



FONDATION POUR LES AIRES PROTÉGÉES
ET LA BIODIVERSITÉ DE MADAGASCAR

FOUNDATION FOR PROTECTED AREAS AND BIODIVERSITY OF MADAGASCAR

ANNUAL REPORT 2020





THE MESSAGE FROM THE BOARD OF TRUSTEES' PRESIDENT



This 2020 annual report is a message of optimism because it reflects the success of all those who joined hands to build a healthy environment and a better future together. The past year has shaken the world, but it has also shown that strategic vision and solidarity are our best assets to face crises.

FAPBM is a financial institution. The global economy has a significant impact on the security and profitability of our financial investments. With the Covid-19 pandemic and its impact on the economy, there may have been moments of doubt. But we have maintained confidence in our investment policies and strategies. This report shows that this trust was well placed. FAPBM has closed the year with very satisfactory results.

FAPBM is above all a partner of protected areas (PAs) managers. We wanted to be by their side in these difficult times. This choice was necessary when local communities had to face an unprecedented economic crisis, limiting access to local markets. This decision was crucial when tourism, the main source of income for national parks and reserves, no longer held its promise. Together, we looked for the best solutions to build a dignified and humane safety net to get through the year 2020 and build the future.

In conclusion, let us take this opportunity to salute the vision of our founders and the entire environmental community that has always supported FAPBM. This year, at the height of the health and economic crisis, FAPBM has fulfilled its mission and has demonstrated that it will be able to continue to do so, for many years to come.

To end on a personal note, the Board of Trustees will rotate in 2021. With this renewal, my term on the Board comes to an end. These years were rich in encounters: first of all with the noble mission of a Foundation, as well as with outstanding people. They allowed me to witness beautiful values such as courage, optimism and teamwork, in the service of the preservation of Madagascar's natural heritage. Thank you all and thank you, who will come to enrich the history of FAPBM.

Sahondra Rajoelina

Outgoing President of the FAPBM Board of Trustees

THE MESSAGE FROM THE EXECUTIVE DIRECTOR



The pandemic would have left its footprint on 2020. Its consequences have been felt in the protected areas, as all conservation and management performance indicators declined. However, 2020 has also been a source of hope as FAPBM-funded protected areas seem to have shown much resilience.

Nonetheless, the health crisis has highlighted more than ever the need for a robust and sustainable crisis-proof funding mechanism for protected areas. In this challenging context, FAPBM was able to continue and even increase its annual grants aligned with its mission to provide sustainable funding for the Madagascar protected areas System (SAPM). In addition, it has deployed additional funding for communities and mobilized emergency funding for protected areas in its network and outside the network.

Finally, 2020 was marked by the renewal of our partners' commitments to Madagascar's biodiversity. The extension of the capital, thanks to the contributions of Conservation International and the French Development Agency, will soon allow us to increase the number of supported protected areas.

On this optimistic note, I wish you good reading.

Alain Liva Raharijaona
FAPBM Executive Director

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1. THE 2020 KEY DATA

SUSTAINABLE FUNDING OF PAs ■



MGA 8.9 billion (USD 2,5 million) of total funding

MGA 7.8 billion (USD 2,2 million) funding granted from the revenues of the capital

MGA 88 million (USD 24,000) under the Emergency Fund (FIS)



29% of the annual budget of the funded NPAs (36% excluding Makira PA) supported



28% of the annual budget of MNP funded PAs supported

NEW CONTRIBUTIONS TO THE CAPITAL ■



EUR 8 million contribution from AFD

USD 4.5 million contribution from GEF6 CI

USD 88 million of capital as of December 31st, 2020 (USD 74.8 million as of December 31st, 2019)

RESPONSE TO THE COVID-19 PANDEMIC ■



MGA 980 million (USD 272,000) an advance payment on the KfW Sinking Fund for Madagascar National Parks

MGA 114 million (USD 32,000) grant to local communities (Covid-19 grant)

6,550 beneficiaries of the Covid-19 grant



SUPPORT TO COMMUNITIES ■

19 value chains¹ supported

12,675 value chain beneficiaries (12,127 in 2019)

3,108 jobs created for PA protection (3,064 in 2019)

3.5 million people in PA neighbouring areas benefiting from PA ecosystem services





¹ The value chain is made up of all the actors and processes that intervene before, during and after an income-generating activity. The objective is to strengthen the sustainability of income-generating activities and improve household incomes in a sustainable manner.

■ BIODIVERSITY CONSERVATION

36 PAs supported, representing 3,500,000 ha	5 PAs benefiting from the Emergency Fund (FIS)	1 PA benefiting from the NPA Strengthening Support Fund (FAR-NAP)
42 critically endangered animal species (+5 vs 2019)	0 animal species extinction (out of 319 species)	52 critically endangered plant species (+5 vs 2019)
0 plant species extinction (out of 13,200 species)	2.52 as Indicator of Biotic Integrity ² (2.69 in 2019)	1.22% deforestation rate in the funded-PAs in 2020 (0.42% in 2019)



■ PERFORMANCE OF PA MANAGERS³

			
IEG (MNP): 73.12% (71.25% in 2019)	METT (NAP): 74.70% (71.65% in 2019)	KPI – MNP: 73.61% (78.15% in 2019)	KPI – NAP: 71.21% (76.26% in 2019)

■ PERFORMANCE IN FINANCIAL INVESTMENT

7.3% overall portfolio performance (+12.7% in 2019)	USD 100.8 million in portfolio value	USD 3.8 million margin on revalued capital
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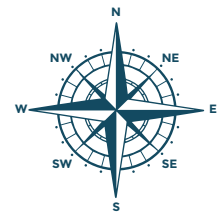
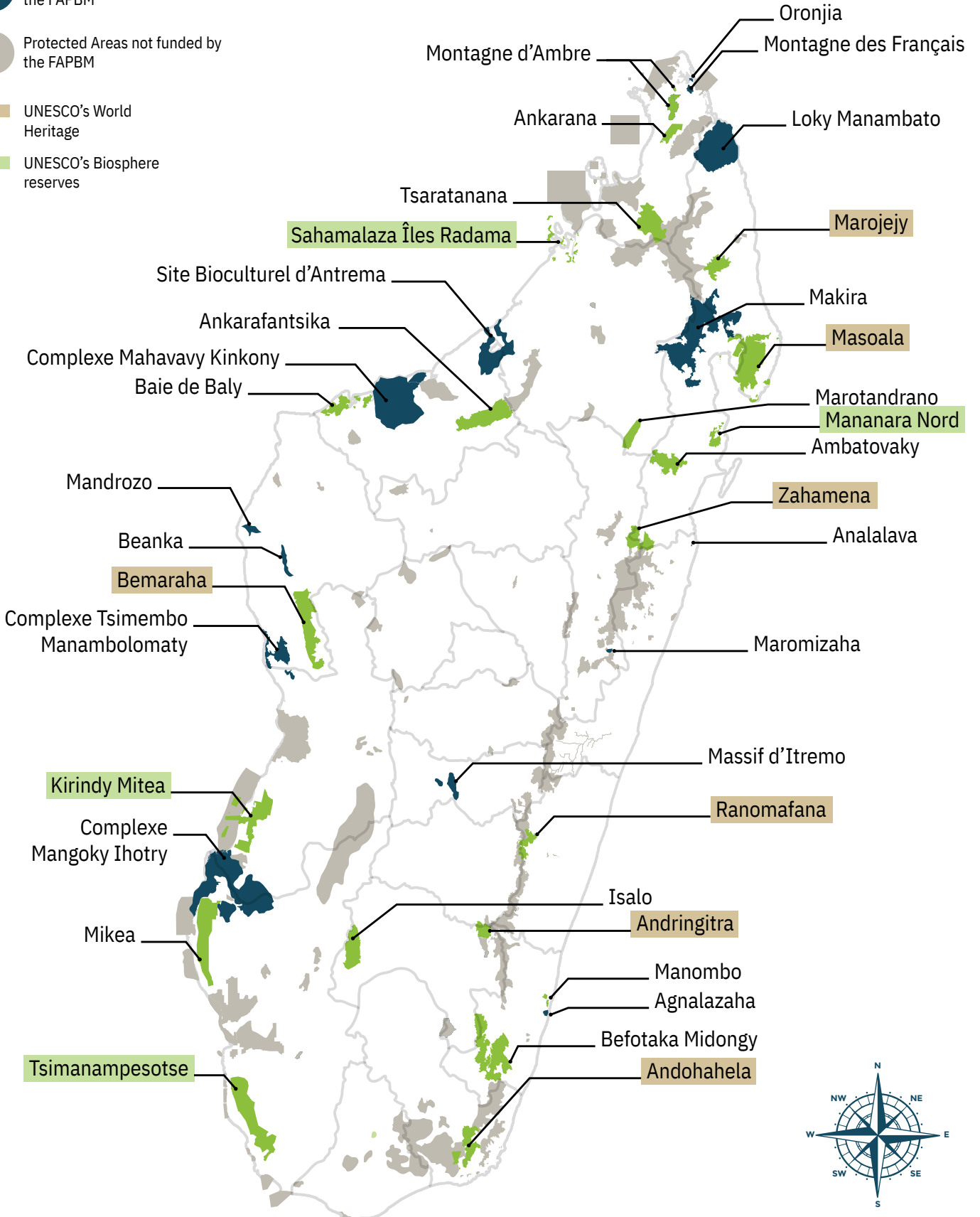


² See Appendix 1

³ See Appendix 1

36 FUNDED PAs IN 2020

- MNP Protected Areas funded by the FAPBM
- New protected areas funded by the FAPBM
- Protected Areas not funded by the FAPBM
- UNESCO's World Heritage
- UNESCO's Biosphere reserves



2. 15 YEARS AT THE SERVICE OF MADAGASCAR PAs

2.1. THE VISION, THE MISSION, THE VALUES

THE VISION

FAPBM aims to become the central mechanism for sustainable funding of terrestrial and marine PAs in Madagascar.

Created in
2005

Fundings started in
2007

THE MISSION

FAPBM's main mission is to support biodiversity conservation in Madagascar through the promotion and funding of the expansion, creation, protection and enhancement of PAs.

Nature as passion

Because nature protects us, we must protect it in return. This is the first conviction of the Foundation, which recognizes the value of biodiversity and the essential services it provides to human beings.



Transparency

The Foundation places particular importance on the transparency of its decisions and actions. The Foundation's framework documents are available on the website. The decisions of the Board of Trustees are recorded in minutes that can be consulted by all contributors.

THE VALUES

Madagascar's biodiversity conservation as a commitment

Sustainable solutions must be implemented to conserve Madagascar's biodiversity in the long term and to address the threats it faces in an efficient manner. The Foundation is committed to mobilizing the necessary means and taking action to preserve it.

Accountability as a motto

The Foundation is accountable to its contributors and the trust they have placed in it. It is also accountable to all stakeholders in biodiversity conservation.

Ethics

The Foundation applies strict ethics in all Foundation decisions.

2.2. A CONSOLIDATION OVER 15 YEARS

2000

Meeting of stakeholders of Madagascar PAs, during which the idea of setting up a Trust fund for sustainable financing of PAs was born.

2003

Signature of a Debt Cancellation Contract and a special agreement between the German Government, through the German Development Bank (KfW), and the Republic of Madagascar for EUR 8,500,000. The cancelled debt becomes a Sinking fund in favor of ANGAP (now Madagascar National Parks or MNP). It would have been paid in annual installments of EUR 425,000 until 2013 and EUR 518,000 from 2016 until 2025. Its management was transferred to FAPBM as of 2005. The funds are to be released annually by the Government of Madagascar through the annual government budget.

2005

Creation of the Foundation for Protected Areas and Biodiversity of Madagascar (FAPBM) on the initiative of the Government of Madagascar, Conservation International and WWF.

2006

- Contribution by the Government of Madagascar in an amount of EUR 1,725,837.
- Contribution by WWF to the capital in the amount of USD 1,000,000.
- Signature of a grant agreement with the French Development Agency (AFD) for EUR 2,000,000.
- Signature of a grant agreement with the French Global Environment Facility (FFEM) for EUR 1,000,000.



2000

2003

2005

2006

2007

- First financing operations of FAPBM for 5 PAs of the MNP network through the KfW Sinking fund. The 5 beneficiary PAs are Ankarafantsika, Marojejy, Andringitra, Kirindy Mitea and Tsimanampetsotse.
- Capital endowment by Conservation International of USD 1,000,000.
- Capital endowment by the World Bank up to USD 4,000,000.

2008

Signature of a grant retrocession agreement with the Ministry of Finance within the framework of a Development Debt Reduction Agreement (C2D) with the French Government for an amount of EUR 13,325,000.

2009

Capital endowment by the World Bank of USD 3,500,000

2010

Financing of 2 additional PAs from the first capital revenues: Masoala and Mahavavy-Kinkony.

2011

- Capital endowment by KfW of EUR 5,000,000.
- Affiliation to the Consortium of African Funds for the Environment (CAFÉ) as a founding member.

2007

2008

2009

2012

Signature of a grant agreement within the Global Environment Facility financed by the World Bank-International Development Association (GEF/IDA) of USD 10,000,000.

2013

- Total financing of USD 1,400,000, i.e. 37% of Madagascar's protected areas. Among them, 6 are components of UNESCO World Heritage Sites.
- IUCN (International Union for Conservation of Nature) membership granted.

2014

- Capital endowment by Conservation International of USD 2,000,000.
- 27 PAs supported
- Financial management of the Helmsley Charitable Trust for the creation and management of New Protected Areas (NPAs).

2015

- 31 PAs (3,000,000 Ha) supported, 12 of which obtained a final PA status.
- Financial management of World Bank program funds for the implementation of Environmental and Social Safeguard Plans (PGESSs) in 13 PAs.

2016

- Capital increased to USD 70,000,000 thanks to the new contribution of KfW, amounting to EUR 22,000,000.
- Signature of the grant agreement for the creation of the Lemurs Portal with JRS Biodiversity Foundation.



2012

2013

2014

2015

2016

2011

2018

2019

2020

2018

Capital endowment by KfW of EUR 5,000,000

2019

- Signing of the first Offset grant with Qit Minerals Madagascar (QMM, a subsidiary of Rio Tinto) for Agnalazaha PA.
- Signing of a grant agreement for the creation of marine PAs between the Ministry of Environment and Sustainable Development and WWF under the Global Environment Facility (GEF 6/WWF.US) program. FAPBM was appointed as the financial manager.

