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

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

Komol Tata,
Letter from the Executive Director

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

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

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

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

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

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

The Micronesia Conservation Trust (MCT) promotes Conservation, Climate Resilience, and Sustainable Livelihoods for the people of Micronesia in the Federated States of Micronesia (FSM), the Republic of Palau, the Republic of the Marshall Islands (RMI), the US Territory of Guam and the Commonwealth of the Northern Mariana Islands (CNMI).
World Class and Deeply Micronesian  
MCT Strategic Action Plan 2016 – 2018

Statement of Strategy: 2016-18

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

MCT aims to create positive and meaningful results in three primary Impact Areas: conservation, climate resilience, and sustainable livelihoods. To do so, we focus our efforts on three main Practices: growing capabilities of our partner organizations and governments, bringing financial resources to bear in the region in both proven and innovative ways, from international and local sources, and influencing the context of Micronesian conservation work by affecting decision-makers and cultural expectations and parameters. We will further develop our own organization and enable our success by focusing on two Internal Drivers: our systems and our means.
In this annual report MCT shares examples of some of the most inspiring and consequential achievements in Micronesian conservation in 2016. Because MCT is a grant-making and capacity-building organization, and does not implement on the ground activities, our successes are part of local and larger regional initiatives. We collaborate with governments, non-government organizations, community based organizations, academia, the private sector, and our donor partners to achieve our goals. By the numbers, following are some of the highlights from 2016:

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

The Micronesia Challenge Sustainable Financing Mechanism
The endowment funds managed by MCT stood as following as of December 2016:

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

Awards
MCT received an award at the Coral Reef Task Force Meeting for “Developing a community-based climate change adaptation tool that integrates socio-economic linkages and traditional knowledge in the development of locally relevant climate change adaptation actions and community management”
Micronesia Challenge Highlights 2016

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

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

Francis Baybat DeBrum - interning with MICS thru CMI
## Conservation/Climate Resilience/Sustainable Livelihoods

<table>
<thead>
<tr>
<th>Program</th>
<th>Supporting more effective natural resource management in Micronesia</th>
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<tbody>
<tr>
<td>Support Partner(s)</td>
<td>Margaret A. Cargill Foundation, David and Lucile Packard Foundation</td>
</tr>
<tr>
<td>Implementing Partner(s)</td>
<td>Kosrae Conservation and Safety Organization (KCSO), Coral Consulting, University of Guam’s Research Corporation (UOG), Palau International Coral Reef Center (PICRC), Palau Conservation Society (PCS), Conservation Society of Pohnpei (CSP), Hatohobei Organization for People and Environment (HOPE), Ebiil Society, Inc.</td>
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### Achievements

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

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

Support Partner(s): USDA Forest Service (Donor), FSM National Government – the Department of Resources and Development and Transportation Communication and Infrastructure, Micronesia Challenge Regional Office, Pohnpei State Government - Division of Forestry, Guam Plant Extinction Prevention Program, Yap State Government, Chuuk State Agriculture


Achievements:
The ultimate goal of the program is to improve the effectiveness of the Micronesia Challenge to conserve priority areas by providing leadership, strengthening partnerships, increasing terrestrial monitoring capacity, and establishing intensified FIA plots within PAN and other priority landscape areas. In 2016 MCT secured a Cooperative Forestry Assistance Grant through the USDA US Forest Service and initiated the FSM Micronesia Challenge Forest Inventory and Analysis Program (MCFIA):

- In March and July 2016 FIC plots were established in important terrestrial areas in the four FSM States (Phase I and II)
- In November 2016 FIC plots were established and monitored in the outer islands of Yap (Phase III) - 19 new plots: Sorol (2 plots), Woleai (10 plots), Ifaluk (3 plots), Fechelap (2 plots) and Elato/Lamotrek (2 plots)
- Overall 93 FIC plots were successfully established, visited or ground checked in FSM in 2016.
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<tr>
<th>Impact Areas</th>
<th>Conservation/Climate Resilience/Sustainable Livelihoods</th>
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<tbody>
<tr>
<td>Program</td>
<td>Enhancing Sustainable Coral Reef Monitoring and Management Capacity for the Micronesia Challenge, and Beyond</td>
</tr>
<tr>
<td>Support Partner(s)</td>
<td>US National Oceanic and Atmospheric Administration (NOAA)</td>
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<tr>
<td>Achievements</td>
<td>The NOAA cooperative agreement has advanced the Micronesia Challenge through enhanced local coral reef management and monitoring capacity. Through this project MCT and its partners have achieved:</td>
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<td>• full training of FSM, Palau, and RMI marine biophysical monitoring teams with standardized &amp; quality-controlled local databases that are in line with MC measures &amp; indicators;</td>
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<td>• analytical support for database needs, transmitting data to MC-database, and reporting back to local programs for decision support</td>
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<td></td>
<td>• assembled a Micronesia Socioeconomic Monitoring Team that is relevant in scope and spatial scale to the regional biological monitoring teams</td>
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<td>• field-based monitoring to establish temporal trends across Micronesia</td>
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<td>• storage of all past and present data into the online, standardized MC database</td>
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<td>• several peer-reviewed and technical publications describing the drivers of reef status and deeper causes behind changing coral health and fish resources,</td>
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<td>• analytical data analysis workshops where science-to-management translations were built in partnership with UOGML and local partners</td>
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<td>• generation of simple translations of science for local consumption, presentations, and evaluating management strategies.</td>
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### The Yela Conservation Easement

