passed and the proposed amendment to the national shark law was introduced.



Impact Areas

Conservation/Climate Resilience/Sustainable Livelihoods

Practical Solutions for Reducing Community Vulnerability to Climate Change in the Federated States of Micronesia

Supporting Partner: The Adaptation Fund

Implementing Partners: The Nature Conservancy, FSM Department of Environment Climate Change and Emergency Management, FSM Department of Resources and Development, USAID Climate Ready, FSM NGOs, State Government Agencies

Overview: The overall goal of the project is to build the ecological, social and economic resilience of communities in the FSM through practical solutions for reducing community vulnerability to climate change stressors that are already affecting the marine ecosystem on which they depend for subsistence and livelihoods.

To achieve the Project Goal, this project consists of three main components:

1. Natural assets or ecosystems under protected area management and near-shore fisheries are adequately protected/rehabilitated
2. Community-level adaptive capacity strengthened to address climate change threats
3. Knowledge Management system developed to facilitate future scaling-up and replication of effective MPA management and community-led ecosystem-based approaches

Highlights:

- All State Protected Area Network (PAN) Coordinators are on board. Significant progress was made towards the formal operationalization of the FSM PAN by the end of 2020.
- Nine NGO/communities received subgrants to implement adaptation projects, totaling over \$340,000. Projects includes SEM (Socioeconomic monitoring) surveys, agroforest garden support, sustainable livelihoods opportunities, Protected Areas planning and designations, gender inclusivity, capacity opportunities, fisheries management, and development of dry litter piggeries.
- This project supports over 15,000 hectares of protected or managed areas.



Community team taking sampling at Gatumoon site for Weloy taro patches sampling plan



Kaday village women planning session

PC: B. Gorong/Weloy



Impact Areas

Conservation/Climate Resilience/Sustainable Livelihoods

The Yela Conservation Easement

Supporting Partners: USFS— Legacy Program, the David and Lucile Packard Foundation

Implementing Partners: Kosrae Island Resource Management Authority, Yela Environment and Landowners Authority, the Nature Conservancy

Overview: In 2014, the above partners established Micronesia's first conservation easement in Kosrae to preserve the Yela Ka Forest and its surrounding ecosystem. Ten landowners and their families (approximately 200 people) own the 84.39 acres of the Yela Ka Forest. The families have given up the bulk of their commercial development rights within the easement. They receive annual dividends equivalent to half a year's average salary in Kosrae from the Yela Endowment. The ultimate aim of the conservation easement is to protect the area while simultaneously providing an economic benefit to the landowners.

Highlights:

- MCT made the fourth annual payment of approximately \$20,000 in annual dividends to the 10 families in 2019.
- The easement has resulted in permanent conservation of 78 acres of Kosrae's wetland forest, which includes part of the largest remaining contiguous stand of Ka tree (*Terminalia carolinensis*) in the world.

Kuop Project

Supporting partners: Chuuk Conservation Society, Chuuk Department of Marine Resources (DMR), Seacology

Implementing partners: DMR, Kuop Protected Area Landowners

Overview: Seacology provides developmental assistance to island communities as a way to promote marine protected area implementation in Pacific Island communities. The work at the Kuop Protected Area will include the construction of a guardhouse, reseeding of the reef with critical species and community conservation management planning.

Highlights:

- Work began on the construction of a guardhouse and temporary storage facility with the assistance of two Conservations Officers (CO) from DMR. The team installed a water tank which will provide water for drinking and laying concrete.
- The COs identified reef areas suitable for sea cucumber and clam nurseries.
- Discussions took place on the potential to link this project to ongoing initiatives such as R2R and the Coconuts for Life Project.

Supporting Community Network in Coral Reef Protection in Chuuk

Supporting Partners: The Association for Promotion of International Cooperation (APIC) — Japan

Implementing Partners: Chuuk Conservation Society, Chuuk Department of Marine Resources

Overview: Due to capacity challenges and isolation of the vast marine ecosystem in Chuuk, monitoring of protected areas has been largely fragmented. Recognizing this, there have been increased efforts to entice and empower community-based monitoring with technical support from partners. This program will broaden monitoring capacity and increase community involvement through training and partnership opportunities for enforcement and community members.

