PONT Programme

Despite a difficult year for all of us PONT continued providing financial support to its partners for essential conservation actions. Ten-year management plans, with detailed five-year operational plans and realistic budgets, were prepared for Pelister National Park, Lake Prespa Monument of Nature, and Galicica National Park. The respective Protected Area Authorities have submitted all documents for official approval by the Ministry of Environment and Physical Planning in North Macedonia. Although legally not yet required Natura 2000 aspects have already been integrated in the draft management plans. For Prespa National Park in Albania a mid-term review of the management plan was conducted followed by a detailed operational plan for the upcoming years. These efforts formed the solid basis for detailed three-year grant applications by the Protected Area Authorities which were approved by the PONT Supervisory Board.

We are pleased that the recently established local PrespaNet offices have resulted in an improved cooperation between the Protected Area Authorities, local communities and NGOs. In cooperation with the Critical Ecosystem Partnership Fund we ran our first open joint Call for Proposals resulting in two complementary grants on the conservation of endemic plants and one grant on the conservation of the Prespa trout.

Climate Change

We are concerned about the ongoing water crisis in Prespa, caused by the historically low water levels, affecting both humans and nature in the Prespa basin. PONT continuously supports the Protected Area Authorities in the Prespa watershed by covering a part of their operational costs. Through this effort Galicica National Park managed to abandon the profit-driven management of forest habitats which resulted in a decrease of at least 2.4 tonnes CO2 emission in 2020. Pelister National Park plans to also gradually reduce the extent of commercial logging as “the nature zone” in the new recently approved management plan has been enlarged. With regard to climate change adaptation we continue to support our partners through wetland restoration and improved habitat management. We are happy with the recent steps made by the three governments to set-up the institutions related to the transboundary Prespa Park.

Plans for 2021

In 2021 we plan to start the geographical expansion of PONT by including other important protected areas located in the Wider Prespa-Ohrid region.
We would like to congratulate our grantees with their achievements and making 2020 a successful year for PONT! We look forward to fostering greater cooperation and synergies for the conservation of this very special region.
Unlike standard “project-based” or “short-term” solutions, PONT’s funding is long-term and designed to ensure the sustainable management of the Wider Prespa-Ohrid region. Our model emphasises long-term commitment, transparency, accountability and collaboration, and these traits are reflected in our five-year strategy. Our emphasis is on the implementation of operational measures and, if appropriate, applied research, studies and experimentation linked directly to implementation.

PONT enables protected areas in the Wider Prespa Area to develop and implement their management plans to conserve nature through sustainable co-financing of operational costs. PONT supports the development and use of standard operational planning and reporting systems for the implementation of proprietary protected area programmes. Standardised biodiversity monitoring systems must be developed in which data collection, data analysis and habitat management are implemented, with an efficient division of what can be done by the protected area staff themselves, local people and what to outsource to third parties. Enabling the protected area staff to increasingly use scientific data in managing the area must be included in the third-party contracts. The inclusion of minimum *Natura 2000* requirements will garner importance in the coming years.
The overall objective of the grant is to improve management effectiveness of Prespa National Park in cooperation and synergy with key stakeholders, including relevant ongoing projects. Building upon the findings of the mid-term review of the management plan, a three-year operational plan was developed to attain the management objectives set out in the management plan, with the activities organized in six functional areas:

1. Park Administration;
2. Research and Monitoring;
3. Habitat and Species Conservation;
4. Rural Development;
5. Social and Cultural Assets; and
6. Education and Information.

Prespa National Park will continue to work with the staff and local temporary workers they employed with the help of PONT.

This grant supports the initiation of a systematic and gradual transition from profit- to conservation-oriented forestry management requiring an adjustment of the established forest management practices and profound changes in the conservation financing model. This transition needs to be accompanied by gradual and systematic capacity development to attain the management objectives set out in the new management plan, with a focus on biodiversity conservation and monitoring, environmental education, and visitor management. The new management zoning expands the conservation area where no extraction of natural resources is allowed (75% of “nature zone” or “core zone”) at the expense of the zone of sustainable development where extraction of resources is permitted.
Resen Municipality for Lake Prespa Monument of Nature & Ezerani Nature Park
- North Macedonia -

This grant draws upon the existing management plan for Ezerani Nature Park and the draft management plan for Lake Prespa Monument of Nature. The grant provides for active management of critical habitats in the two protected areas, continuing and upgrading the current monitoring of biodiversity and strengthening the law enforcement operations. Support from other donors is sought to develop the remaining critical functions of the two protected areas, such as environmental education and visitor management.