2020

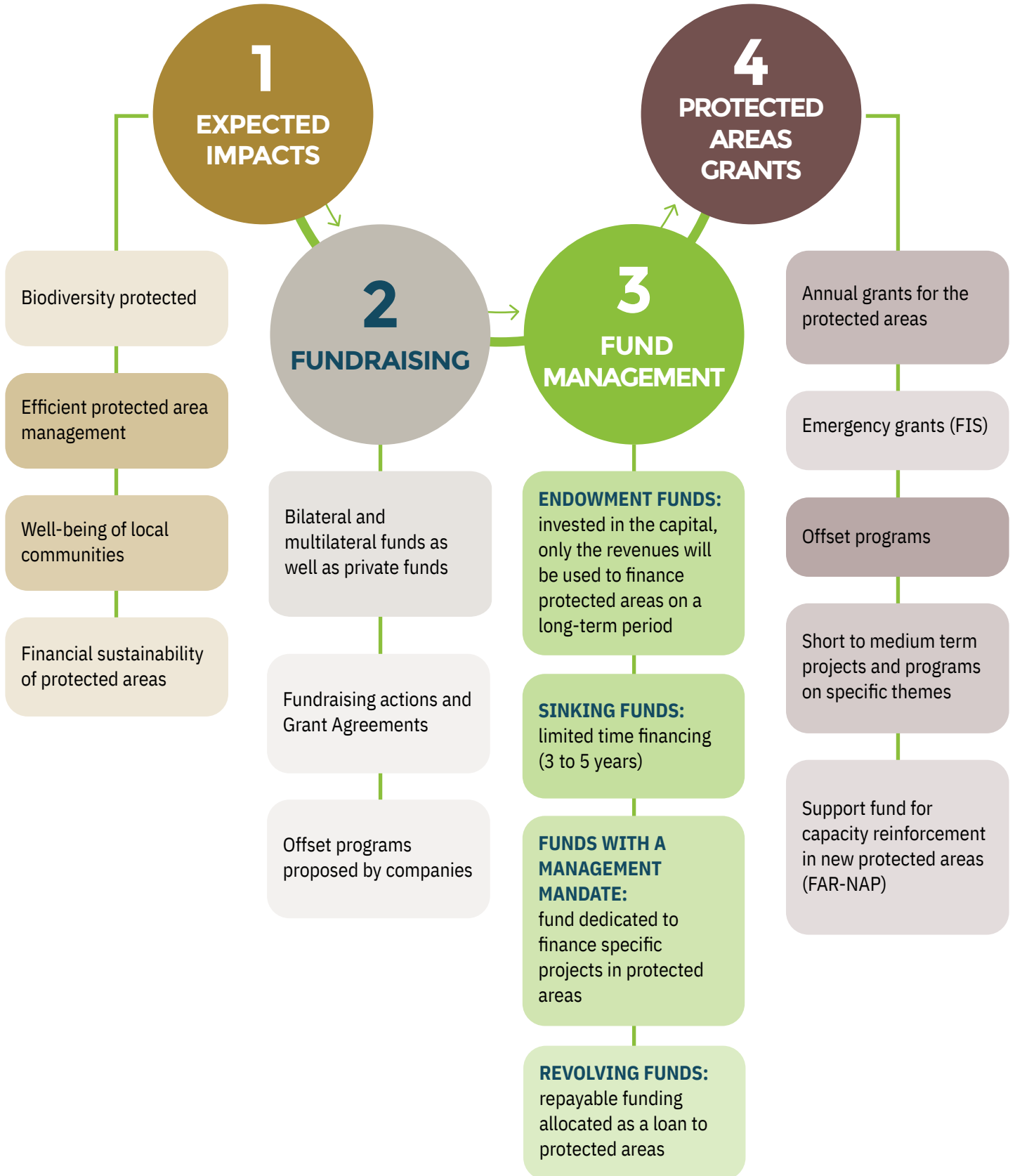
- Capital endowment by AFD of EUR 8,000,000.
- Capital endowment by Conservation International, amounting to USD 4,500,000.
- Affiliation to the Conservation Finance Alliance (CFA).
- Total capital reached USD 88,000,000 as of December 31st, 2020.
- A total of 36 PAs supported (3,500,000 ha) representing 50% of SAPM



2.3. A RELEVANT MODEL OF SUSTAINABLE PA FUNDING

Covid-19 pandemic has particularly shown relevance of the funding model implemented by FAPBM. The revenues generated by the capital investments allowed the continuation of financing to PAs.

The diagram below summarizes the funding mechanism provided by FAPBM:



3. THE 2017-2021 STRATEGIC PLAN KEY-INDICATORS AFFECTED BY COVID-19

FAPBM was on track to achieve the Specific Objectives of its Strategic Plan in 2019. But Covid-19 pandemic has affected the progress of the Strategic Plan's key indicators, observed from 2017 to 2019.

The state of progress is presented in the below table:

Table 1. Status in terms of strategic objectives in 2020

Indicator	Value of the indicator in 2017	Value of the indicator in 2020	Target value in 2021
GENERAL OBJECTIVE: TO CONTRIBUTE TO THE IMPROVEMENT OF THE ECOLOGICAL INTEGRITY OF THE PAs FUNDED BY FAPBM			
Index of biotic integrity (IBI)⁴	2.62	2.52 (2.69 in 2019)	3
Specific objective 1 By 2021, increase to 1/3 the contribution of FAPBM to the management costs of the SAPM PAs			
Proportion of FAPBM's share in funding the management costs of SAPM PAs	31 out of 122 SAPM PAs: or 1/4 of the total number of SAPM PAs	36 out of 122 SAPM PAs: or 1/3 of the total number of SAPM PAs.	1/3 of SAPM PAs are supported: 41 out of 122 PAs
Specific objective 2 By 2021, increase to 75% the KPI score of funded PAs by FAPBM			
KPI (Key Performance Indicator)⁵	MNP Score: 63.52%	MNP Score: 73.61%	75%
	NPA Score: 59.56%	NPA Score: 71.21%	75%
Specific objective 3 Increase PAs effectiveness by 25% as green infrastructure in land use plans and in climate change adaptation activities. All NPAs use the METT			
Efficiency indicators in the PA management (Index of Management Effectiveness (IEG) and (Monitoring and Evaluation Tracking Tools) METT scores)	IEG MNP: 71%	IEG MNP: 73.61% METT	73.84%
	METT NPA: not available	NPA: 74.70%	N/A

⁴ See Appendix 1

⁵ See Appendix 1

4. A RENEWED TRUST FROM THE CONTRIBUTORS



The year 2020 saw two important capital endowments of the current FAPBM contributors: the French Development Agency and Conservation International.

4.1. THE ANNUAL MEETING WITH THE CONTRIBUTORS

FAPBM held its annual meeting with contributors on August 28th, 2020. The meeting was an opportunity to present the 2019 annual report and investment report, as well as the financial statements for fiscal year 2019. Representatives from KfW, AFD, the World Bank, the Ministry of Environment and Sustainable Development, the Ministry of Economy and Finance, Conservation International and WWF, all attended this important event for the Foundation.

4.2. AN AFD'S CONTRIBUTION OF EUR 8 MILLION

AFD (French Development Agency), already a contributor to FAPBM, has contributed to the capital up to EUR 8 million. AFD is thus strengthening its support to the Foundation, enabling it to increase the number of supported PAs and to enhance the impact of the actions carried out in and around PAs. With this allocation, additional PAs will be funded from 2022.

4.3. A CONSERVATION INTERNATIONAL'S CONTRIBUTION OF USD 4.5 MILLION

Conservation International, as a GEF6 partner agency, has contributed USD 4.5 million to the Foundation's capital. Starting in 2023, funding from CI contribution will be allocated to five PAs in the Boeny Region (northwestern Madagascar): Ankarafantsika National Park, Baie de Baly National Park, Mahavavy Kinkony Complex (CMK), Antrema Biocultural Site, and Bombetoka Belomboka Site.

Covering over 580,000 ha, these 5 PAs of Boeny offer a great diversity of natural habitats: dry forests, lakes, mangroves, wooded savannas and swamps. They are home to a large population of birds, turtles, fishes and lemurs, many of which are endemic to the region. The rivers that draw their sources there irrigate the large rice fields of Marovoay, one of the main rice-producing regions of Madagascar, and Mitsinjo.



Agreement signature with AFD © FAPBM

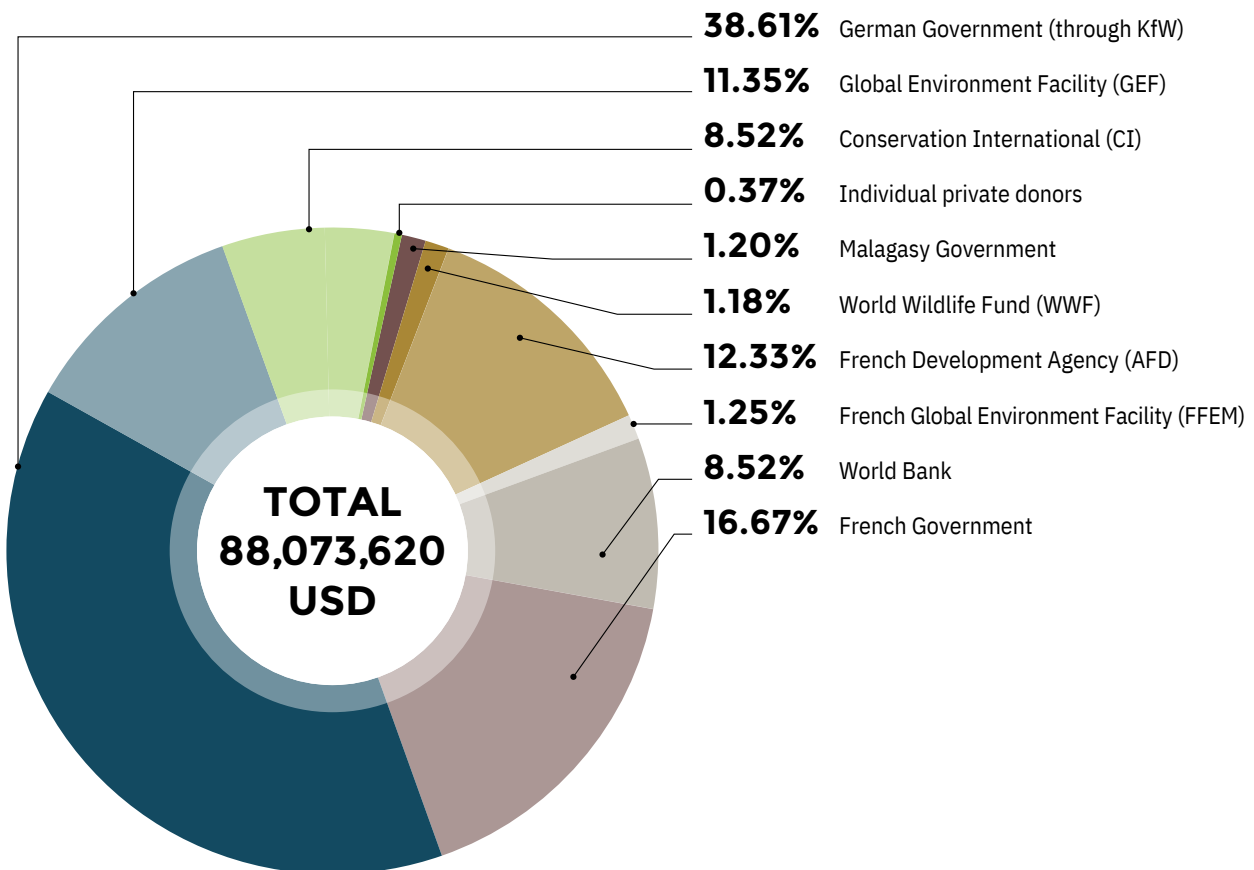


Furcifer oustaleti © WWF-Durbin

4.4. THE DISTRIBUTION OF CAPITAL ON DECEMBER 31ST, 2020

As at December 31st, 2020, the Foundation’s total capital contributions of USD 88 million are distributed as follows:

Figure 1. Capital distribution at the end of 2020



5. INCREASING THREATS ON BIODIVERSITY

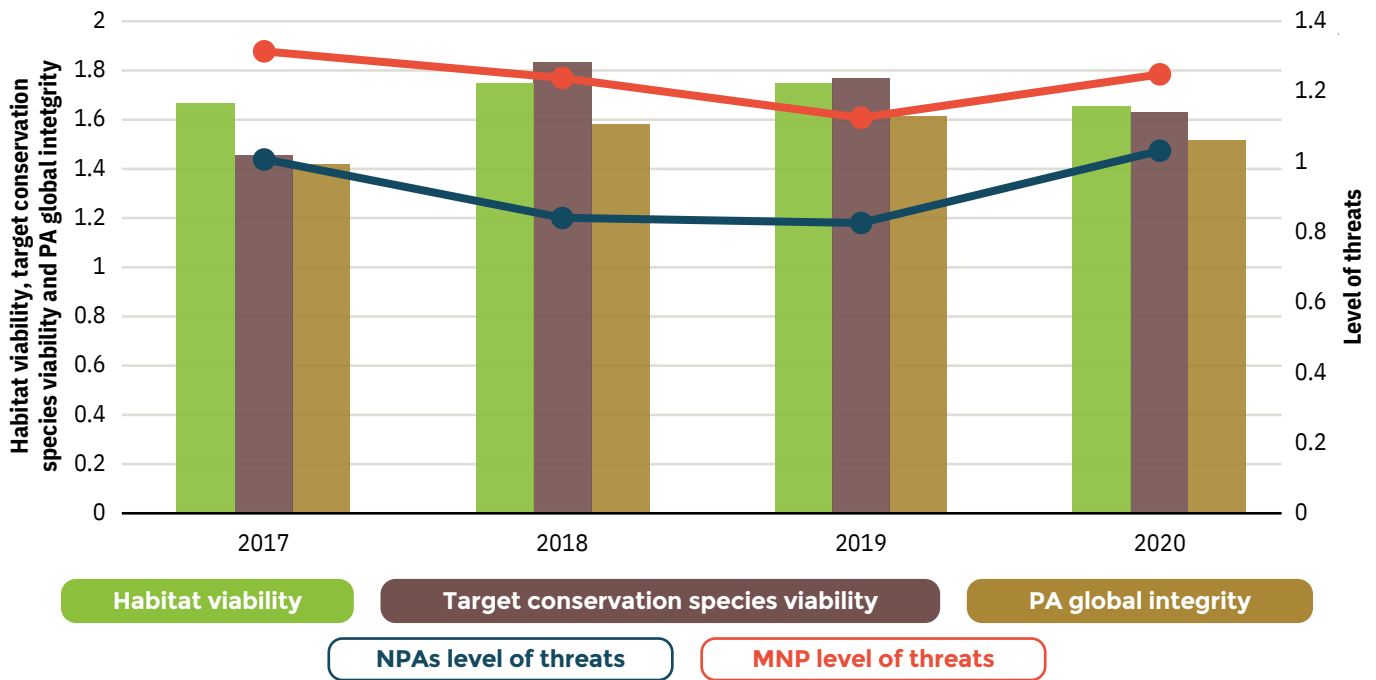


The Covid-19 pandemic has had significant impacts on the functioning of PAs and on biodiversity conservation. However, the funding and support provided by FAPBM have helped to limit the negative consequences of the pandemic.

5.1. INCREASING PRESSURES ON PAs

PA managers' assessment of the level of threats showed an increase in all threat indicators in 2020 compared to 2019. These include the risks of fragmentation of forest blocks, hard cores and the decrease in the number of target species for conservation.

Figure 2. Evolution of the level of threats in the funded PAs (2017-2020)



The health emergency exacerbated pressures on natural resources in protected areas. Managing threats has become key to maintaining PAs.

Between 2017 and 2019, the level of threats had steadily decreased. However, in 2020, the trend reversed, with recent biological inventory data from PAs tracking an exponential increase in environmental infractions and crimes. Forest fires, land clearing, illegal logging and intrusions for mining activities have been the main forms of threats.



Deforestation in Kirindy Mitea © FAPBM-Mamy Nirina Razafindrakoto

These threats have weakened the viability of natural habitats and increased the risk of fragmentation in PAs. Fragmentation is a loss of area that prevents one or more species from moving as they should. It is a major cause of the depletion of biodiversity richness in PAs.

Some protected areas have been more affected by pressures than others. For example:

- Selective cutting of precious wood and timber has intensified in PAs in the Eastern ecoregion (South Midongy, Zahamena, Mananara-North, Masoala, Makira and Ambatovaky).
- Fire has caused the loss of large expanses of natural habitat inside:
 - Bismarkia grassy or wooded savannas (Antrema and CMK),
 - Dense dry deciduous or semi-deciduous forests (Ankarafantsika, Beanka, Mandrozo, Tsimembo Manambolomaty, Loky Manambato, Itremo, and Bemaraha)
 - Alluaudia dry spiny thickets in the south and southwest (Kirindy Mitea, CMI, Mikea and Tsimanampetsotsa).
- The exploitation for charcoal and timber has reduced the area of mangroves.

However, the actions carried out by the PA managers have somehow managed to control these pressures and limit the loss of biodiversity.






In the PAs managed by MNP, the agents of the parks or reserves have carried out most of the control and surveillance actions, in the absence of the members of the local park committees (CLP). The patrol missions of the Mixed Brigades were maintained, but these missions could not be carried out on a regular basis, due to a lack of financial resources. In the NPAs, the participation of the *polisin'ala* has been effective despite some withdrawal processes due to sanitary measures.