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

**Implementing Partner(s):** Kosrae Island Resources Management Authority (KIRMA), Yela Environmental Landowners Association (YELA)

**Achievements:**

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

### Piggery Dry-litter Technology Project

**Support Partner(s):** Association for the Promotion of International Cooperation, GEF Small Grants Programme, Global Greengrants Fund

**Implementing Partner(s):** People of Awak, Conservation Society of Pohnpei, Pohnpei EPA, College of Micronesia-FSM, University of Hawaii, Pohnpei Agriculture, USDA Natural Resources Conservation Service and others

**Achievements:**

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

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

Conservation/Climate Resilience/Sustainable Livelihoods

Program

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

Support Partner(s)

The Nature Conservancy (TNC), Rare

Implementing Partner(s)


Achievements

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

- Supported the incorporation of the TNC lead cost-benefit analyses into the LEAP documents as well as facilitation support of local partners during meetings to share the results with the communities
- Shared project information, lessons learned and outcomes at local, national and regional forums including the Pacific Island Forum Specialist Sub-Committee on Regionalism, The Micronesia Presidents’ Summit and Micronesia Chief Executives Summit, International Coral Reef Symposium and the Association of Pacific Island Legislatures meeting.
<table>
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<tr>
<th>Impact Areas</th>
<th>Conservation/Climate Resilience/Sustainable Livelihoods</th>
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<tbody>
<tr>
<td><strong>Program</strong></td>
<td><strong>Solar Mamas</strong></td>
</tr>
<tr>
<td>Support Partner(s)</td>
<td>The Barefoot College <a href="https://www.barefootcollege.org/">https://www.barefootcollege.org/</a>, Government of India</td>
</tr>
<tr>
<td>Implementing Partner(s)</td>
<td>Chuuk Women’s Council</td>
</tr>
<tr>
<td>Achievements</td>
<td>In March of 2016, MCT, the Chuuk Women’s Council and the Barefoot College of India launched a new program in FSM, funded by the Indian Government, that selected eight mature women from the islands of Kosrae, Chuuk and Pohnpei who live in villages that are not connected to the main power grid, and sent them to the Barefoot College in India to attend a 6-month course to become certified solar engineers. These women graduated in September 2016 and came home to “light up” their communities in Pohnpei (Parem, Lenger, Mwahnd, Depehk and Takaio Islands), Kosrae (Walung Village) and Chuuk (Parem Island) with solar energy systems which come as part of the program funded by the Indian Government.</td>
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| **Program** | **Building Community Climate Resilience on Sapwuafik Island, Pohnpei, Federated States of Micronesia** |
| Support Partner(s) | Association for the Promotion of International Cooperation, Japan |
| Implementing Partner(s) | Municipal Government of Sapwuafik |
| Achievements | The objective of the project is to build climate resilience and increase food security for the people and communities of Sapwuafik Atoll by providing clean and adequate water resources and reducing threats from contaminants and invasive species to their taro patches/pits. Specifically, this project provided eight (8) one thousand gallon water tanks to each of the nine islets of the atoll to provide them with safe and adequate water resources. |
### Impact Areas

**Conservation/Climate Resilience/Sustainable Livelihoods**

#### Program Support Partner(s)

#### Implementing Partner(s)
Yela Environmental Landowners Association (YELA), Yap Community Action Program (YapCAP), the Conservation Society of Pohnpei (CSP), the Chuuk Conservation Society (CCS)

#### Achievements

**Goals of the Program include:**
- Implement selected, eligible activities from the Yela Forest Stewardship Landowners Plan;
- Develop parcel-specific Forest Stewardship Landowner plans tiered with existing Conservation Area Plans in selected sites in the Federated States of Micronesia and other islands;
- Develop Conservation Area Plans (where they do not already exist) or Local Early Action Plans (LEAP) and tiered Forest Stewardship Landowner plans in selected forest sites in the FSM and other Micronesia Challenge jurisdictions;
- Support the implementation of eligible activities from approved Stewardship Plans, and;
- Advance Micronesia Challenge Terrestrial monitoring efforts.