Highlights:

- The grant was awarded and the contract was issued.
- Implementation will occur through 2020.





Impact Areas

Conservation/Climate Resilience/Sustainable Livelihoods

Coconuts for Life (C4L)

Supporting Partner: FSM Vital Energy

Implementing Partners: Conservation Society of Pohnpei, FSM Department of Resources and Development, FSM Social Security Administration, iStop, Pohnpei State Resources and Development, Chuck Women Council, Chuuk State Resources and Development, Chuuk Invasive Species Taskforce

Overview: Coconuts for Life (C4L) is an initiative by FSM Vital Energy (Vital), supported by MCT to rehabilitate the copra industry to support Vital and MCT's commitment to improve the livelihoods of the people of Micronesia. The project enhances the capacity for the buying, selling, exporting, manufacturing, processing, and distribution of copra and other products from coconut trees in the FSM. New community-based revenue streams are created for the people as opportunities become available for farmers to market coconuts.

Highlights:

- MCT hired Justin Fritz as its coordinator in Chuuk State and hosted an orientational training introducing Mr. Fritz to partners in Pohnpei and Chuuk.
- The Chuuk coordinator secured an office space with the Chuuk State Government and formed an engagement team consisting of FSM Social Security, Chuuk State Agriculture, MCT, and the Disaster Office.
- MCT concluded its first contract with FSM Vital to support the community component of C4L project.
 - 15 Farmer Groups established and actively trading to FSM Vital on a monthly basis.
 - 6 groups were formally registered under the Participatory Guarantee System (PGS) model. Nine are trading under trial.
 - Chuuk State has 40 pledged PGSs with five registered with the FSM registrar.
 - Awareness meetings held in 35 communities, including celebrations of International Women's Day and Pohnpei Cultural Day.
- Collaboration and partnership with FSM and State offices were strengthened through shared efforts toward community engagements.
- MCT and Vital began negotiations for an expanded contract for C4L in Pohnpei.
- The PNI engagement team now consists of: MCT, FSM Resources and Development, State Agriculture, the State Forestry office, COM CRE, and FSM Social Security
- Rehabilitation efforts in Chuuk and PNI are tailored to each farmer and property. Lenger farmers have agreed to plant 50 nuts per farmer per year for 5 years, while Takaious farmers will plant 100 nuts per farmer per year.



Above: Formation meetings with Lenger and Parem PGS officers, with then Congressman, now FSM President David Panuelo, and Senator Edmund Moses
Below: First community engagement in Chuuk, Tonoas





Impact Areas

Conservation/Climate Resilience/Sustainable Livelihoods

Blue Prosperity Coalition, Expanding Protected Area Networks and Improving Fisheries Management in the Federated States of Micronesia (FSM)

Supporting partners: Waitt Institute, Oceans 5

Implementing Partner: Blue Prosperity Coalition members

Overview: The Blue Prosperity Coalition <https://www.blueprosperity.org/> (BPC) mobilizes a network of global partners committed to the long-term goal of protecting 30% of the ocean and creating and implementing a blue prosperity plan. The plan proceeds along three guiding pillars: marine spatial planning, developing a blue economy, and creating marine protected areas. On September 25, 2019, Federated States of Micronesia President Panuelo signed an MOU with the BPC on behalf of FSM to protect 30% of its ocean by 2030. MCT is the in-country coordinator for the goals of the BPC, which will involve fisheries management, responsible tourism, development planning, capacity building, adaptation, and various legislative and regulatory measures.

Highlights:

- Mr. Ted Waitt, Founder and Chairman of Blue Prosperity Coalition, visited the FSM in July 2019 to meet with President Panuelo and FSM State Leadership.
- The partnership was announced to the international community at the United Nations General Assembly in September 2019.
- The Conservation Society of Pohnpei, Pohnpei Menin Katengensed (an organization supporting a sustainable seafood market), and partnering NGOs hosted the 2nd annual My Life My Responsibility Fishing Tournament in Pohnpei, which supports the campaign to reduce pressure on coastal fisheries by choosing pelagic fish over reef fish.