The viability of target species in FAPBM-funded PAs, although severely compromised, was maintained in 2020.

According to the results of the ecological monitoring carried out in the PAs, the loss of flora species is much greater than that of fauna. Specifically, the number of critically endangered (CR) floristic species increased from 47 to 52. These numbers are likely to increase proportionally with the loss of natural habitats, as fragmentation of natural habitats is the main cause of biodiversity loss in Madagascar. Despite this, the floristic compositions of these ecosystems have not changed radically, particularly in the hard cores of these protected areas.

As far as fauna is concerned, the number of critically endangered species increased from 37 to 42. Apart from the destruction of natural habitats, several cases of poaching and trapping of animals were also recorded. These crimes mainly targeted lemurs, reptiles and amphibians. Similarly, the cases of radiated turtle trafficking rose sharply compared to 2019.

Table 2. Conservation status per taxon in Madagascar

		CR (critically endangered)	EN (endangered)	VU (vulnerable)	Total per taxon
	Primates	18	30	19	67
	Birds	1	14	16	31
	Reptiles	15	40	46	101
	Amphibians	7	57	39	103
	Other mammals	1	5	12	18
Total fauna		▶ 42 (37 en 2019) ◀	146	132	320
Vascular plants		▶ 52 (47 en 2019) ◀	75	53	180
Total per IUCN status		94	221	185	500

(Source: UICN 2020 - 2021)

The conservation index for target species has therefore decreased significantly. As a result, the Index of Biotic Integrity, IBI⁶, has dropped from 2.69 to 2.52, its lowest value since 2017:

Table 3. Index of Biotic Integrity (2017-2020)

	2017	2018	2019	2020
Index of biological integrity (IBI)	2.62	2.68	2.69	2.52

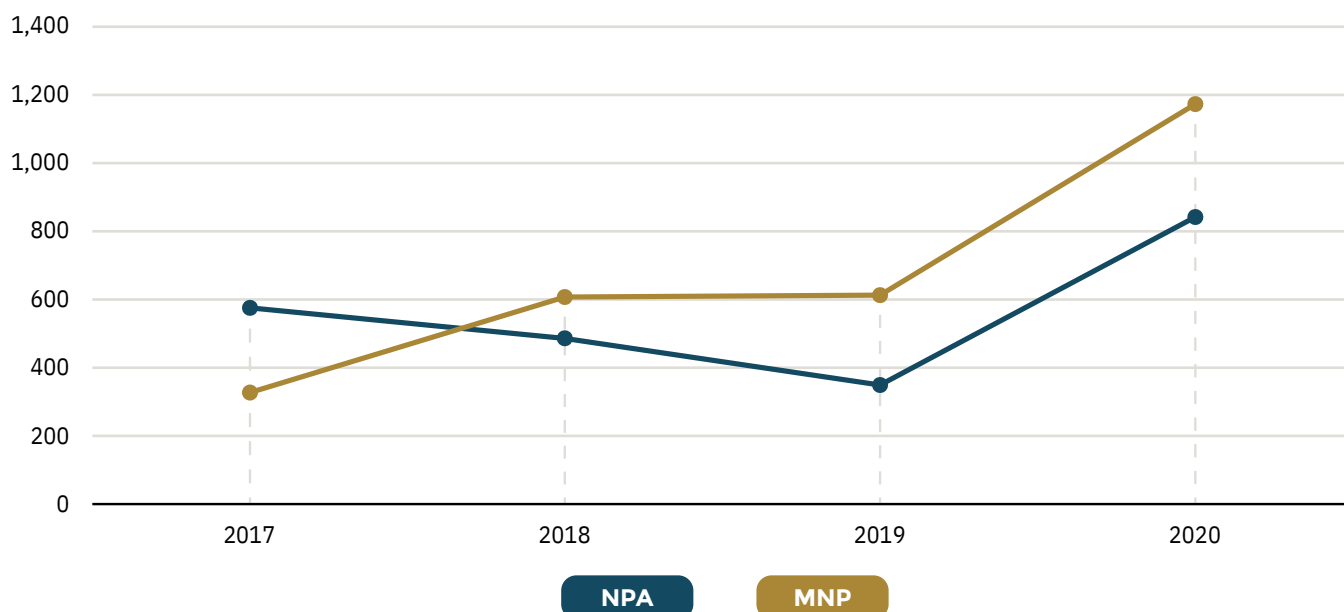
⁶ See Appendix 1

In summary, the resurgence of threats in 2020 has made vulnerable PA natural habitats. However, the effectiveness of monitoring and surveillance systems have spared the hard core and limited the depletion of conservation target species. Yet, if the health emergency continues into 2021, an unprecedented ecological disaster is likely to occur.

5.2. THE HARD CORES PRESERVED FROM FIRES

In 2020, a sharp increase in the number of fire points throughout Madagascar was noted: of more than 183% compared to 2019. Though FAPBM-funded PAs have not been spared from these fires, less than 20% of these fire points affected the hard core of the supported PAs. The PAs of the MNP network were more affected than the NPAs.

Figure 3. Evolution of the number of fire points (2017-2020)



PA managers have had to focus on strengthening patrol and surveillance activities, and active fire control.

Lockdown restrictions have forced managers to limit the number of patrol officers. Within the MNP network, network staff have therefore almost exclusively carried out conservation activities. They could not call on the support of local communities (PA Steering and Support Committees and Local Park Committees) and activities in collaboration with them were cancelled or postponed. For the NPA managers, *Polisin'ala* members had to break out into small groups and work on rota system patrols to avoid multi-person groups.

5.3. A CONTAINED DIMINUTION OF THE FOREST COVER

In 2020, the deforestation rate in FAPBM-supported PAs sharply increased, from 0.42% to 1.22%.

Table 4. Deforestation rate in the PAs funded by FAPBM (2017 – 2020)

% deforestation	2017-2018	2018-2019	2019-2020
		0.45%	0.42%
Dense rainforests	0.19%	0.19%	0.50%
Dense dry forests	0.99%	0.99%	0.52%
Dry spiny thickets	0.77%	0.62%	▶ 4.74% ◀
Coastal forests	0.19%	0.19%	0.62%
Sclerophyllous open forests	0.00%	0.00%	0.15%
Mangroves	0.03%	0.03%	0.82%

The increase in the rate of deforestation was most striking for the dry spiny thickets of southern and southwestern Madagascar (from 0.62% in 2019 to 4.74% in 2020). In this ecoregion, several FAPBM-funded PAs have been affected by these fires, such as CMI managed by Asity, and Kirindy Mitea, Mikea, Tsimanampetsotse managed by MNP.

Compared to 2019, the number of fire points doubled or tripled in 2020, inside dense dry forests and sclerophyllous open forests throughout the western and northwestern ecoregion. The other ecoregions of the island also experienced this increase in the number of fire points in 2020, even during the rainy period from January to May 2020. For the rainforests, the biggest impact were selective cuttings besides increasing human occupations inside PAs (artisanal mining) in 2020.

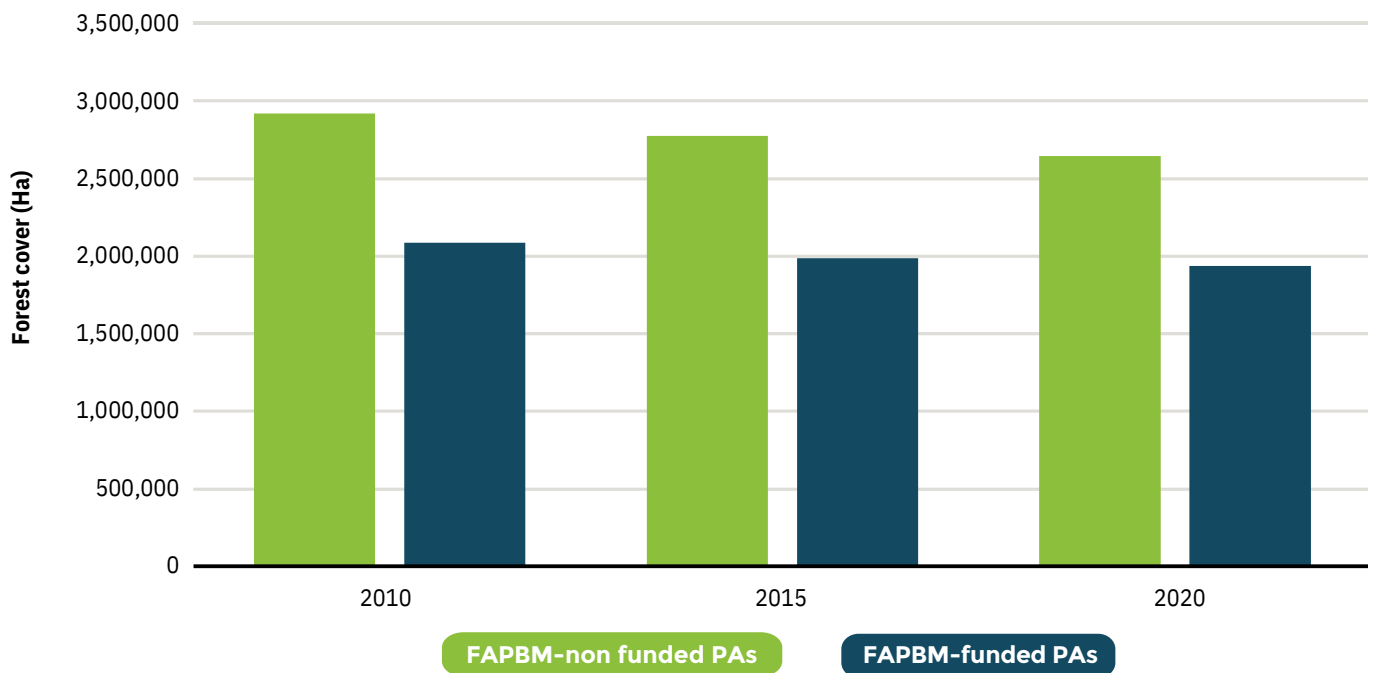
But the 10-year evolution of forest cover in PAs in general shows that **in FAPBM-funded PAs, the decrease in forest cover is less significant:** 152,900 ha of deforestation between 2010 and 2020, compared to 275,556 ha of deforestation during the same period in non-FAPBM-funded PAs⁷.

⁷ Source: FAPBM GIS Maps Oct. 2020



Mangrove reforestation in CMI © FAPBM

Figure 4. Forest cover in the FAPBM-funded and non-funded PAs (2010-2020)



Finally, FAPBM has developed land use change maps for 2010-2015 and 2015-2020. These maps will help to monitor deforestation and land use change. They will support the management of the biodiversity database at the level of each FAPBM-funded PA.







6. THE COMMUNITIES SPARED FROM THE CRISIS

Communities have been affected by travelling restrictions that have resulted in the postponement or cancellation of many of the managers' activities. However, the role of FAPBM has been decisive, as the number of conservation jobs created and the number of value chain beneficiaries supported have increased, thus mitigating the consequences of the health crisis.

6.1. AN INCREASE IN CONSERVATION JOBS

For the 36 PAs supported, 3,108 direct conservation-related jobs were funded by FAPBM, an increase of 44 jobs over 2019. Of these, 2,157 were local community members who received a monthly salary. The remaining jobs were for members of associations and platforms who receive allowances during meetings and missions.

Table 5. Evolution of direct beneficiaries of FAPBM funding (2017-2020)

	2017	2018	2019	2020
				
Direct jobs financed	4,670 or 778 households	4,935 or 822 households	3,064 or 510 households	3,108 or 518 households

The priority was to physically secure the PAs during the health crisis. The strengthening of patrol missions in 2020 required an increase in the number of *Polisin'ala* members in the NPAs, without an increase in budget from FAPBM. Instead, in Maromizaha NPA, for example, *Polisin'ala* groups were added in order to cover the maximum number of parcels in the PA. In the other NPAs, the frequency of patrols was increased, requiring more patrollers.

Village reception of the Ambajabe Ecologie community during the visit of His Excellency the Ambassador of France to the Antrema protected area © MNHN



6.2. THE BENEFICIARIES OF GROWING VALUE CHAINS

In 2020, 12,675 rural people benefited from the value chains supported by FAPBM, as compared to 12,127 in 2019.

Table 6. Evolution of FAPBM financings beneficiaries (2017-2020)

	2017	2018	2019	2020
Number of income generating activities (IGA) and value chains supported (VC)	33	31 (20 IGA and 11 VC)	24 (4 IGA and 20 VC)	19 VC
Number of beneficiaries	-	-	12,127	12,675



The four income generating activities that should have been supported by FAPBM in 2020 were abandoned by the neighbouring communities. These were the cultivation of fruit trees in the Montagne des Français PA, vanilla and pepper crop and beekeeping in the Analalava PA, and intensive rice cultivation in the Maromizaha PA. These withdrawals were direct results of travel restrictions that prevented managers from providing adequate support for activities (needed advices and supplies of inputs and materials).

The 19 value chains set up by FAPBM before 2020 as part of support for development activities continued. An increase in sales has taken place despite the health crisis, thus leading to an increase in the number of these value chains' direct beneficiaries. This was the case for products from market gardening in Loky Manambato and Analalava, the sale of fish in CMK or honey in Antrema, Maromizaha and Montagne des Français.

In a difficult context, managers' efforts were focused on maintaining the sectors that had already existed in 2019. As a result, no new development activity was implemented in 2020 in the NPAs.

Finally, women represented 35% of the beneficiaries of the supported activities in 2019 and 2020, in most of NPAs. They were involved in craft activities (basketry), beekeeping, and short-cycle breeding.