Public Institution Galicica National Park (PIGNP) for Galicica National Park
- North Macedonia -

With the previous grant from PONT the park succeeded to decouple conservation financing from resources extraction for the first time since its establishment 62 years ago, despite the significant decrease of income from visitor management due to the COVID-19 pandemic. Building on the previous achievements, this grant aims at maintaining the new conservation financing model in the face of the pandemic while upgrading the core functions of Galicica National Park in line with the IUCN Category II protected area management guidelines as well as the EU Natura 2000 requirements that are integrated and imbedded within the new draft management plan.
Grants to environmental actors are for qualified NGOs, municipalities and research institutes with a local presence in the Wider Prespa Area and with a strategy in conservation, developing society, improving communities, and promoting citizen participation in conservation. PONT funding priorities for environmental actors are mainly focused on transboundary conservation activities, some important specialized conservation activities and work related to nature-based tourism and non-timber forest products. In addition, environmental actors with a focus on conservation in the Wider Prespa Area are supported with their operations and organizational development so as to make the organisations more robust and capable of sourcing third party funding.

PONT financial support to NGOs and research institutes is directed towards the implementation of activities identified in the management plans for the respective protected areas and where there is a lack of capacity within the protected area management bodies. Applied research, with the involvement of protected area staff, directly focused on species or habitat management is also supported, but fundamental research is not.
The grant focuses on organizing the Ohrid Ultra Trail in compliance with the highest international standards. The runners compete along selected trail routes connecting the most important natural and cultural locations and landmarks throughout the Galicica National Park. The grant also aims at increasing local awareness among the local communities of the Prespa-Ohrid region and the values it upholds, and at opening new opportunities for their involvement in the event as volunteers or service providers (accommodation, tourist guiding service, local gastronomy).
2020 YEAR IN REVIEW

Society for the Protection of Prespa (SPP)
Greece

The grant supports efforts to improve the “greening” of the local economy on the Greek side of Prespa with an emphasis on applied research and monitoring and management of important habitat and species.

Public Scientific Institution Hydrobiological Institute Ohrid (HIO)
North Macedonia

Implementation of the developed strategic plan focusing on capacity development and applied research supporting the management plans for the protected areas. The activities combine theoretical and practical training in the laboratories of HIO and the Stenje Monitoring Station, as well as field sampling and monitoring.

Connecting Natural Values and People (CNVP)
North Macedonia & Albania

Sustainable cultivation of medicinal and aromatic plants to serve as a model of decoupling local economic development from harvesting of wild resources in the protected areas. The local NGO the ‘Rural Women of Prespa’ is supported in both organisational and technical aspects.
Albanian Centre for Environmental Governance (ACEG)
Albania

Orient tourism development towards nature-based tourism, focusing on inter-municipal cooperation, exchange and capacity building in the municipalities of Pustec and Devoll. Enhance the skills of young entrepreneurs on sustainable tourism, not only through training but also financial support.

Macedonian Academy of Sciences and Arts (MASA)
North Macedonia

The grant focuses on the conservation of six vascular plants species in Galicica National Park. Most of the selected species occur on both sides of the border and therefore MASA works together with ILIRIA and in close cooperation with the respective protected area and national authorities and local stakeholders. The grant also contributes to the updating of the national and global red lists.

Protection and Preservation of Natural Environment in Albania (PPNEA)
Albania

The proposed activities are grouped into five programmes: (1) Wetlands, waterbirds & climate change; (2) Environmental education & outreach; (3) Species conservation; (4) Freshwater island conservation; and (5) Local office management & transboundary co-ordination. The diversity of planned activities help address several priorities of PONT’s Strategic Framework.
Balkan Foundation for Sustainable Development (BFSD)
North-Macedonia

The grant supports actions concerning the conservation of the endemic Prespa trout (*Salmo peristericus*) which is listed as Endangered (EN) on the global IUCN Red List. The grant enables the BFSD, in partnership with the NGO Ekosvest, design and facilitate a participatory process for developing a Conservation Action Plan (CAP) for the endemic Prespa trout. This is being done in close cooperation with the Public Institution Pelister National Park and other stakeholders involved in the management of water resources and freshwater biodiversity in Prespa.