MCT welcomes Mr. Waitt and delegation to Pohnpei



PC: MCT

PC: Office of the President of the Federated States of Micronesia



Left to right: BPC Executive Director Heather Zichal; FSM President David Panuelo; BPC founder and chairman Ted Waitt; Oceans5 Program Director Seth Horstmeyer at a UNGA event

PC: MCT



Winner poses with 2nd annual My Life, My Responsibility fishing tournament team, Pohnpei



Impact Areas

Conservation/Climate Resilience/Sustainable Livelihoods

Solar Mamas

Supporting partners: The Barefoot College, Government of India

Implementing partners: Chuuk Women's Council

Overview: In 2016, eight women from the islands of Kosrae, Chuuk, and Pohnpei were trained at Barefoot College in India in a 6-month solar engineer certification program. The women live in villages off the main power grids and the goal of this program is to bring solar energy systems to their respective communities.

Highlights:

- MCT continued to support Barefoot College with expediting the shipment of the equipment required for the women to begin installation of the solar systems.
- MCT is working with FSM Government, state governments, utility corporations and other partners who are coordinating with the EU to expand the Solar Mamas project to other islands in Chuuk lagoon.

Invasive Species Taskforce Of Pohnpei (I-STOP), Enhancing Pohnpei's Ecosystems and Food Security through the Prevention, Eradication, Control and Management of Invasive Alien Species

Supporting Partners: United States Department of Interior Technical Assistance Program

Implementing Partners: Conservation Society of Pohnpei, Pohnpei State Department of Land and Natural Resources, Municipal and Town Eradication Teams, jurisdiction volunteers

Overview: Invasive species pose distinct threats to islands through biodiversity loss and ecosystem disturbance, especially in contributing to the decline and/or extinction of native flora and fauna: birds, reptiles, mammals, plants, agricultural products, and marine resources. The resulting food insecurity, ecosystem instability, and pervasive reproduction of invasive species is especially dangerous for islands. This project is eradicating invasive species in Pohnpei; developing and implementing management and control plans; establishing emergency management plans; and implementing trainings in all four States of the FSM (Pohnpei, Kosrae, Yap and Chuuk).

Highlights:

- ISTOP conducted planning meetings for implementation of this grant.
- The invasive species specialist developed management and emergency plans for Pohnpei and Yap States.
- Contract to the Conservation Society of Pohnpei to coordinate training and eradication activities was issued.

Bill Raynor Micronesia Challenge Scholarship

Support Partners: David and Lucile Packard Foundation, Margaret A. Cargill Foundation, private and individual donors

The Bill Raynor Micronesia Challenge Scholarship, inspired by the work of one of Micronesia's conservation pioneers, William (Bill) Charles Raynor (Feb. 22nd, 1957-Sept. 1st, 2015), supports Micronesian individuals in pursuing a Masters or Doctorate degrees in conservation-related fields. In doing so the fund contributes to responsible development, biodiversity conservation, and sustainable livelihoods across the region. The scholarship was first awarded in 2017 and currently supports three scholars.

2019 Graduate—

Ms. Elizabeth Becky Furey, Commonwealth of the Northern Mariana Islands

- American Public University in West Virginia
- Master of Science in Environmental Policy and Management
- Ms. Furey is currently working with the Micronesia Islands Nature Alliance managing several environmental programs.



Recruitment Continued—

Ms. Lincy Lee Marino, Republic of Palau

- University of Wisconsin, Green Bay
- Masters in Sustainable Management (online), expected graduation summer 2020
- While pursuing her online studies, Ms. Marino continues her career with the Palau International Coral Reef Center.



2019 Scholar Recruitment—

Ms. Carey Demapan, Commonwealth of the Northern Mariana Islands

- University of Maryland
- Masters in Environmental Management, expected graduation 2021
- While taking classes, Ms. Demapan works with the Department of Lands and Natural Resources as the Public Outreach Specialist for the Sea Turtle Program in Saipan.



Ms. Jovalyn I. Koshiba, Republic of Palau

- Chaminade University of Hawaii
- Master's in Business Administration
- Ms. Koshiba currently works as a Grant Officer with the Palau Protected Area Network.



APIC-BRMC Scholarship

Support Partners: Association for Promotion of International Cooperation and Sophia University

MCT partners with the Association for Promotion of International Cooperation (APIC) to support the APIC-BRMC scholarship program. This scholarship funds the studies of students from Palau, FSM, and/or RMI at Sophia University in Tokyo, Japan, in the Global Environmental Studies Program.