The following table details the value chains supported by FAPBM in 2020:



Table 7. Value chains supported by FAPBM in 2020

NPA	Manager	Value chain	Number of beneficiaries 2020	Support activities
Analalava	MBG	Short cycle farming (poultry and rabbits)	650	Training in breeding techniques, supply of materials and equipment (huts, etc.), sale of products
		Vegetable growing	485	Training in agricultural techniques, scaling up of cultivation land, sale of products
Antrema	MNHN	Beekeeping	1,200	Training, supply of equipment (beehives), sales
		Salt Culture	845	Training, equipment supply, sales
		Sea fishing	2,460	Monitoring of community fishing activities, fishing according to standards and sale of products
Beanka	BCM	Cassava cultivation	180	Training in improved agricultural techniques, supply of inputs and equipment
CMI	ASITY	Rice farming	845	Training in improved agricultural techniques, supply of inputs and equipment, construction of irrigation canals, sales
CMK	ASITY	Crafts (basketry)	850	Training of women, supply of materials and equipment, technical support in the restoration of Raphia tree areas of the NPA, sale of products
		Rice farming	660	Training in improved rice-growing techniques, construction of irrigation canals, scaling up of cultivation areas, sale of products



A baobab landscape in the South East © WWF-Halleux

NPA	Manager	Value chain	Number of beneficiaries 2020	Support activities
Itremo	RBG Kew	Sericulture	90	Training in silkworm breeding and weaving, restoration of Tapia forest areas, supply of weaving equipment, sale of products
Loky Manambato	FANAMBY	Vegetable growing	480	Training of pilot farmers, scaling up of cultivation land, sales
		Sea fishing	1,500	Training, supply of materials and equipment, sales
		Rice farming	520	Training in improved rice cultivation technique, scaling up of cultivation land, sales
MDF	SAGE	Tourism	50	Track construction, guide training, target tracking, reception and guiding
Mandrozo	TPF	Inland fishing	320	Fishing according to standards and regulations, use of fiberglass canoes, drying / salting, and sale
Maromizaha	GERP	Beekeeping	250	Training, supply of materials and equipment (beehives, extractors, etc.), sales
		Fish farming	450	Training, supply of materials and equipment (ponds, fry, etc.), sales
Oronja	MBG	Sea fishing	450	Training, supply of painting for canoes, sale of products
Tsimembo Manambolomaty	TPF	Inland fishing	390	Fishing according to standards and regulations, use of fiberglass canoes, drying / salting, and sale
			12,675	

7. A STRONG INCREASE IN FUNDING

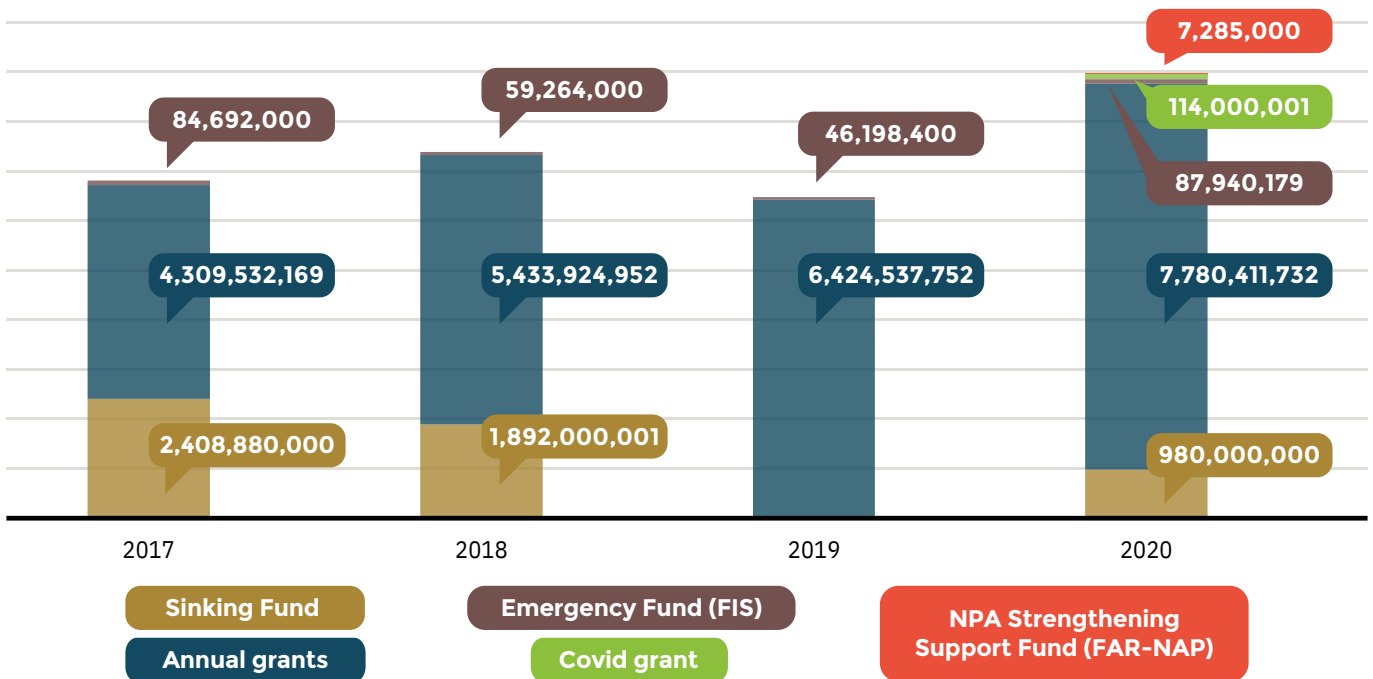
FAPBM funding increased significantly in 2020.

7.1. A 37% INCREASE IN THE OVERALL FUNDING TO PAs

The total funding⁸ to PAs (excluding Covid grant) increased by 37%, from MGA 6,736,152 (USD 1,952,151) in 2019 to MGA 8,855,636,911 (USD 2,457,292) in 2020. This was made possible, firstly through a strong investment policy of the financial portfolio of the Foundation which allowed a 21% increase in annual grants from MGA 6,424,537,752 (USD 1,938,213) to MGA 7,780,411,732 (USD 2,158,935), and through a decision of the Board to grant an advance on the Sinking Fund from KfW to MNP.



Figure 5. Evolution of funding in MGA (2017-2020)



⁸ The total funding includes annual grants, FIS, FAR-NAP, and the advance on the KfW Sinking Fund

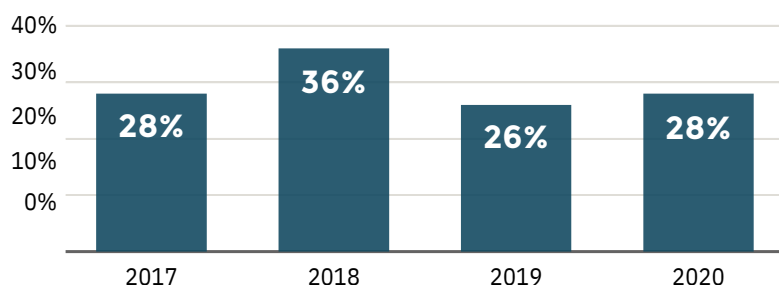
7.2. A STABILITY OF FAPBM'S SHARE IN PA BUDGETS

The share of FAPBM funding in the PAs it finances remained stable from 2019 to 2020.

The share of FAPBM in the MNP PA budgets

The share of the budget financed by FAPBM in the financing plans of MNP sites remained **stable at 28% in 2020**. This share takes into account the exceptional advance on the KfW Sinking fund of MGA 980,000,000 (USD 271,934).

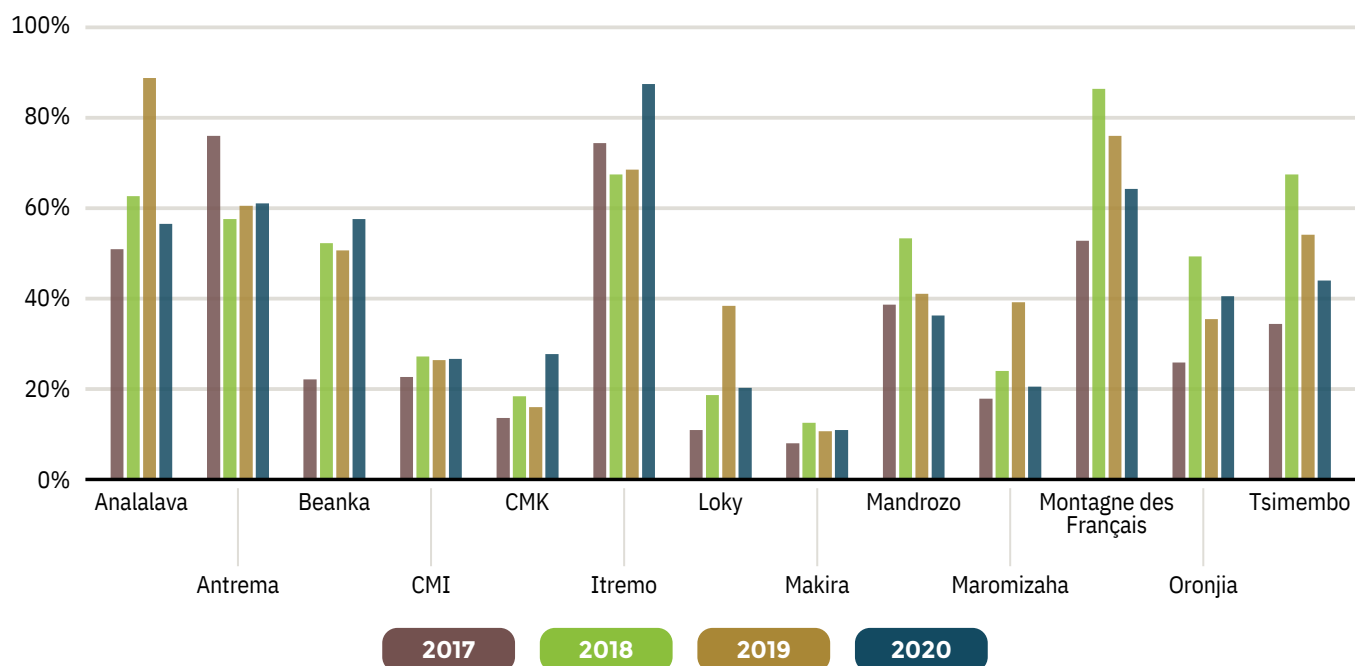
Figure 6. Evolution of FAPBM's share in the needs of funded MNP PAs (2017-2020)



The share of FAPBM in NPA budgets

The share of the budget funded by FAPBM in the financing plans for the supported NPAs remained stable at **29% compared to 2019**. However, this average hides a disparity between the NPAs, as shown by the graph. As we can see, the share of FAPBM funding could range from less than 10% for Makira NPA, to over 80% for Itremo NPA. Excluding the lowest value (Makira PA), this share rises to 36% of the needs of the funded NPAs.

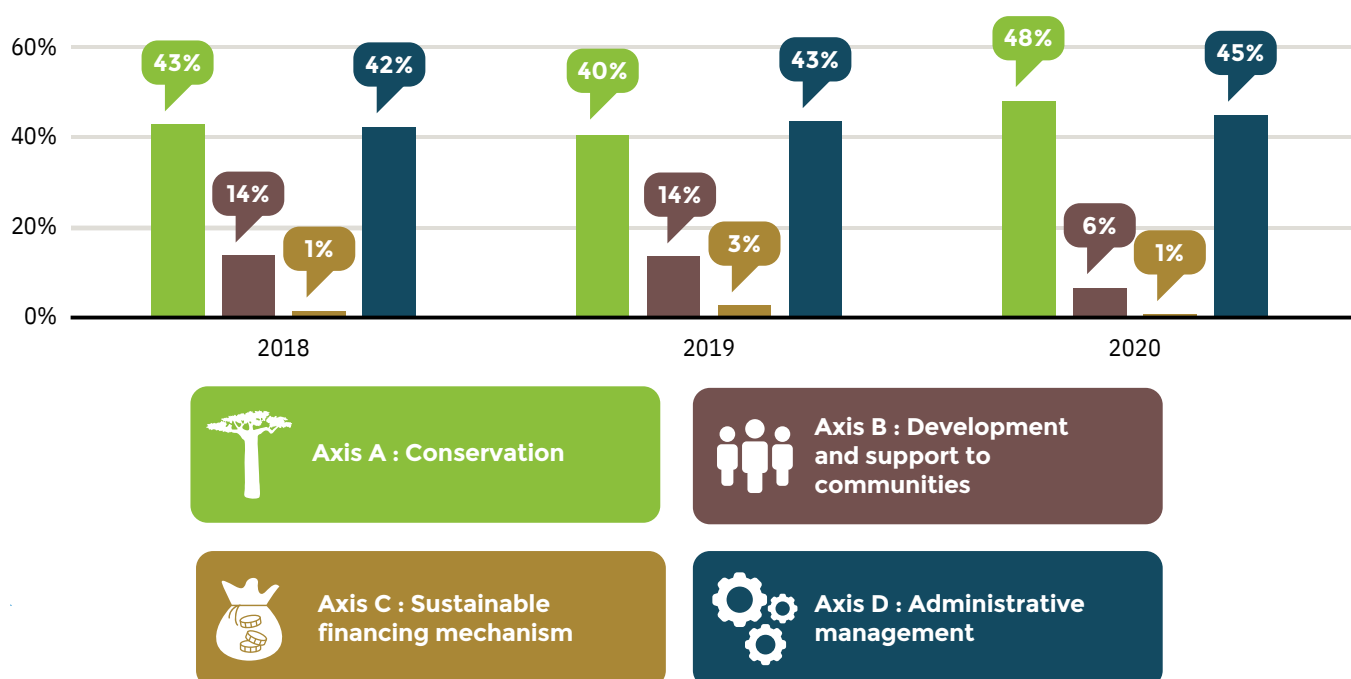
Figure 7. Evolution of FAPBM share in the budget of the funded NPAs (2017-2020)



7.3. THE NPAs FUNDING ORIENTED TOWARDS CONSERVATION

The Foundation’s activities and areas of intervention presented in the annual work program of NPA managers has been reorganized, according to the reform introduced in 2020. As a result, while the Information-Education-Communication activities previously constituted a separate axis, they have since been integrated into the Conservation axis. Likewise, many workshops and meetings are part of this axis, for example the validation workshops of the Development and Management Plan (PAG), or the meetings of the Steering and Support Committees. This reorganization of activities was applied to data from past years on the below graphic.

Figure 8. Evolution of funding axes at the 13 NPAs supported (2018-2020)



The distribution of funding in the NPAs confirms the importance of FAPBM funding in conservation, which is its primary vocation. Indeed, the NPA funding gaps were mainly concentrated in this area, funded to a lesser extent by other contributors.

2020 saw a notable decrease in the share of development support. The main explanation is that managers generally find funding for development activities. For example, in 2020:

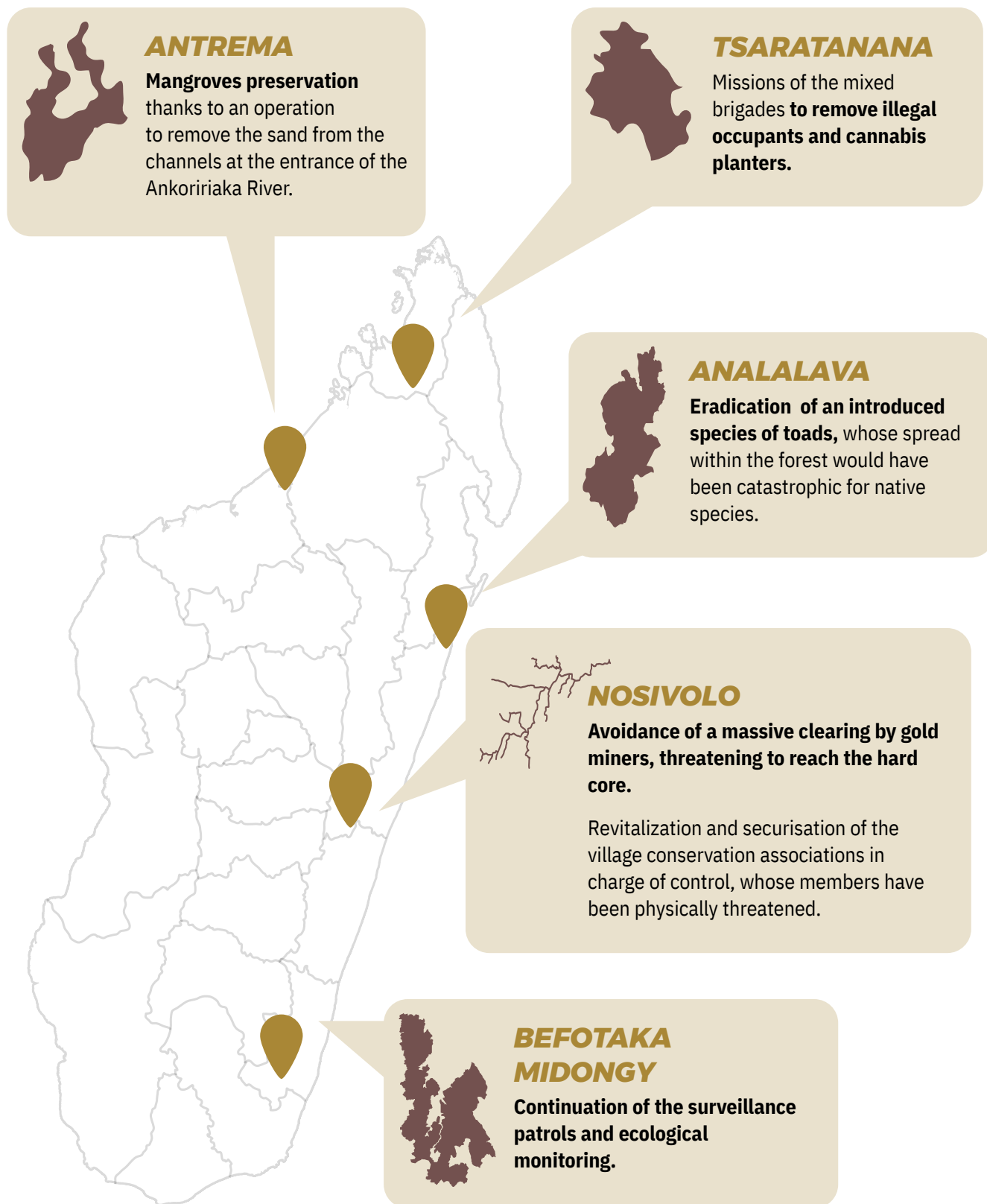
- CMI received a funding of MGA 317 million from KfW,
- CMK received MGA 46 million from GEF6,