- YELA was able to train tour guides, improve YELA’s means of transportation by boat, focus more attention on the benefits of ecotourism and share their success stories
- Weloy Traditional Council in Yap authorized the signing the public declaration of the “Weloy Forest Stewardship Conservation Area”
- CCS made significant progress in its implementation of the UFO Forest Stewardship Planning Project
- KCSO submitted a final LEAP in December of 2016. Priorities identified include: develop a solid waste management project for reducing the impact of illegal dump sites on coral reef, declaring an MPA and planting mangroves or other coastal trees as a barrier for erosion
- the Nanwel en Rohi community continued to promote the Grow Low campaign, including training community members on best practices for caring for sakau seedlings and preparing them for lowland planting. CSP assisted community members with the construction of a community nursery. Following the construction of the nursery, two nursery trainings were completed by NRCS and Pohnpei State Forestry.
<table>
<thead>
<tr>
<th>Program</th>
<th>The Bill Raynor Micronesia Challenge Scholarship</th>
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<tbody>
<tr>
<td>Support Partner(s)</td>
<td>David and Lucile Packard Foundation, Margaret A. Cargill Foundation, The Nature Conservancy, Japan Association for the Promotion of International Cooperation, Personal donations from Bill Raynor’s friends, family and peers</td>
</tr>
<tr>
<td>Implementing Partner(s)</td>
<td>Micronesia Conservation Trust, Micronesia Challenge Regional Office, the Nature Conservancy</td>
</tr>
<tr>
<td>Achievements</td>
<td>The establishment of the Bill Raynor Micronesia Challenge Scholarship Fund was inspired by the life and work of one of Micronesia’s lead conservation pioneers, William Charles Raynor, known to many as Bill Raynor. Bill Raynor (Feb. 22nd, 1957-Sept. 1st, 2015), former Director of The Nature Conservancy’s Micronesia Program, first came to the region as a Jesuit volunteer on the island of Pohnpei in the Federated States of Micronesia (FSM). MCT and TNC partners have raised approximately $120,000 for the Scholarship and have opened the application process to recruit the first two scholars for the Fall semester 2017.</td>
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## Program

**Implementing Protected Area Networks and Improving Fisheries Management in Micronesia**

### Support Partner(s)
- Oceans5 - The Rockefeller Philanthropy, The Nature Conservancy, Association of Pacific islands Legislatures, Rare, University of Guam Marine Lab

### Implementing Partner(s)

### Achievements

The program objectives included: The expansion of no commercial fishing zone for the Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI), the establishment of PAN legislation and associated regulations in FSM and RMI, the establishment of PAN funds in FSM and RMI, and the establishment of sustainable financing mechanisms for the PANs in FSM and RMI. Highlights from 2016:

- The FSM President, Peter M. Christian attended the Oceans Summit in Washington in September 2016 where he announced FSM’s 2016 Oceans Commitment to add 184,948 square kilometers to the FSM’s no commercial fishing zone which is equivalent to 24 nautical miles.
- Kosrae State legislature passed the 12-mile extension resolution at its 9th special legislative session in September 2016.
- Chuuk State legislature passed Chuuk’s Coastal Fisheries Act
- Draft PAN bill for Chuuk submitted to State Legislature for consideration
- Draft PAN bill for Yap was revised and submitted to Yap State Governor for consideration
- The “FSM for 10%” campaign has ensured the protection of a large span of the FSM’s marine environment and shows significant political will on the part of the government.
Practices

Grow Capabilities/Bring Financial Resources/Influence Context

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

Support Partner(s) Global Climate Change Alliance (GCCA), University of the South Pacific

Implementing Partners Kosrae Conservation and Safety Organization, Conservation Society of Pohnpei, Chuuk Conservation Society

Achievements Vulnerability Assessment and LEAPs

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

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

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

Grow Capabilities/Bring Financial Resources/Influence Context

Program

Pacific Islands Managed and Protected Areas Community

Support Partner(s)

US National Oceanic and Atmospheric Administration, The Nature Conservancy

Implementing Partner(s)

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

Achievements

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

• Achieving PIMPAC goals and objectives of the updated PIMPAC 2013-2016 Strategic Action Plan (http://www.pimpac.org/images/file/PIMPAC%20Strategic%20Plan_2013-16%20final.pdf); and

• Advancing coordination support for implementation of the Micronesia Challenge (MC), including the MC Measures and the MC Young Champions Internship Program.