Alpine club PATAGONIA Ohrid
North Macedonia

First phase in the establishment of an adventure zone in Galicica National Park to attract more visitors in the park zones with lower level of protection and to reduce the pressure in the strictly protected zones.
Pelister National Park
Galicica National Park
Prespa National Park (AL)
Prespa National Park (GR)
Ezerani Nature Park

Organizational support on NTFPs
Conservation & capacity development
Applicd research & capacity building
Plant conservation
Adventure Zone in Galicica NP

Prespa Lake Monument of Nature
Finalize Management Plan
Implement & update Management Plan

Conservation of Prespa trout
Update Management Plan

Conservation, research, habitats & species
Inter-municipal cooperation on sustainable tourism
Plant conservation

Albania
greece
North Macedonia
2020 RESULTS AND HIGHLIGHTS

We are very pleased with the progress made by our beneficiaries. Below we want to highlight some of the results.

YOUTH ACADEMY ON NATURE-BASED TOURISM

From June – September 2020, the Albanian Centre of Environmental Governance (ACEG) organised a Youth Academy on nature-based tourism in Prespa, Albania. Certificates were awarded to the 18 participants having successfully completed the course including the submission of a business plan developed during the training.

“I was involved in the activities of the Project Promoting Sustainable Tourism through Increasing Municipal and Entrepreneurship Capacities in Wider Prespa Area delivered by ACEG Centre. I was part of the Youth Academy for Entrepreneurship in the field of Natural Tourism and I followed each session with interest and it has helped me a lot in organizing my ideas as a future entrepreneur. For this I am very grateful and at the same time thank the ACEG Centre, Prespa Ohrid Nature Trust-PONT and GIZ Pro Seed IDEA for the support and the opportunity they gave me to concretise my idea in a business plan and open my business “Hyselli Guest House” in the area of Little Prespa. Thanks to everyone!”

RH - Participant

“The Project opened a new door of co-operation for the ACEG team to increase our internal capacities on nature-based tourism and then be able to deliver our gained skills to the municipal beneficiaries”.

ACEG
We are happy to announce that the second PONT solution has been published on the PANORAMA platform: Closing the gap between strategic and operational planning for protected areas | PANORAMA.

The Society for the Protection of Prespa (SPP) has been preparing ‘lessons learned’ documents for PONT, in order to share some of the knowledge and experience it has gained over its many years of conservation work in Prespa. New insights on three interesting themes were shared this year: Managing joint transboundary activities and standardizing shared working practices; building Transboundary Water Governance; and monitoring waterbird populations with a drone. These efforts aim to help strengthen capacity in protected areas and environmental actors in the basin through communicating the practical conservation experience the SPP has gained over the years.

“In a deft response to the restrictions imposed this year by the pandemic, the SPP’s LIFE Prespa Waterbirds and PrespaNet-EuroNatur projects collaborated together and converted a planned summer school into the Society’s first ever online course, on wetland management and monitoring, for students from all three sides of the transboundary basin, with resounding success. The summer school enabled the SPP to take a step up in its skills base for working and teaching in a virtual environment, while also presenting the Society’s work on waterbirds, fish, transboundary water collaboration, governance and wetland management. The activity was not only a strong example of the synergy the SPP is able to create between its numerous and varied projects, but also underlined the importance of an interdisciplinary approach to wetland management issues, encouraging a new generation in tackling the appropriate conservation and restoration practices for wetlands.”

SPP
To have a better overview of all ongoing biodiversity monitoring initiatives in the basin the PONT Grants Coordinator held a survey among PONT beneficiaries. A differentiation was made between ‘surveys’, ‘monitoring’ and ‘research’. As a next step we will try to draw some conclusions and lessons learned on the numerous efforts being made. Some interesting stories have already been published this year:

**Managing conflicting conservation goals: the case of the Grecian Juniper endemic woods and the Great Cormorant**

**Lessons Learned – developing a biodiversity monitoring scheme for a protected area**
Golem Grad Island – a world-class natural laboratory for reptiles

click for full article
2020 RESULTS AND HIGHLIGHTS

OHRID ULTRA-TRAIL

In December 2019 PONT signed a grant agreement with the Association of sports “Sport for all – All for sport” – a non-governmental organization based in Ohrid, concerning the second edition of the Ohrid Ultra-Trail® – an international trail running event taking place at Galicica National Park. PONT aims through its contribution to increase local awareness among the members of the local communities of the Prespa-Ohrid region and the values the Trail upholds, and also at opening new opportunities for their involvement in the event as volunteers or service providers (accommodation, tourist guiding service, local gastronomy). Due to the COVID-19 pandemic, the timing of the event was moved from May to September.