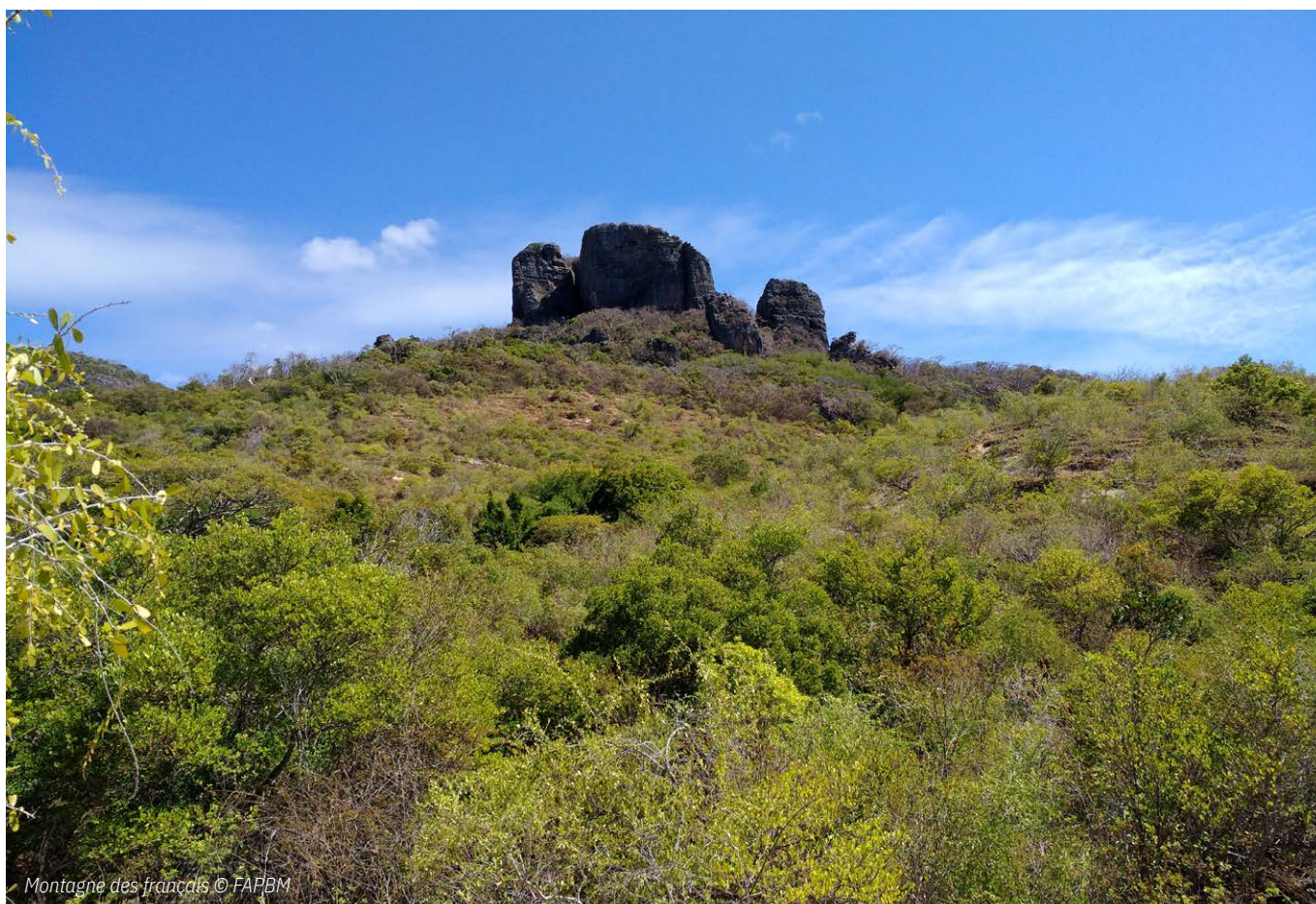
- Mandrozo PA received a funding of MGA 68 million from BIOPAMA,
- Maromizaha PA received MGA 30.5 million from the Houston Zoo.

FAPBM’s support for development activities in 2020 constituted the continuation of precedent support. This continuation is essential for sustainably supporting the beneficiary communities.

7.4. THE EMERGENCY FUND (FIS): EMERGENCY INTERVENTIONS THAT MAKE SENSE

Thanks to the Special Intervention Fund (FIS), the Foundation responded to five urgent requests totaling MGA 87,940,179 (USD 24,402). Emergency interventions took on their full meaning in a very difficult health context for PAs:





7.5. THE FAR-NAP: A STRATEGIC FUND TO SUPPORT THE MANAGEMENT OF NPAs

In response to capacity building needs of the NPAs, FAPBM set up in 2020 a new support instrument, the **NPA Strengthening Support Fund, or FAR-NAP**. The objective of the FAR-NAP is to support the NPAs to acquire additional knowledge on management contexts (situation, wealth, evolution or change) in order to better direct their intervention strategies. Among the activities that could be financed by this instrument are research on target species, PA border redefining, or training in new technologies for the management of the PA.

The first PA to benefit from this new instrument was the Montagne des Français managed by the SAGE Association in 2020. The support in the amount of MGA 7,285,000 (USD 2,021) consisted of organizing a national validation workshop of the PAG and the PGESS which are essential documents in managing a PA in Madagascar.

Currently, Madagascar is moving towards the capitalization of PAs and biodiversity for sustainable development with a “landscape” approach. Management documents, such as PAG and PGESS, are the basic instruments to strengthen the role of PAs in this approach. In 2020, 7 NPAs out of the 13 funded by the FAPBM updated their PAG and PGESS.

8.

THE FAPBM'S RESPONSE TO THE COVID-19 PANDEMIC

8.1. AN ADVANCE PAYMENT ON KFW'S SINKING FUND

In 2020, FAPBM granted an advance payment of MGA 980,000,000 (USD 271.934) on KfW's Sinking fund for the 5 beneficiary PAs. MNP was not able to compensate for this funding gap through its internal resources as in 2019.

8.2. AN EXCEPTIONAL SUPPORT FOR NEIGHBOURING COMMUNITIES

To anticipate the impacts of the Covid-19 crisis, the Foundation had sent a survey to managers of funded PAs to assess their level of knowledge about Covid-19, the changes caused by the pandemic in PAs, and the adaptation measures taken to address them.



MGA 114
million
allocated



6,550
direct
beneficiaries



36
PAs supported

The following came out:



→ All PAs were affected by the pandemic and had to readjust the activities planned in their annual work program (AWP),

→ The PAs of the MNP network were more impacted than the NPAs due to the ecotourism activities coming to halt which drastically reduced the financial resources of the network,

→ The economic activities communities bordering the PAs have deeply suffered from the lockdown.

These responses allowed to:



→ Assess the risks and prepare in advance in any case of AWP redevelopment requests or any FIS requests from the site,

→ Define and deploy an exceptional donation for communities living around funded PAs.



Therefore, FAPBM mobilized MGA 114,000,000 (USD 31,633) in response to the humanitarian emergency. The priority of PAs' managers was to minimize food insecurity, a result of the decline in family income, then to contribute to the needs in terms of hygiene and health.

This grant was used to provide basic necessities (rice, sugar, cooking oil) and hygiene products (masks, gels, soaps) for the members of the local committees. **6,550 people including members of local committees of the parks and Polisin'ala benefited from these donations between June and August 2020.**

Health and hygiene



7,850
soap bars



1,590
face masks

Food Safety



27 t
of rice



1,490 kg
of salt



5,192
KPK* of dry beans



2,890 l
of cooking oil



760
KPK* of corn



1,380 kg
of sugar



614
boxes of pasta



360
cans of condensed milk

*KPK: one can of condensed milk, usual measure of quantity in Madagascar

9.

THE PA MANAGERS IMPACTED BY THE HEALTH CRISIS

The managers of PAs have experienced difficulties with the health situation and their consequences. Although weakened, they have nevertheless succeeded in preserving the overall integrity of biodiversity.

9.1. GROWING METT AND IEG INDICATORS

PAs use distinct performance indexes. While the NPAs use the Monitoring and Evaluation Tracking Tools (METT), the MNP network uses the Management Effectiveness Index (IEG).

Table 8. Performance indicators evolution (2017-2020)

	2017	2018	2019	2020
IEG MNP	71%	72%	71,25%	73,12%
METT NPA	Not available	69%	71,65%	74,70%

The scores for IEG and METT show that in a difficult period, managers were able to carry out planned conservation activities.

On one hand, the IEG score of the MNP network saw a smaller increase, by 1.87 points compared to the 2019 score. It should be noted that the IEG score of MNP⁹, with its 31 questions, reflects more the results obtained from the activities, regardless of the methods. In 2020, all conservation activities were fully carried out according to MNP. They produced the expected results which are generally the physical securing of the PA. However, the participation of the CLPs and COSAPs in the management of PAs of the MNP network was very low in 2020 (meetings, micro-projects, materialization of the boundaries of the PA, etc.).

But its weighting in the IEG score is low compared to patrolling, ecological monitoring and firefighting activities which were the main activities of MNP Management Units in 2020. This explains the increase in the IEG score.

On the other hand, the overall METT score of the NPAs has increased by 3.05 points compared to the 2019 score. This is due to the effective implementation of the planned conservation activities (physical securing of the PA, ecological monitoring, implementation of conservation infrastructure). The 2020 activities were focused on active fights against fire, the main form of pressure in 2020, closely followed by the fight against selective logging (mangroves and humid forests).

On conclusion, the managers of the supported PAs were effective, because the hard cores of the PAs were not strongly affected as the exponential increase in the number of fire points led to fear.

⁹ In 2020, MNP thought about moving on using METT score after the adaptation of this tool by the Ministry of Environment in 2018. This could not be done in 2020 because of the Health situation.

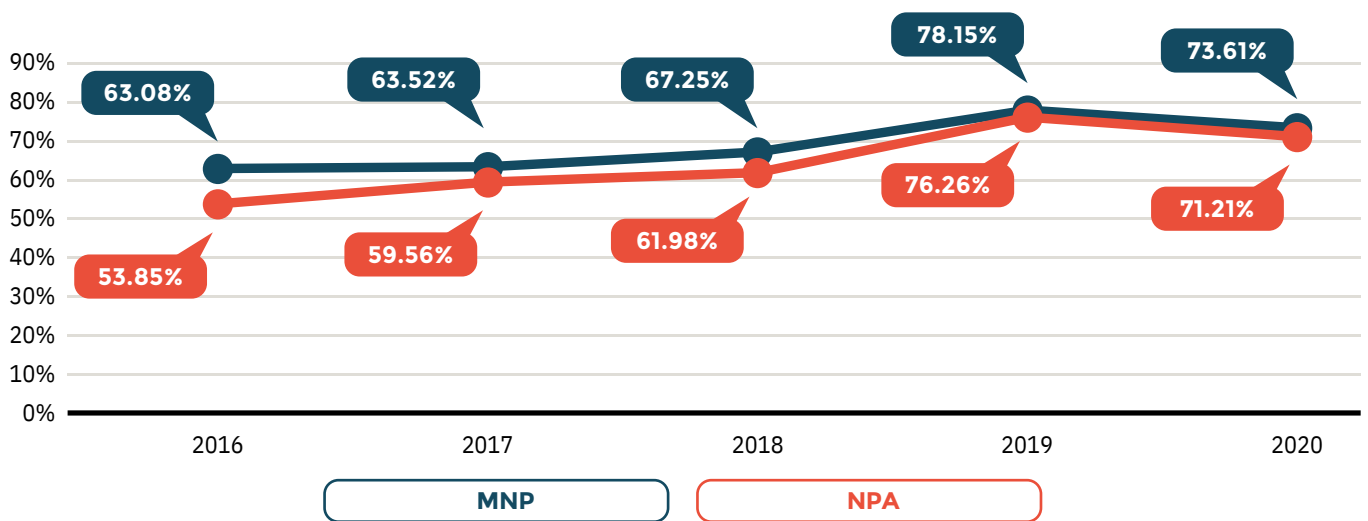
9.2. LOWER MANAGEMENT PERFORMANCE

As a financial institution, FAPBM uses an indicator the Key Performance Indicator (KPI¹⁰), which monitors the performance of managers of financed PAs. This indicator takes specific management criteria into account.

Declining KPIs

The evolution of KPIs, constantly positive since 2016, showed a significant decrease in its values in 2020 compared to those of 2019: from 78.15% in 2019 to 73.61% in 2020 for MNP and from 76.26% in 2019 at 71.21% in 2020 for NPAs.

Figure 9. Evolution of KPI values (2016 - 2020)



FAPBM mission of audit, monitoring and evaluation in CMI © FAPBM

This decrease is mainly due to the low rates of implementation of non-conservation activities in 2020, both in the sites managed by MNP and in the NPAs. The objectives described in the AWP 2020 were not all achieved, specifically for some development support activities as well as environmental awareness and education activities.

¹⁰ See Appendix 1

Increasing levels of risk




The Foundation carries out an annual risk assessment per PA as part of the process for allocating its funding. This is done using several criteria, the main ones being:

- PA reports quality: assessed according to the amounts of grants awarded, the redundant non-compliances, the ineligible expenditure noted;
- Internal control system quality.

The health situation and related restrictive measurements have led to significant changes in the risk map compared to 2019:



Table 9. Risk map (2018-2020)

Risk level*		2018	2019	2020
Excluding Sinking Fund-funded PAs				
HIGH RISK		2	4	3
MODERATE RISK		10	6	13
LOW RISK		18	21	15

The increase in the number of moderate-risk PAs is directly linked to the health situation. Indeed, it has generated a suspension of many activities in PAs. This has also caused liquidity problems, and finally substantial delays in the submission of activity reports to the Foundation. In addition, the isolation of the intervention areas of some managers during this period was a hindrance in the evaluation of the operability level of the management units and the level of staff involvement in conservation activities. This was the case for 8 PAs that have gone from low to moderate risk, and one PA that has gone from moderate to high risk.

However, thanks to the support and capacity building provided during the FAPBM missions, 2 high risk PAs have moved to moderate, and 3 moderate risk PAs have moved to low risk.

10. THE FOUNDATION, A FINANCIAL MECHANISM FOR BIODIVERSITY PROJECTS



FAPBM and MBG teams during the audit, monitoring and evaluation mission in Agnalazaha © FAPBM

The FAPBM has strengthened its vocation as a financial mechanism in biodiversity conservation programs. The three related programs are in 2020:

10.1. THE SUPPORT FOR THE ESTABLISHMENT OF MARINE PAs

WWF.US, as an executing agency of GEF (Global Environment Facility), gave a mandate to FAPBM to ensure the financial management of a program in favor of the extension and consolidation of marine PAs (2020-2024). The project's objective is to ensure that Madagascar's marine biodiversity and productivity are effectively managed through a sustainable and resilient national network of marine PAs. The total cost of the project amounts to USD 6,209,404.

2020 was devoted to the establishment of the project management unit and the steering committee, the preparation of the 2021 work program, and the development of operational mechanisms. This program marks FAPBM's real debut in marine Protected Area financing. The upcoming update of its prioritization manual will fully integrate marine Protected Areas among its target Protected Areas.

10.2. THE FIRST OFFSET PROGRAM: QMM - AGNALAZAHA PA

The project, costing USD 300,000, is part of the offset program of the company QIT Madagascar Minerals (QMM), a subsidiary of the Rio Tinto group. QMM has indeed decided to delegate to FAPBM the financial management and monitoring of its compensation program in Agnalazaha, a NPA managed by Missouri Botanical Garden (MBG). The overall objective of the Agnalazaha PA is to conserve biodiversity and restore the natural ecosystems of the forest while transferring to the local grassroots community the capacity for sustainable management of natural resources.