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

**Grow Capabilities/Bring Financial Resources/Influence Context**

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<tr>
<th>Program</th>
<th>Professional Internships in Pacific Terrestrial Island Ecosystem Management (PIPTIEM)</th>
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<tr>
<td><strong>Support Partner(s)</strong></td>
<td>USDA Forest Service, Micronesia Challenge Regional Office, Pacific Islands Managed and Protected Areas Community - NOAA</td>
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<tr>
<td><strong>Implementing Partner(s)</strong></td>
<td>Republic of the Marshall Islands (RMI) Ministry of Resources &amp; Development, Federated States of Micronesia (FSM) Dept. of Resources &amp; Development, Palau Bureau of Agriculture &amp; Forestry, Guam Forestry, Commonwealth of the Northern Mariana Islands Dept. of Land &amp; Natural Resources</td>
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<tr>
<td><strong>Achievements</strong></td>
<td>The main purpose of the PIPTIEM program is to prepare young professionals to lead terrestrial natural resource organizations, and building the capacity of Micronesian organizations to design and manage conservation programs. Support for leadership skills development relevant to environmental management complementary to the “Micronesia Challenge Young Champions” internship program; and towards Continuing Education courses for staff of State &amp; Private Forestry grantees (or partner organizations), have resulted in the following achievements: Natural Resource Conservation Service Vegetation Guide Training for staff from RMI Ministry of Resources &amp; Development; Urban &amp; Community Forestry (U&amp;CF) training and networking for FSM U&amp;CF Coordinators with Hawaii U&amp;CF Council; participation of MCT staff in the Joint FSM National Environment Conference &amp; Disaster Risk Management Workshop; and an Environment &amp; Social Gender Mainstreaming &amp; Policy Training which was undertaken by the MCT Team. Institutional Self-Assessments with grantees and partners to help evaluate both institutional and professional development needs.</td>
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The Board of Trustees welcomed 1 a new Trustee:

Mr. Finley Perman, Regional Member and Treasurer

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

MCT welcomed four new staff members to the team:

Mr. Anthony Hele, Monitoring and Evaluation Specialist
Mr. Charles Meeme, Chief Financial Officer
Ms. Shirley Ann Pelep, Grants Officer
Ms. Tamara Greenstone-Alefaio, Conservation Program Manager

For more details about our new team members and the rest of the staff, please visit [http://ourmicronesia.org/about-mct/our-staff](http://ourmicronesia.org/about-mct/our-staff)
Gender Policy and Environmental & Social Safeguards Policy

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

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

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

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

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

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

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

Statements of Financial Position

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<th>2016</th>
<th>2015</th>
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<tr>
<td><strong>Assets</strong></td>
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<td>Current assets:</td>
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<tr>
<td>Cash</td>
<td>$695,187</td>
<td>$125,674</td>
</tr>
<tr>
<td>Grants and contracts receivable</td>
<td>252,274</td>
<td>384,151</td>
</tr>
<tr>
<td>Other receivables and other assets</td>
<td>7,181</td>
<td>7,579</td>
</tr>
<tr>
<td>Total current assets</td>
<td>954,642</td>
<td>517,404</td>
</tr>
<tr>
<td>Investments</td>
<td>19,015,204</td>
<td>17,682,231</td>
</tr>
<tr>
<td>Equipment, net</td>
<td>---</td>
<td>106</td>
</tr>
<tr>
<td>Total assets</td>
<td>$19,969,846</td>
<td>$18,199,741</td>
</tr>
<tr>
<td><strong>Liability and Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liability - Accounts payable</td>
<td>$360,755</td>
<td>$103,290</td>
</tr>
<tr>
<td>Net assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>12,606</td>
<td>9,656</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>4,943,200</td>
<td>3,720,358</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>14,653,825</td>
<td>14,366,437</td>
</tr>
<tr>
<td>Total net assets</td>
<td>19,609,091</td>
<td>18,096,451</td>
</tr>
<tr>
<td>Total liability and net assets</td>
<td>$19,969,846</td>
<td>$18,199,741</td>
</tr>
</tbody>
</table>

Photo: Meileen Albert, Finance officer and Semleen Jano, Office Manager
## Statement of Activities
**Year ended December 31, 2016**