2019 Graduates—

Mr. Bradford G. Mori, Chuuk, Federated States of Micronesia. Mr. Mori returned to Chuuk to serve as the Deputy Director for Chuuk Environmental Protection Agency (EPA).

Ms. Bertha M. Reyuw, Yap, Federated States of Micronesia. Ms. Reyuw graduated and assumed responsibility with the FSM Department of Environment Climate Change and Emergency Management (DECCEM) in Pohnpei, FSM as the Project Manager for the FSM Third National Communication Report.

2019 Scholar Recruitment—

Ms. Annette Ludwig, Pohnpei, Federated States of Micronesia. Ms. Ludwig's research is focused on land use change in Pohnpei, FSM.

Ms. Elchung Hideyos, Republic of Palau. Ms. Hideyos research is focused on women in fisheries in her home country.



Ms. Bertha Reyuw and Mr. Bradford Mori



Ms. Annette Ludwig



Ms. Elchung Hideyos



Practices

Grow Capabilities/Bring Financial Resources/Influence Context



Pacific Islands Management and Protected Area Community (PIMPAC)

About: PIMPAC is a long term capacity sharing program and peer learning network of site based managers; non-governmental organizations; local communities; federal, state, and territorial agencies; and other stakeholders who collectively support the effective use and management of managed and protected areas in the Pacific Islands.

Strategic Action Plan: 23 regional conservation practitioners provided key guidance for capacity development work through a strategic action plan for 2017-2020. It also supports the assessment of capacity development approaches, lessons learned, and it creates a foundation of adaptive management for subsequent years. This plan includes objectives, approaches, and annual milestones for the various PIMPAC activities.

Highlights:

- In October 2019 PIMPAC supported a Socioeconomic Monitoring (SEM) team data analysis training for core SEM team members in all Micronesia Challenge jurisdictions. This training taught participants to collect, code, enter, and analyze data using the IBM Statistical Package for Social Sciences (SPSS) data analysis software.
- MCT attended the NOAA Coral Reef Conservation Program Learning Network Exchange “Creating a Community of Practice” in Washington, DC. This workshop began a process of exploring and developing a framework for a more holistic approach to capacity building across protected area networks globally.
- In 2019, PIMPAC co-coordinators led a highly collaborative internal evaluation of PIMPAC
- During 2019, PIMPAC Interns supported:
 - The Pohnpei and Kosrae State Supreme Courts in developing a road map for establishing an Environmental Court.
 - Palau’s Ministry of Justice and PAN Office in improving enforcement and prosecution processes.
 - Guam’s Office of the Attorney General in revising several environmental laws.

Top left: PIMPAC-supported intern Rockyner Hadley with William Kostka and Ricky Carl, formerly of the Nature Conservancy.

Top right: MCT’s Tamara Alefaio with NOAA partners at learning exchange in DC

Bottom: Participants in the SEM training in Guam



Practices

Grow Capabilities/Bring Financial Resources/Influence Context



Left:
participants attend
breadfruit
training with
Institute of
Pacific Island
Forestry in
Hilo, Hawaii
PC: Amanda
Uowolo

Professional Internships in Pacific Terrestrial Island Ecosystem Management (PIPTIEM)

Supporting Partners: US Forest Service (USFS), Micronesia Challenge Regional Office, Pacific Islands Managed and Protected Areas Community, the United States Department of the Interior, USAID, the Congress of the Federated States of Micronesia

Implementing Partners: RMI Ministry of Natural Resources and Commerce, FSM Department of Resources and Development, Palau Bureau of Agriculture and Forestry, Guam Forestry, CNMI Department of Land and Natural Resources

Overview: PIPTIEM receives funding through the USFS to provide technical training to terrestrial resource managers from Guam, FSM, Palau, and RMI. The training opportunities build capacity to manage and evaluate protected areas and to support each country's FIA.

Highlights: PIPTIEM trained eight regional resource managers to support FIA in conjunction with the terrestrial goals of the MC including nursery, arboriculture, and breadfruit training in 2019.