Due to the health situation and changes in the operation of the site, the NPA of Agnalazaha experienced difficulties in the implementation of its activities in 2020. Prioritization of the budget was made in favor of the physical security of the PA: developing new firewalls, active fight against grassland fires, patrol missions with the mobilization of communities and local authorities. All those actions allow the managers to limit the negative impacts of the health situation on the conservation of the site.

The offset mechanism innovates as a financial tool of PA, dedicated to companies. A first experience with QMM Rio Tinto has been implemented and enables the financing of Agnalazaha PA. The Foundation is working to master the entire mechanism in order to develop it in other PAs.

Agnalazaha biodiversity in 2020



246

plant species, among which **198** species endemic to Madagascar. **10** species are endemic to the region, **6** of them can be founded in the QMM mine site, (ex: *Hyperacanthus mandenensis*).



66

birds species, among which **25** endemic species of Madagascar, **20** of the region, 1 endangered species: *Lophotibis cristata*.



5

lemurs species (ex: *Eulemur cinereiceps* endemic to the southeast of Madagascar).

10.3. FOR A BETTER KNOWLEDGE OF LEMURS: MADAGASCAR LEMURS PORTAL

FAPBM continued to serve as the financial mechanism for Lemurs Portal project which received additional funding of USD 51,000 in 2020 from the JRS Biodiversity Foundation. The objective of this funding was to prepare the sustainability of the portal (hosting and maintenance of the site, financing of fundraising activities, etc.).

Many activities planned for 2020 unfortunately had to be postponed or canceled due to the sanitary crisis. These included a large number of field missions, promotion of the tool towards PA managers and local communities, as well as data collection.



Information session about Lemurs Portal in Antsiranana © Lemurs Portal

« Lemurs Portal » data use in 2020



16,157

Recorded observation data



490

Users



50,719

Visitors



1,140

Documents uploaded

11. A SOLID PERFORMANCE OF FINANCIAL INVESTMENTS

In a context of highly volatile markets due to the Covid-19 pandemic, the FAPBM portfolio remained solid. This has demonstrated that the investment policy, directed to the long term, is suited despite the management costs it implies.

11.1. A GOOD PORTFOLIO RESISTANCE

The FAPBM Investment Policy, in its July 2020 version, indicates that the Foundation's financial management objective is to « *generate sufficient investment performance to enable it to fulfill its environmental mission, while preserving in real terms (after inflation) and over the long term the value of the capital that has been contributed, converted with each contribution in the reference currency (USD)* ».

The margin of capital

As of December 31st, 2020, the total value of the portfolio was **USD 100.8 million**. The value of contributed capital revalued by historical inflation (the Harmonized Index of Consumer Prices (HICP) of the Euro zone for the part of the assets which has in the past been in EUR, the American Consumer Price Index (CPI)¹¹ for assets in USD) was **97.0 million USD**. The margin is therefore **USD 3.8 million**.

The fact that this last margin is positive shows that the Foundation is fulfilling its financial management objective.



The portfolio performance

The FAPBM portfolio posted a performance of +7.3% (+12.7% in 2019). This performance is appreciable in absolute terms, and slightly below the benchmark of strategic allocation (+8.0%). A notable outperformance of the Equities pocket should be noted (+17.9% versus +15.9% for the related benchmark) and the reverse for the IG Bond pocket, which suffered from too short a duration in this year when the market expected a rate hike (+6.7% versus +11.0%).

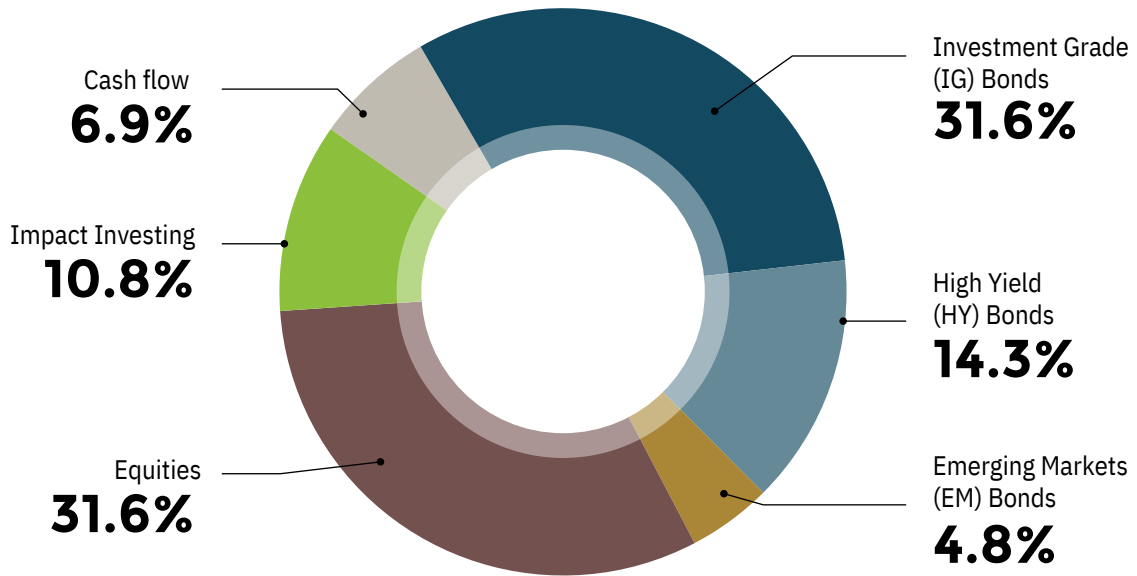
The Investment Policy sets a long-term objective of 4% net. This objective has been met both over the last three years (+5.5%) and over the last five (+6.2%).

¹¹ US inflation rates used for 2020: 1.36% (was 2.29% for 2019)

11.2. A PORTFOLIO IN LINE WITH THE INVESTMENT POLICY

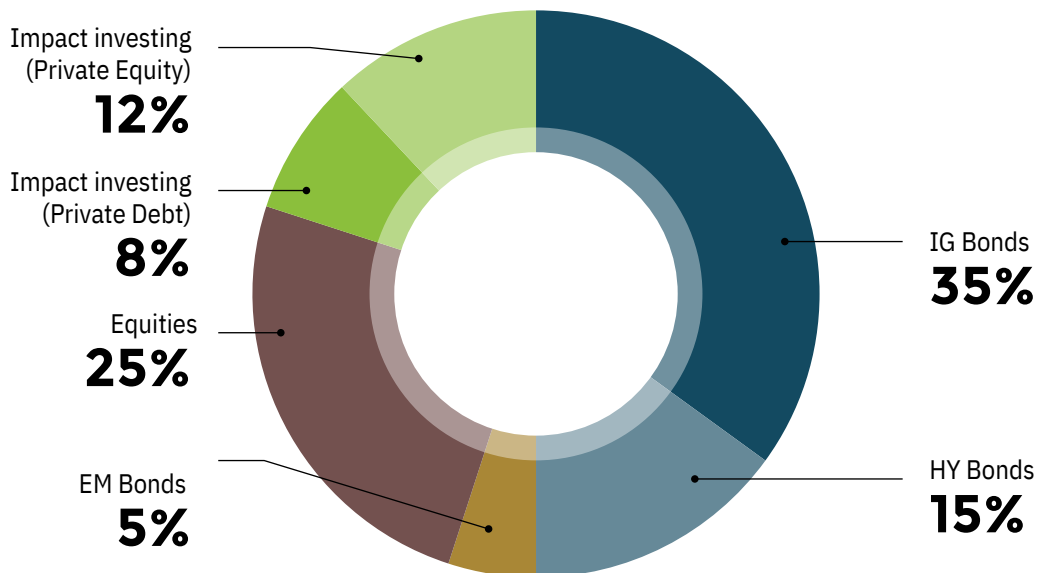
As of December 31st, 2020, the distribution of capital by asset class appears in the graph below:

Figure 10. Distribution of portofolio at the end of 2020



This differs slightly from the target allocation defined in the Foundation’s 2020 Investment Policy, which is as follows:

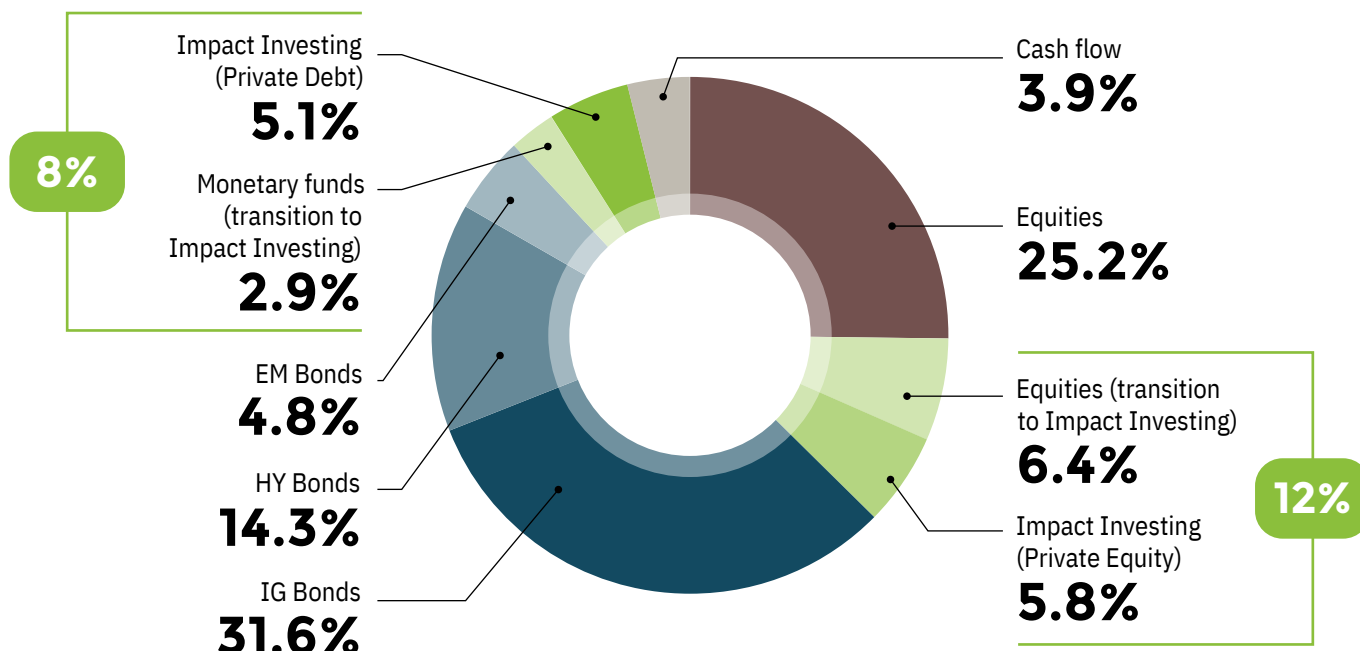
Figure 11. Distribution of portofolio as defined in the Foundation’s 2020 Investment Policy



This is explained by the time taken for Impact Investing investments to be fully deployed. While 20% of the Foundation’s portfolio dedicated to the Impact Investing pocket is now committed with 8 funds in the portfolio, the capital calls made by these funds should, for their part, still be spread over 2 to 5 years.

In addition, investing in Private Equity and Private Debt involves a transitional phase during which the amount allocated to the various funds is committed but not invested. To prevent this amount from not generating income, the Foundation invests in monetary funds for what will be Private Debt, and in equities for what will be Private Equity. This is reflected in the table below, which shows all of the 20% dedicated to Impact Investing.

Figure 12. Allocated assets at the end of 2020



11.3. THE RESPONSIBLE INVESTMENTS

FAPBM pursues a dual objective, (i) to ensure that its investments are compatible with its values and its mission, and (ii) to strengthen its social and environmental impact. The first is characterized by a combination of normative and sectoral exclusions. The second is, since 2016, embodied by the Impact Investing pocket.

The sector exclusions

Compatibility with the values and mission of the Foundation firstly results in sectoral exclusions. These exclusions pertain to weapons, tobacco, gambling, pornography, strong alcohol intended for human consumption, fossil fuels including all companies whose main activities are extraction and/or production and/or the distribution of energy produced by the combustion of coal, oil or natural gas, and extractive industries other than those relating to fossil energies including all companies whose main activities are extraction and/or transformation and/or the distribution of non-renewable minerals, raw or processed. It should be noted that sectoral exclusions have been adjusted to correspond to those of the main contributors to the capital.

This compatibility is also reflected in normative exclusions, by the checking, company by company, of compliance with the ten main principles of the United Nations Global Compact¹².

¹² <https://www.unglobalcompact.org/what-is-gc/mission/principles>

The impact investing

The strengthening of the social and environmental impact of FAPBM's financial investments is reflected in the strategic allocation of 20% of its capital to vehicles making it possible to combine financial return and impact (impact investing).

Table 10. Impact Investing distribution

Investments	Types of impacts expected
CASEIF III (USD 2,000,000)	<ul style="list-style-type: none"> • Financing of small and medium-sized enterprises in Central America, landscape of the agri-food sector and renewable energies in particular • Job creation • Promotion of the place of women within companies
Adenia IV (USD 2,700,000)	<ul style="list-style-type: none"> • Job creation • Financing of the local economy
REAF II (USD 2,500,000)	<ul style="list-style-type: none"> • Financing of infrastructure projects around solar, wind, hydraulic and biogas energy • Support for demand for renewable energy in Asia
Catalyst II (USD 2,000,000)	<ul style="list-style-type: none"> • Job creation • Financial and strategic support to local businesses
Kaizen II (USD 2,000,000)	<ul style="list-style-type: none"> • Access to education in India and Southeast Asia • Improvement of the quality of infrastructure
AGCF (USD 2,500,000)	<ul style="list-style-type: none"> • Job creation • Improvement of the Environmental, Social and Governance (ESG) aspects of the companies in which the fund invests
Darby Fund III (USD 3,000,000)	<ul style="list-style-type: none"> • Job creation • Improvement of ESG aspects of companies in which the fund invests
Frontier Energy II (USD 2,250,000)	<ul style="list-style-type: none"> • Support for economic growth in East Africa • Job creation • Fight against global warming

An annual report on the social and environmental impacts of the impact investment pocket is produced by Obviam.

10.4. THE SITUATION OF THE LOCAL CAPITAL

The amount of the spending rule, which means the total fundings to be disbursed for year N+1 is decided by the Board of Trustees in July of year N. It is transferred in full from abroad Foundation's bank account to local banks in Madagascar. The funds repatriated this way are placed in term deposits in local currency (MGA) according to their forecast of availability.

Interests on these investments are put into the local capital account. As of December 31st, 2020, the amount of local capital FAPBM is MGA 1,300,000,000 (USD 339,883).

12. THE STRENGTHENING OF THE INTERNATIONAL NETWORK

In 2020, FAPBM consolidated its relations with the organizations of which it is a member, while expanding its network.



An active participation in IUCN, RedLAC and CAFE events

FAPBM participated in the 10th General Assembly of the African Consortium of environmental funds, CAFE, held on October 8th, 2020. On that occasion, the CAFE welcomed a new member, Medfund. Moreover, FAPBM also participated in the Congress of the Network of Latin American Environmental Foundations, RedLAC, on October 6th-8th, 2020. The theme of the Congress has been “Sustainable Finance for conservation: The role of CTFs in meeting the New Global Goals”.

In addition, FAPBM took part in several webinars organized the IUCN (International Union for Conservation of Nature), including a webinar on the theme “Participatory management in PAs in Southern and Eastern Africa” on September 2nd, 2020, and a webinar on funding gaps organized on December 9th, 2020. Finally, FAPBM participated in the vote of more than 109 motions reserved for IUCN members.