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues, gains and other support:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants, contracts and other contributions</td>
<td>$</td>
<td>--- $ 1,945,125 $</td>
<td>$ 288,543</td>
<td>$2,233,668</td>
</tr>
<tr>
<td>Investment gains, net</td>
<td>---</td>
<td>1,163,020</td>
<td>---</td>
<td>1,163,020</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>2,516</td>
<td>(10,158)</td>
<td>(1,155)</td>
<td>(8,797)</td>
</tr>
<tr>
<td>Net assets released from restriction:</td>
<td>1,875,145</td>
<td>(1,875,145)</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Satisfaction of program restrictions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total revenues, gains and other support</td>
<td>1,877,661</td>
<td>1,222,842</td>
<td>287,388</td>
<td>3,387,891</td>
</tr>
<tr>
<td><strong>Expenses and losses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant and project expenses</td>
<td>1,875,145</td>
<td>---</td>
<td>---</td>
<td>1,875,145</td>
</tr>
<tr>
<td>Total expenses and losses</td>
<td>1,875,145</td>
<td>---</td>
<td>---</td>
<td>1,875,145</td>
</tr>
<tr>
<td><strong>Other changes in net assets:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(106)</td>
<td>---</td>
<td>---</td>
<td>(106)</td>
</tr>
<tr>
<td>Increase in net assets</td>
<td>2,410</td>
<td>1,222,842</td>
<td>287,388</td>
<td>1,512,640</td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>9,656</td>
<td>3,720,358</td>
<td>14,366,437</td>
<td>18,096,451</td>
</tr>
<tr>
<td>Net assets at end of year</td>
<td>$12,066</td>
<td>$4,943,200</td>
<td>$14,653,825</td>
<td>$19,609,091</td>
</tr>
</tbody>
</table>

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

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

### Support Partners

**The Nature Conservancy**  
**United States National Oceanographic and Atmospheric Administration**  
**United States Department of the Interior**  
**Margaret A. Cargill Foundation**  
**United States Forest Service**  
**Oceans5**  
**The David and Lucile Packard Foundation**  
**Pew Charitable Trusts**  
**University of the South Pacific**  
**National Fish and Wildlife Foundation**  
**Global Environment Facility, Small Grants Program**  
**Rare**  
**Global Environment Facility, UN Development Program**  
**Institute of Pacific Island Forestry**  
**Conservation International**  
**US Fish and Wildlife Services**

### Non-government partners

**Regional**
- The Nature Conservancy  
- Rare  
- Global Island Partnership  
- Micronesians in Island Conservation  
- Pacific Islands Marine Protected Areas Community  
- Locally Managed Marine Areas Network  
- Secretariat for the Pacific Regional Environment Program  
- Global Environment Facility Small Grants Program  
- Micronesia Challenge Regional Office  
- University of Guam GPEPP-Guam Plant Extinction Prevention Program  
- University of Guam, Marine Lab  
- Chuuk Women’s Council  
- Chuuk Conservation Society  
- Kosrae Conservation and Safety Organization  
- Yela Environment Landowners Authority  
- Yap Institute of Natural Science  
- Yap Community Action Program  
- Waa’gey  
- Conservation Society of Pohnpei  
- Awak Youth Organization  
- island Food Community of Pohnpei  
- College of Micronesia-FSM  
- Marshall Islands Conservation Society  
- Women United Together Marshall Islands  
- Jo Jakum  
- Ainiken Kora in Mejit  
- College of the Marshall Islands  
- Palau Conservation Society  
- Palau International Coral Reef Center  
- Hatohobei Organization for People and Environment  
- Ebil Society, Inc  
- Kerradel Conservation Network  
- Mariana Islands Natural Alliance  
- Humatak Community Foundation  
- Department of Resources and Development  
- Office of Emergency and Environmental Management  
- Congress, Office of the President, Department of Justice  
- Chuuk Department of Agriculture and Forestry  
- Chuuk Environmental Protection Agency  
- Chuuk Department of Marine Resources  
- Yap Resources and Development (R&D)  
- Yap R&D Division of Agriculture and Forestry  
- Yap R&D Division of Land Resources  
- Marshall Islands Marine Resources Authority  
- RMI OEPPC  
- Ministry of Resources and Development  
- Palau OERC  
- Palau Ministry of Environment  
- Palau PAN Fund  
- Forestry-Division of Land & Natural Resources  
- Department of Agriculture
MCT: World Class and Deeply Micronesian

Kalahngan        Kinisou Chapur

Kamagar          Kommol Tata

Kulo Mulalap     Mesulang

Olomwaay         Si Yu’us Ma’ase

Thank You Very Much

Report prepared by:
Willy Kostka, Micronesia Conservation Trust, Executive Director
Lisa Andon, Micronesia Conservation Trust, Deputy Executive Director
Natasha Funke, Micronesia Conservation Trust, Volunteer
With contributions and support from the Micronesia Conservation Trust Board of Trustees and Staff