Foresters and terrestrial resource managers from across the region recently attended the Pacific Islands Nursery Training at the University of Guam PC: MCT

Staff Development and New Faces at MCT

Ms. Jo Lynne Gallen Mori completed her Masters of Business Administration at Benedictine University.



Mr. Justin Fritz joined MCT as the Livelihoods Coordinator in Chuuk for the Coconuts for Life program in September 2019. Prior to joining MCT, Mr. Fritz was the Program Coordinator at Micronesia Red Cross Society—Chuuk Chapter. During his tenure at Micronesia Red Cross Society he helped implement a Community Resilience & Capacity Development Project which planted thirty thousand mangrove seedlings and provided more than fifty plus water tanks to communities in Chuuk. He is a graduate of San Diego State University and currently lives in Chuuk State, FSM.



Financial Management System

MCT's financial management system is comprised of accounting records and a series of processes and procedures assigned to staff, Board, and outside professionals. The goals of MCT's system are to ensure that financial data and transactions are properly entered into the accounting records and that financial reports necessary for management are prepared accurately and in a timely fashion. MCT's financial management policies and procedures provide assurance that assets are used solely for the benefit of the organization, and not for personal or other gain, and that donated funds are used for the purposes which donors intended, as specified in grant agreements. Internal controls help ensure operational efficiency and prevent the deliberate or misguided use of funds for unauthorized purposes.

As of the close of 2019, the Finance Officer remained the operational lead for the financial management system with guidance and oversight from the Board of Trustees Investment Audit and Finance Committee. Chairman Sadang continued to chair the Committee and Trustee Mendiola continues the role of Board Treasurer. Together, Management and the Board ensured another year of unqualified audits (conducted by Earnst & Young LLP), maintained accreditation status with the Green Climate Fund and Adaptation Fund, and maintenance of 501(c)3 tax exempt status with the United States Internal Revenue Service.

Statement of Financial Position

Assets—	
Current Assets—	
Cash	\$483,896.70
Grants and contracts receivable	\$728,340.76
Other receivables and other assets	\$20,405.04
Total current assets	\$1,232,642.50
Investment—	\$23,745,195.09
Total assets	\$24,977,837.59
Liability and net assets	
Current liability—accounts payable	\$988,660.49
Net assets—	
Unrestricted	\$33,526.04
Temporarily restricted	\$3,361,492.16
Permanently restricted	\$20,594,158.90
Total net assets	\$23,989,177.10
Total liability and net assets	\$24,977,837.59

**Financial information is unaudited*

Statement of Activities 2019

Year ended December 31, 2019				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, gains, and other support:				
Grants, contracts and other contributions		\$1,658,231	\$61,652	\$1,719,883
Investment gains, net		\$3,399,112		\$3,399,112
Miscellaneous	\$3,847			\$3,847
Net assets released from restriction:				
Satisfaction of program restriction	\$1,761,350	\$(1,761,350)		
Total revenues, gains and other support	\$1,765,197	\$3,295,993	\$61,652	\$5,122,842
Expenses and losses:				
Grant and project expenses	\$1,761,350			\$1,761,350
Total expenses and losses	\$1,761,350			\$1,761,350
Increase in net assets	\$3,847	\$3,295,993	\$61,652	\$3,361,492
Net asset at beginning of year	\$22,324	\$9,291,441	\$15,267,321	\$20,879,198
Net assets at end of year	\$26,171	\$12,587,434	\$15,328,973	\$24,240,690

**Financial information is unaudited*

Internal Drivers Systems/Mean

The grant and program expenses by object class for the years ended December 31, 2019 is as follows:

Grant and Program Expenses	2019
Advertisement	\$425.00
Audit Fees	\$34,084.40
Bank Service Fees	\$658.00
Dues and subscriptions	\$6,064.00
Regranting	\$408,956.66
Salaries and benefits	\$496,033.01
Workshops	\$137,612.13
Program Travel	\$177,056.23
Contractual	\$234,502.78
Supplies and Materials	\$38,267.54
Miscellaneous	\$42,889.40
Board of Directors meeting	\$15,914.50
Rent	\$11,000.00
Postage and delivery	\$259.00
Printing and reproduction	\$3,293.00
Yela Endowment distribution	\$21,005.00
Communication	\$4,781.06
Utilities	\$3,758.00
Insurance	\$973.91
Vehicle fuel	\$2,024.70
Repair and maintenance	\$1,299.97
Scholarship	\$120,491.60
Total	\$1,761,349.99