Bee Eater (Halleux) © WWF



A partnership with ESSA Antananarivo - University of Bangor (UK)

FAPBM supported a consortium made up of the University of Bangor (United Kingdom) and the Applied Research Laboratory of the Superior School of Agronomic Sciences of Antananarivo in organizing a first workshop on environmental and social protection policies. Discussions underway lead to a support agreement for the Ministry of the Environment and Sustainable Development with a view to reform the environmental and social management framework of PAs in Madagascar.



Workshop Conciliate social safeguarding and poverty reduction in Protected Areas © FAPBM



Integration into Conservation Finance Alliance

FAPBM has joined the Conservation Finance Alliance (CFA) in 2020. CFA is an association based in Washington DC, bringing together Foundations and NGOs, and whose activities are focused on the sustainable financing of conservation. It constitutes an important source of documentation relating to the sustainable financing of PAs. In October 2020, the Foundation participated in the launch of the revised 2020 management standards for Conservation Trust Funds.



A stakeholder in BIOFIN Madagascar

BIOFIN (Biodiversity Finance Initiative) is a multi-country UNDP program intended to support the search for sustainable financing for biodiversity. FAPBM joined the BIOFIN program for Madagascar in 2020 and is a member of the steering committee. In this context, the Foundation benefited from sharing and discussion sessions addressed to foundations for conservation. The FAPBM model, as an organization participating in resilience to biodiversity conservation, was presented at the BIOFIN regional meeting for Africa on October 5th, 2020.



Agly Mantidactylus © WWF-Halleux

The future collaboration with the Comoros Environmental Fund

The Comoros Environmental Fund (FEC) and FAPBM have initiated discussions about a potential partnership as the FEC has expressed its wish to benefit from the FAPBM's structure and experience. In 2020, the FAPBM Board of Trustees approved the principle of collaboration which will take the form of capacity building activities for the FEC .

13. A FUNDRAISING CAMPAIGN IN PREPARATION

Although FAPBM today is a central mechanism for sustainable financing of PAs, needs in sustainable resources to conserve biodiversity remain significant and unmet. Therefore, an international fundraising campaign was decided by the Board and would start as soon as the international context is favorable. 2020 was a year of preparation of this campaign.

The establishing of an FAPBM – MNP fundraising group

FAPBM has set up with Madagascar National Parks a working group in charge of preparing a joint fundraising campaign starting at the end of 2021. The group is supported by the USAID Hay Tao program and the AHT consulting firm financed by KfW. The objective is to coordinate actions towards potential contributors. In this context, the future campaign led by FAPBM will be mainly oriented towards contributions to its capital, while MNP will aim to mobilize funding for specific conservation projects.

A study on the economic values of PAs

FAPBM launched a major study on the economic values of PAs in 2020. This study, carried out by international and national consultants, will show the economic contribution of PAs, and will serve as an advocacy tool with political authorities, the conservation community, and potential future contributors. The study was funded by KfW.



The USAID support

USAID, through the Hay Tao Program, signed an agreement with FAPBM for institutional support over several years. In 2020, this meant the development of advocacy support for future fundraising campaigns. In addition, USAID Hay Tao will fund an international study in 2021 to identify opportunities for mobilizing funding at the international level. The study will serve as a basis for targeting potential contributors to the capital of FAPBM.

A Newsletter with a view to better convince

In order to raise more awareness about the actions of FAPBM, a monthly Newsletter was launched in January 2020. The Newsletters are mainly intended for stakeholders in Madagascar and abroad. These include embassies based in Madagascar, political decision-makers, the administrations concerned, managers of financed PAs, international foundations, and private sector groups.

14. THE AUDITED 2020 FINANCIAL STATEMENTS

Delta Audit

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INDEPENDENT AUDITOR'S REPORT

To the Directors and the Executive Director
of the Foundation for Protected Areas and Biodiversity
of Madagascar (FAPBM)

Opinion

We have audited the annual financial statements of the Foundation for Protected Areas and Biodiversity of Madagascar (FAPBM), which include the balance sheet as of December 31, 2020, and the income statement, the table of changes in equity and the statement of cash flows for the year ended on that date, as well as the accompanying notes, including the summary of the main accounting methods.

In our opinion, the accompanying annual financial statements presenting a profit of MGA 33,709,824,903.76 give, in all their material aspects, a true picture of the financial situation of the Foundation as of December 31, 2020, as well as of its financial performance and cash flow for the year ended on that date, in accordance with the accounting principles applied in Madagascar (PCG 2005).

Rationale

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under these standards are further described in the «Auditor's Responsibilities for the Audit of the Financial Statements» section of this report. We are independent from the Foundation for Protected Areas and Biodiversity of Madagascar (FAPBM) in accordance with the Code of Ethics of Professional Accountants of the Council of Comparable International Standards of Ethics (the IESBA Code), and we have fulfilled the other ethical responsibilities incumbent on us according to these rules. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of management and those charged with governance for the annual financial statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with the 2005 PCG, as well as for the internal control it considers necessary to enable the preparation of financial statements free from material misstatement, whether from fraud or errors.

Upon preparing the annual financial statements, it is management's responsibility to assess the ability of the company to continue its exploitation, to communicate, where appropriate, matters relating to continued exploitation and to apply the comparable principle of continued exploitation, unless management intends to liquidate the company or cease its activity or if no other realistic solution is available to it.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

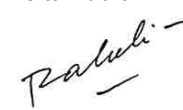
Responsibilities of the auditor for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance that the annual financial statements, taken as a whole, are free from material misstatement, whether these result from fraud or error, and to issue an auditor's report stating our opinion. Reasonable assurance is a high level of assurance, which, however, does not guarantee that an audit conducted in accordance with ISA standards will always detect any material misstatement that may exist. Anomalies may result from fraud or error and are considered material when it is reasonable to expect that, individually or collectively, they could influence the economic decisions that users of annual financial statements make based on those.

Antananarivo, May 12, 2021

The Statutory Auditor

Delta Audit



Justine RAHELIARINORO
Partner



Denis RATSIMANDRESY
Partner

Audit.Tax.Advisory

Foundation for Protected Areas and Biodiversity of Madagascar

Balance sheets as of December 31st, (Amounts expressed in MGA)

Assets	Note	2020		2019	
		Gross value	Depreciation/ Impairment losses	Net value	Net value
Non-current assets					
Intangible assets	4a.	5,100,000.00	(3,892,291.68)	1,207,708.32	2,482,708.32
Tangible fixed assets	4b.	2,071,445,377.75	(873,365,590.68)	1,198,079,787.07	1,323,541,184.11
Fixed assets in progress	4c.	77,557,601.28	-	77,557,601.28	-
Financial fixed assets	4d.	2,591,000.00	-	2,591,000.00	2,591,000.00
Total Non-current assets		<u>2,156,693,979.03</u>	<u>(877,257,882.36)</u>	<u>1,279,436,096.67</u>	<u>1,328,615,492.43</u>
Current assets					
Other receivables and similar assets	5	1,324,779,679.34	-	1,324,779,679.34	285,469,666.86
Active suspense account to be regularized		-	-	-	-
Cash and cash equivalents	6	398,559,163,467.16	-	398,559,163,467.16	315,703,934,419.65
Total current assets		<u>399,883,943,146.50</u>	<u>-</u>	<u>399,883,943,146.50</u>	<u>315,989,404,086.51</u>
Total Assets		<u>402,040,637,125.53</u>	<u>(877,257,882.36)</u>	<u>401,163,379,243.17</u>	<u>317,318,019,578.94</u>

Foundation for Protected Areas and Biodiversity of Madagascar

Balance sheets as of December 31st, (Amounts expressed in MGA)

Equity and Liabilities	<u>Note</u>	<u>2020</u>	<u>2019</u>
Equity			
Capital endowments		251,842,856,638.08	201,801,144,118.43
Funds received from donors		14,148,460,922.42	13,285,960,229.30
Cumulative usage expenditure		(13,909,158,876.53)	(13,206,292,770.36)
Carry forward		115,725,210,501.79	77,787,557,565.16
Income statement		33,709,824,903.76	37,957,738,142.11
Total owner's equity	7	<u>401,517,194,089.52</u>	<u>317,626,107,284.64</u>
Non-current liabilities			
Equipment grant		168,433,379.48	168,433,379.48
Funds with management mandate		(768,625,422.20)	(768,625,422.20)
Total Non-current liabilities	8	<u>(600,192,042.72)</u>	<u>(600,192,042.72)</u>
Current liabilities			
Misc. creditors	9	181,988,711.68	233,114,854.72
Suspense accounts to be settled liabilities	10	64,388,484.69	58,989,482.30
Total current liabilities		<u>246,377,196.37</u>	<u>292,104,337.02</u>
Total Equity and Liabilities		<u>401,163,379,243.17</u>	<u>317,318,019,578.94</u>

Foundation for Protected Areas and Biodiversity of Madagascar

Income statement by nature fiscal year ended December 31st, (Amounts expressed in MGA)

	Note	2020	2019
Turnover			
Stocked production		-	-
Immobilized production		-	-
Production of the fiscal year		<u>-</u>	<u>-</u>
Consumed purchases	11	(54,007,770.90)	(61,436,494.83)
External services and other consumptions	12	(2,172,605,238.48)	(2,384,492,028.63)
Consumption for fiscal year		<u>(2,226,613,009.38)</u>	<u>(2,445,928,523.46)</u>
Added value		<u>(2,226,613,009.38)</u>	<u>(2,445,928,523.46)</u>
Staff costs	13	(814,240,342.41)	(780,482,639.39)
Dues and taxes		(105,700.00)	(287,800.00)
Gross operating surplus		<u>(3,040,959,051.79)</u>	<u>(3,226,698,962.85)</u>
Other operating income	14	797,810,168.55	530,991,080.07
Other operating expenses	15	(8,424,572,366.49)	(6,803,956,715.51)
Depreciation, provisions, and impairment charges		(128,500,997.04)	(140,554,199.94)
Reversal of provisions and impairment losses		-	248,927.35
Operating income		<u>(10,796,222,246.77)</u>	<u>(9,639,969,870.88)</u>
Financial products	16.1	76,282,606,638.57	57,627,434,971.23
Financial expenses	16.2	(31,776,559,488.04)	(10,029,726,958.24)
Financial income		<u>44,506,047,150.53</u>	<u>47,597,708,012.99</u>
Profit before Tax		<u>33,709,824,903.76</u>	<u>37,957,738,142.11</u>
Income taxes payable		-	-
Deferred taxes		-	-
Total income from ordinary activities		77,080,416,807.12	58,158,674,978.65
Total expenses from ordinary activities		(43,370,591,903.36)	(20,200,936,836.54)
Net income for the ordinary year		<u>33,709,824,903.76</u>	<u>37,957,738,142.11</u>
Extraordinary items (income)		-	-
Extraordinary items (charges)		-	-
Extraordinary result		-	-
Net income for the year		<u>33,709,824,903.76</u>	<u>37,957,738,142.11</u>

Foundation for Protected Areas and Biodiversity of Madagascar

Income statement by function fiscal year ended December 31st (Amounts expressed in MGA)

	Note	2020	2019
Income from ordinary activities		-	-
Cost of sales	11 and 12	(2,226,613,009.38)	(2,445,928,523.46)
Gross margin		<u>(2,226,613,009.38)</u>	<u>(2,445,928,523.46)</u>
Other operating income	14	797,810,168.55	531,240,007.42
Commercial costs	13	(814,240,342.41)	(780,482,639.39)
Administrative charges		(128,606,697.04)	(140,841,999.94)
Other operating expenses	15	(8,424,572,366.49)	(6,803,956,715.51)
Operating income		<u>(10,796,222,246.77)</u>	<u>(9,639,969,870.88)</u>
Financial products	16.1	76,282,606,638.57	57,627,434,971.23
Financial expenses	16.2	(31,776,559,488.04)	(10,029,726,958.24)
Income before taxes		<u>33,709,824,903.76</u>	<u>37,957,738,142.11</u>
Income taxes payable		-	-
Deferred taxes		-	-
Net income from ordinary activities		<u>33,709,824,903.76</u>	<u>37,957,738,142.11</u>
Extraordinary charges		-	-
Extraordinary products		-	-
Net income for the year		<u>33,709,824,903.76</u>	<u>37,957,738,142.11</u>

Foundation for Protected Areas and Biodiversity of Madagascar

Cash flow statements

fiscal year ended December 31st

(Indirect method)

(Amounts expressed in MGA)

	<u>2020</u>	<u>2019</u>
Cash flow from operating activities		
Receipts received (customers and other debtors)	367,130.00	-
Amounts paid (suppliers, staff, and other operating payables)	(3,778,174,268.55)	(3,013,161,757.98)
Interest and other financial statements paid	(591,682,398.17)	(10,518,772,009.36)
Received grants	-	-
Grants awarded	(8,080,446,014.79)	(6,445,304,867.37)
Cash flows related to extraordinary events	-	-
Net cash flow from operating activities	<u>(12,449,935,551.51)</u>	<u>(19,977,238,634.71)</u>
Cash flow from investing activities		
Disbursements on acquisition of intangible and tangible fixed assets	(79,321,601.28)	(105,568,966.00)
Receipts on disposals of intangible and tangible fixed assets	-	-
Disbursements on acquisition of financial fixed assets	-	-
Receipts on disposals of financial fixed assets	-	-
Interest received on financial investments	44,480,303,367.21	57,575,697,998.63
Dividends and share of results received	-	-
Net cash flow from investing activities	<u>44,400,981,765.93</u>	<u>57,470,129,032.63</u>
Cash flow from financing activities		
Receipts following the issuance of shares	-	-
Receipts following the release of endowments funds	50,041,712,519.65	459,240,205.04
Funds received from donors	862,470,313.44	244,674,103.94
Collection from loans	-	-
Issue of loans or other similar debts	-	-
Net cash flow from financing activities	<u>50,904,182,833.09</u>	<u>703,914,308.98</u>
Cash flow change for the period	<u>82,855,229,047.51</u>	<u>38,196,804,706.90</u>
Cash and cash equivalents at the start of the financial year	315,703,934,419.65	277,507,129,712.75
Cash and cash equivalents at year end	<u>398,559,163,467.16</u>	<u>315,703,934,419.65</u>
Cash flow change for the period	<u>82,855,229,047.51</u>	<u>38,196,804,706.90</u>

Foundation for Protected Areas and Biodiversity of Madagascar

Table of changes in Equity fiscal year ending December 31st (Amounts expressed in MGA)

	Capital allocations	Funds received from donors	Cumulative expenditure on use	Other equity	Income	Total
Balance as of December 31st, 2018	201,341,903,913.39	13,001,126,018.97	(12,733,744,296.97)	73,509,759,460.16	4,374,940,155.77	279,493,985,251.32
Change in accounting method	-	-	-	-	-	-
Error correction	-	-	-	-	-	-
Other income and expenses	-	-	-	-	-	-
Income allocation & retained earnings	-	-	-	4,374,940,155.77	(4,374,940,155.77)	-
Capital transaction	459,240,205.04	284,833,850.33	(472,548,473.39)	(97,141,690.77)	-	174,383,891.21
Net income Fiscal year 2019	-	-	-	-	37,957,738,142.11	37,957,738,142.11
Balance as of December 31st, 2019	201,801,144,118.43	13,285,959,869.30	(13,206,292,770.36)	77,787,557,925.16	37,957,738,142.11	317,626,107,284.64
Change in accounting method	-	-	-	-	-	-
Error correction	-	-	-	-	-	-
Other income and expenses	-	-	-	-	-	-
Income allocation & retained earnings	-	-	-	37,937,652,576.63	(37,937,652,576.63)	-
Capital transaction	50,041,712,519.65	862,501,053.12	(702,866,106.17)	(20,085,585.48)	-	50,181,281,901.12
Net income Fiscal year 2020	-	-	-	-	33,709,824,903.76	33,709,824,903.76
Balance as of December 31st, 2020	251,842,856,638.08	14,148,460,922.42	(13,909,158,876.53)	115,705,124,938.31	33,729,910,469.24	401,517,194,089.52

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Stat : 69 202 11 1994 000 813
RCS : 2003 B 00140

Special report

of the Statutory Auditor

relating to Articles 18 and 19 of Law 2004-014 of August 19, 2004

Fiscal year ending December 31, 2020

Ladies and Gentlemen Administrators
and Mr. Executive Director
of the Foundation for Protected Areas and Biodiversity
of Madagascar

We were not informed of any operation carried out during the 2020 financial year falling within the framework of articles 18 and 19 below of the law No. 2004-014 of August 19, 2004, on the overhaul of the system of Foundations in Madagascar. We have not identified any related transaction in the financial accounts as of December 31, 2020.

According to Article 18: The Foundation cannot grant loans, current account overdrafts, grants or donations directly or through an intermediary to members of the Board of Trustees, executive management, Auditors, or managers of funds.

Likewise, the Foundation cannot act as guarantor of or endorse commitments made by them to third parties. This prohibition extends to spouses, relatives and allies up to and including the fourth degree.

Acts taken in violation of the prohibitions enacted in the preceding paragraphs are null and void.

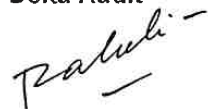
The beneficiaries and perpetrators of such acts are liable to damages towards the Foundation without prejudice to disciplinary sanctions.

According to Article 19: Service contracts concluded between the Founders/donors or their representatives and the Foundation are subject to the prior authorization of the Board of Directors and communicated to the Statutory Auditors who establish a special report in this regard. All relevant funders/donors of the Foundation will receive this special report.

Antananarivo, May 12, 2021

The Statutory Auditor

Delta Audit



Justine RAHELIARINORO
Partner



Denis RATSIMANDRESY
Partner

15. THE GOVERNANCE

The governance of FAPBM is provided by framework documents. In 2020, two framework documents were adopted.

15.1. THE ADOPTION OF TWO FRAMEWORK DOCUMENTS

The investment policy revised

As is the rule every 3 to 4 years in a Foundation, FAPBM Investment Policy was reviewed in 2020, in order to ensure sufficient performance of the portfolio. The main points of this review were as follows:

- Maintaining the objectives (4% average annual net performance and 10% expected shortfall),
- Revising the strategic allocation (decreasing equities in favor of bonds, introducing an allocation in sovereign debt of emerging countries),
- Refining the SRI (sustainable and responsible investment) approach, with the dual objective of ensuring that FAPBM's investments are compliant with its values and mission, and strengthening its social and environmental impact.

The Audit Charter and Manual adopted

FAPBM Board adopted an Internal Audit Charter and Manual in January 2020. The main objective of the internal audit is to provide reasonable assurance on the effectiveness of the arrangements put in place by FAPBM, particularly the system of internal control, governance and risk management. It is useful to recall the existence of an Audit Committee within the Board of Trustees, and of an Internal Control Officer within the Executive Management.

The manual complements the policies and manuals already in place for procedures, prioritization, funding of PAs, and portfolio investments. It is an important step towards better governance of the Foundation.

The Upcoming revision of prioritization and financing manuals

FAPBM has initiated work to revise the prioritization and financing manuals in the course of 2021 and 2022. The prioritization manual, which ranks the PAs to be funded in order of priority, dates back to 2010. For example, it does not yet take into account marine PAs. As for the financing manual, it will be revised to integrate the thematic policies of FAPBM and the ESMS.

15.2. THE BOARD OF TRUSTEES

The Board of Trustees is the Foundation's guiding and administrative body. It consists of personalities from the civil society and the Malagasy private sector. The members of the Board are co-opted, their term of office is 4 years, renewable only once.

There was one single change in the Board in 2020. Mr. Uwe Klug (KfW), who joined FAPBM Board of Trustees in May 2019 resigned in June 2020 following changes in KfW policy related to the presence of their representatives on the Board of a financed organization. Mrs. Tiana Rahaingoalison was co-opted in July 2020 to continue her term on the Board.

The Board members as at December 31st, 2020



*Sahondra Rajoelina
(President),
Country Director of
Conservation International –
Madagascar*



*Nanie Ratsifandrihamanana
(Vice-president),
Country Director of WWF -
Madagascar*



*Dimbindraibe
Ratafika (Treasurer),
Special Advisor to the
Prime Minister in charge of
Environmental, Social and
Health issues*



*Eric Rakoto-Andriatsilavo,
National Secretary of the
World Bank's Integrated
Growth Pole Project (IGP)*



*James Ranaivoson,
Former Advisor to the
European Investment Bank
(EIB)*



*Hanta Zo Rakotovo,
Head of Legal and
Regulatory Department at
Orange Madagascar*



*Mamitiana Andriamanjato,
Executive of the Ministry
of Environment and
Sustainable Development,
former Director of
Sustainable Finance,
specialist in climate change
and REDD+.*



*Naritiana Rakotoniaina,
Executive Director of the
NGO Service d'Appui à la
Gestion de l'Environnement
(SAGE)*



*Hary Tiana Rahaingoalison,
agronomist, Specialist in
coordination and monitoring
of international projects in
Madagascar*

The Board Committees

Four working committees exist within the Board of Trustees. These committees make recommendations to the Board.

The Financing Committee is in charge of overseeing financing activities for PAs.

Chairperson: Naritiana Rakotoniaina

Members: Anitry Ny Aina Ratsifandrihamanana, Hanta Zo Rakotovo, Andriamanjato Mamitiana, Andrew Cooke (external member).

The Investment Committee is in charge of monitoring FAPBM capital investment activities.

Chairperson: James Ranaivoson

Members: Ratafika Dimbindraibe, Eric Rakoto-Andriatsilavo, Barijaona Ramaholimihaso (BNI Bank executive, external member).



The Executive Management

The Executive Management saw in 2020 the departure of the Communication Manager, Aina Andrianalizaha. She has been replaced by Roda Operman.

On another note, Tahina Andriamandroso, administrative manager since the creation of the FAPBM, retired.



*Alain Liva Raharijaona,
Executive Director*



*Onintsoa Randrianaivo,
Financial Officer*



*Ranto Randriantsoa,
Grants Officer*

The Executive Committee

Outside the meetings of the Board, an Executive Committee makes decisions under the mandate of the Board. The members of the Executive Committee in 2020 were:

- Sahondra Rajoelina (President),
- Nanie Ratsifandrihamanana (Vice-president),
- Dimbindraibe Ratafika (Treasurer).



*Evah Ralalarisoa, Internal
Control Officer*



*Serge Ratsirahonana,
Monitoring and Evaluation
Officer*



*Roda Operman,
Communication and
Advocacy Officer*

The Fundraising Committee is in charge of overseeing the fundraising activities of the FAPBM.

Chairperson: Tiana Rahaingoalison

Members: Eric Rakoto-Andriantsilavo, James Ranaivoson, Andrew Cooke (environmental expert, external member).

The Audit Committee is responsible for monitoring: (i) the financial reporting process; (ii) the effectiveness of internal control systems and risk management; and (iii) the statutory audit of the annual financial statements.

Chairperson: Hanta Zo Rakotovo

Members: Anitry Ny Aina Ratsifandrihamanana, Naritiana Rakotoniaina, Andriamanjato Mamitiana, Sandra Randrianarisoa (Director of Ecocert Madagascar, external member).

THE OUTLOOK FOR 2021



2020 should have been the year of biodiversity with the renewal of global commitments under the Convention on Biological Diversity. Despite the negative impacts of the Covid-19 pandemic on nature and local communities, the global momentum to support ambitious commitments seems to be maintained and even increased. 2021 will therefore be the year of biodiversity and FAPBM will be present with a new strategic plan for the period 2022-2026 to better support protected areas and local communities, alongside our partners on the ground - MNP and NGOs - as well as our contributors and all stakeholders.

Mobilization of additional resources for the conservation of Madagascar's biodiversity will be at the heart of our efforts in 2021 with the launch of a fundraising campaign in preparation since 2020.

Another important project for the Foundation in 2021 will be the implementation of an environmental and social management system (ESMS) which will take full account of gender issues and include a complaints management mechanism. This reflects the Foundation's firm commitment to ensuring that the protected areas it supports fully respect human rights in a fair and transparent manner.

In 2021, we will also begin updating our protected area prioritization and financing manuals. This update will be particularly important because of the changing situation of Madagascar's protected areas, the evolution of management approaches and tools, and the evolution of the Foundation itself. Indeed, after 15 years of existence, it is time to capitalize on our achievements to better fulfill our mission!

Nanie RATSIFANDRIHAMANANA

Incoming President of the FAPBM Board of Trustees

APPENDIX 1: THE INDICES DEVELOPED BY FAPBM

The Index of Biotic Integrity (IBI)

The IBI is a synthetic index that relates the physical integrity of natural habitats in PAs to the conservation status of target species (abundance and/or density). Its value varies from 0 to 5 which is the best level. A conservation target is an element of biodiversity that requires management because of its exceptional character or level of threat.

A target may be an important species or a particular habitat. If the target is a habitat, its contents constitute integrated targets. These targets serve as indicators of the ecological health of the PA and their conservation will ensure the conservation of all representative biodiversity in the PA.

Calculating this index of biotic integrity may also include values for ecosystem services such as drinking or irrigation water, landslide avoidance, or silting of crop fields....

Currently, FAPBM is considering integrating the valuation of these ecosystem services into the calculation of the IBI, in collaboration with its technical partners at the national and international level.

Key Performance Indicator (KPI)

A dashboard has been set up to monitor the performance of PA managers based on the criteria set by FAPBM. Key performance indicators have been identified and they relate to:

- The technical component (status of conservation targets, implementation rate, results achieved on site)
- The financial component (financial realization rate)
- Administration (quality of reports, compliance with submission dates, etc.)
- The results achieved during the external audit
- The results of the internal audit of the FAPBM
- The number of redundant non-conformities (technical and financial)
- The scores obtained on the management level (IEG or METT).



APPENDIX 2: THE MANAGERS OF FAPBM-FUNDED PAS

Madagascar National Parks

Madagascar National Parks is the first organization in charge of the management of the national parks of Madagascar. Created in 1990, the association was recognized of public utility via Decree n° 91-592 of December 4, 1991.

Sites funded by FAPBM: RS Ambatovaky NP; RS Andohahela NP; RS Ankarana NP; Baie de Baly NP; Bemaraha NP; Isalo NP; Mananara-Nord NP; RS Manombo; RS Marotandrano NP; Masoala NP; Midongy Befotaka NP; Mikea NP; Montagne d'Ambre NP; Ranomafana NP; Sahamalaza NP; RNI Tsaratanana; Zahamena NP.

ASITY Association

Created in 2003, Association Asity is a national association specialized in scientific research on birds.

Sites funded by FAPBM: CMI (V) - CMK (V)

FANAMBY Association

Fanamy Association was created in 1997 and adopts a bottom-up approach by involving all stakeholders in the entire management process and supports the socio-economic development of the rural population living around PAs.

Site funded by FAPBM: Loky Manambato (V)

BCM - Biodiversity Conservation Madagascar

Created in 2002, BCM or Biodiversity Conservation Madagascar, has adopted the system of payment for ecosystem services in its management of PAs.

Site funded by FAPBM: Beanka (VI)

GERP - Groupe d'Etude et de Recherche sur les Primates

GERP was created in 1994 and its management of a PA in Madagascar started in 2008. GERP is a group of Malagasy primatologists, with a status of national association which puts science at the service of the management of a PA.

Site funded by FAPBM: Maromizaha (VI)

MBG - Missouri Botanical Garden

An international NGO created in 1993 in the United States, MBG began managing a PA in 2002 in Madagascar. It is an organization specialized in botany and floristic species.

Sites funded by MBG: Analalava (IV) - Oronjia (V)

MNHN - National Museum of Natural History

MNHN is a French public institution created in 1793 that started managing PAs in Madagascar in 2000. MNHN has adopted in the management of Antrema applied research, basic research and conservation in collaboration with universities in Madagascar.

Site funded by FAPBM: Antrema (VI)

SAGE - Service d'Appui à la Gestion Environnementale

Created in 2002, SAGE or Service d'Appui à la Gestion Environnementale is a non-profit association. Its main mission is the integration of the environmental dimension in the development process and the fight against poverty. SAGE has been managing PAs in Madagascar since 2007.

Site funded by FAPBM: Montagne des Français (V)

TPF - The Peregrine Fund

TPF is an international NGO created in 1970 in the United States and has been established in Madagascar since 1990. Its mission is the conservation of endemic and endangered species (particularly birds of prey and waterbirds) and their habitats.

Sites funded by FAPBM: Mandrozo (V) - Tsimembo Manambolomaty (V)

WCS - Wildlife Conservation Society

Founded in 1895 in the United States and established in Madagascar since 1993, WCS or Wildlife Conservation Society began managing a PA in Madagascar in 1997. Its mission is to safeguard biodiversity and natural areas through a scientific approach, conservation measures and civic education.

Site funded by FAPBM: Makira (II)

RBG Kew

RBG Kew (Royal Botanical Gardens Kew) is a British NGO created in 1759 and established in Madagascar since 1983 under the name of Kew Madagascar Conservation Center (KMCC). It specializes in research and conservation of plant biodiversity and works in close collaboration with the universities of Madagascar.

Site funded by FAPBM: Massif d'Itremo (V)

LIST OF ACRONYMS

AFD	Agence Française de Développement/ French Development Agency	IUCN/UICN	International Union for Conservation of Nature
AWP	Annual Work Plan	KfW	Kreditanstalt für Wiederaufbau (German Development Bank)
BCM	Biodiversity Conservation Madagascar	KPI	Key Performance Indicators
BIOFIN	Biodiversity Finance Initiative	MBG	Missouri Botanical Garden
BMS	Brigade mixte spéciale/Mixed Special Brigade	MEDD	Ministère de l'Environnement et du développement durable/Ministry of the Environment and Sustainable Development
C2D	Development Debt Reduction Agreement	METT	Monitoring and Evaluation Tracking Tools
CAFE	Consortium Africain des Fonds Environnementaux/African Environmental Funds	MNHN	National Museum of Natural History
CBD	Convention on Biological Diversity	MNP	Madagascar National Parks
CC	Climate Change	NP	National Parks
VC	Value chain	NPA	New Protected Area
CI	Conservation International	ONE	National Office for the Environment
CLP	Local Park Committees	OPJ	Police Officer
CMI	Mangoky Ihotry Complex	PA	Protected Area
CMK	Mahavavy Kinkony Complex	PAG	Development and Management Plan
COSAP	PAs Steering and Support Committee	PGESS	Environmental and Social Management Plan
CPI	Consumer Price Index	Polisin'ala	Forest rangers
CR	Critically endangered	QMM	Qit Minerals Madagascar
CTF	Conservation Trust Fund	RBG	Royal botanical Garden
EN	Endangered	REDD	Reducing Emissions from Deforestation and Forest Degradation
ESG	Environmental, Social and Governance	RS	Special Reserve
ESMS	Environmental and Social Management System	SAC	Municipal Development Plan
ESSP	Environmental and Social Safeguard Plan	SAGE	Environmental Management Support Service
FAR-NAP	NPA Strengthening Support Fund	SAPM	Madagascar Protected Areas System
FEC	Comoros Environmental Fund	SIG/GIS	Geographic Information System
FFEM	French Global Environment Facility	SRAT	Regional Planning Scheme
FIS	Emergency Fund	TPF	The Peregrine Fund
GCF	Global Conservation Fund	UNDP	United Nations Development Programme
GEF	Global Environment Facility	UNEP-WCMC	UN Environment Programme World Conservation Monitoring Centre
GERP	Madagascar Primate Research Group	VOI	Base Community
HICP	Harmonized Index of Consumer Prices	VU	Vulnerable
HY	High Yield	WCS	Wildlife Conservation Society
IBI	Index of Biotic Integrity	WWF	World Wide Fund for Nature
IEG	Index of Management Effectiveness		
IG	Investment Grade		
IGA	Income Generating Activities		
ISR	Socially Responsible Investment		



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