*Financial information is unaudited



Regional and International Partners

The Nature Conservancy
Rare
Global Island Partnership
Micronesians in Island Conservation
Pacific Islands Managed and Protected Areas Community
Locally Managed Marine Areas Network
Global Environment Facility Small Grants Program
Micronesia Challenge Regional Office
University of Guam, Marine Lab
University of Guam Center for Island Sustainability
University of Guam Sea Grant

Non-government partners

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

FSM Partners

Kaday Conservation and Cultural Organization
Tamil Resources Conservation Trust
Micronesian Productions
Conservation Society of Pohnpei
The Marine and Environmental Institute of Pohnpei
Awak Farmers Association
Island Food Community of Pohnpei
College of Micronesia-FSM
Marcela Foundation

Marshall Islands Partners

Marshall Islands Conservation Society
Women United Together Marshall Islands
Jo Jikum

CNMI Partner

US Territory of Guam Partners

Ainiken Kora in Mejit
College of the Marshall Islands
Micronesia Islands Nature Alliance
Humatak Community Foundation
Duk Duk Goose Inc.
Micronesia Conservation Coalition
Palau Conservation Society
Palau International Coral Reef Center
Hatohebei Organization for People and Environment
Ebiil Society, Inc
Kerradel Conservation Network

Palau Partners

Government Partners

Regional Partners

Association of Pacific Islands Legislatures
Micronesia Island Forum/Chief Executives
Pacific Islands Forum
Secretariat of the Pacific Community
Secretariat for the Pacific Regional Environment Program
United Nations Development Program

FSM Department of Resources and Development
FSM Department of Environment, Climate Change and Emergency Management
Congress, Office of the President, Department of Justice
FSM National Oceanic Resource Management Authority
Chuuk Department of Agriculture and Forestry
Chuuk Environmental Protection Agency
Chuuk Department of Marine Resources
Yap Resources and Development
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

FSM Partners

Kosrae Island Resource Management Authority
Kosrae Department of Resource and Economic Affairs Division of Agriculture
Pohnpei Office of Fisheries and Aquaculture
Pohnpei Department of Lands and Natural Resources
Pohnpei Department of Public Safety, Fish and Wildlife
Pohnpei Department of Economic Affairs
Pohnpei Environmental Protection Agency

Marshall Islands Partners

RMI Ministry of Natural Resources and Commerce
Marshall Islands Marine Resources Authority
RMI Ministry of Foreign Affairs
Coastal Management Advisory Council
RMI Climate Change Directorate

Palau Partners

Namdrik Atoll Development Association
Palau Ministry of Natural Resources, Environment and Tourism
Palau Office of Environmental Response and Coordination

CNMI Partner

Palau PAN Fund
Palau Forestry Division of Land and Natural Resources

US Territory of Guam Partner

Palau Department of Agriculture
Guam Department of Agriculture

Supporting Partners

The Nature Conservancy
United States National Oceanographic and Atmospheric Administration
United States Department of the Interior
Margaret A. Cargill Philanthropies
United States Forest Service
Waitt Foundation/Waitt Institute
Oceans 5/Rockefeller Philanthropy Advisors
The David and Lucile Packard Foundation
Pew Charitable Trusts
Global Environment Facility, Small Grants Program
Global Environment Facility, UN Development Program
Rare
Adaptation Fund
Green Climate Fund
Institute of Pacific Island Forestry
Conservation International
Seacology
US Fish and Wildlife Service
Embassy of Japan in the Federated States of Micronesia
Association for Promotion of International Cooperation-Japan
USAID Climate Ready
Vital Energy FSM Petroleum

Micronesia Conservation Trust

World Class and Deeply Micronesian

Kulo Mulalap

Kinisou Chapur

Kalahngan

Olomwaay

Mesulang

Kamagar

Thank You

Kommol Tata

Si Yu'us Ma'ase



Report prepared by:

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With contributions and support from the Micronesia Conservation Trust Board of Trustees and Staff