"Amazingly beautiful, but very challenging trail. The organization was great, very well marked trails, fully equipped aid stations, a lot of volunteers, positive and encouraging people! Great job!"
GS, participant from North Macedonia

"Tradition guest house “Pirustija” from Ohrid was honoured to be part of Ohrid Ultra-Trail 2020. We had a great challenge, in preparing and serving traditional Macedonian food in Covid-19 conditions and pertaining the well-known Macedonian hospitality, the richness of flavours and aromas found on our dining tables. However, in hindsight, we are more than happy to say that all participants seemed very satisfied and that we have succeeded in presenting local gastronomy in a professional manner."
NN, Traditional Food Provider
“In these unusual times, when our everyday life was disrupted and many sport events around the world had been cancelled, I was delighted that the trail running event Ohrid Ultra-Trail® (OUT) was successfully held on 18-20 September 2020, under strict health protocols for Covid-19 prevention, in the Galicica National Park, Prespa-Ohrid region. It will definitely take some years to process all the impressions and emotions of the second edition of OUT in 2020. We were under great pressure and we gave everything we had to make the event safe and enjoyable for the participants.

I would like to thank all trail runners for trusting us, participating in the event and keeping the Nature clean – and congratulation on adhering to all healthy measures that left no negative impact on the environment.

Also, I would like to express my gratitude to all volunteers, park rangers and experts, mountain rescue and red cross teams, to all of our supporters, sponsors and partners, among which Prespa-Ohrid Nature Trust deserves a special chapeau!”

Dejan Krle, Project Manager, Race Director Ohrid Ultra-Trail

“Great race! Don’t miss it... it is one of best emerging race in Eastern Europe. Go for it!”

MM, participant from Italy
PARTNERSHIPS BETWEEN PROTECTED AREA AUTHORITIES AND ENVIRONMENTAL ACTORS

One of the roles of PONT is to facilitate and support the establishment of partnerships between the Protected Area Authorities and the Environmental Actors working on issues where the Protected Areas have insufficient capacity such as habitat/wetland mapping; wetland restoration; biodiversity monitoring; environmental education; tourism development; etc. Already 4 formal partnership agreements have been established between Protected Area Authorities and Environmental Actors. Public Institution Galicica National Park established partnerships for nature-based tourism with the local Alpine club PATAGONIA Ohrid and Association of Sports “Sport for all – All for sport”. Resen Municipality established partnerships with the Public Scientific Institution Hydrobiological Institute Ohrid and the Macedonian Ecological Society.

“Finally, a designated place in Macedonian Prespa where I can learn and connect with all research and conservation processes, past and present, in the whole transboundary region!”

DA, MES

“The local office represents unity, it provides us with the opportunity to work together, building a bridge between the local community and researchers from all three sides.”

DZ, MES

2020 RESULTS AND HIGHLIGHTS
In January 2020, PONT and the Critical Ecosystem Partnership Fund (CEPF) published a Joint Call for Proposals inviting eligible organisations to address the sustainable management of water catchments and conservation of plants in the Wider Prespa Area. Applications from NGOs and academic institutions from Albania and North Macedonia were evaluated in a two-stage process: the applicants whose concept notes were selected by the joint evaluation panel of PONT and CEPF were then invited to submit full grant applications. Following the completion of the second stage of the evaluation process, PONT and CEPF awarded two complementary grants concerning the conservation of endemic plants restricted to the Galicica/Mali i Thatë mountain, spanning the borders of Galicica National Park, in North Macedonia, and Prespa National Park in Albania. An additional grant was awarded to the Balkan Foundation for Sustainable Development (BFSD) in North Macedonia that addresses CEPF’s Strategic Direction 2 (Sustainable management of water catchments). The grant supports actions concerning the conservation of the endemic Prespa trout (Salmo peristericus) which is listed as Endangered (EN) on the global IUCN Red List. The headwaters of River Brajchinska, mostly located in Pelister National Park, currently support the largest population of this species in North Macedonia, while smaller populations are also found in Kranska and Leva rivers, outside the boundaries of the park.
Through the grant from PONT, the Protection and Preservation of Natural Environment in Albania (PPNEA) has completed the first detailed study of wetland habitats in the Prespa National Park. The study covers the entire Albanian part of the Lake Prespa catchment area. The mapping study has built upon the results and experience gained in mapping the wetland habitats of Prespa in North Macedonia, which was conducted in 2018 by the Macedonian Ecological Society, in cooperation with partners from Greece, also with support from PONT. The results of the wetland habitat mapping studies in both Albania and North Macedonia are presented in a single, transboundary map, published by PPNEA.

The team of Greek vegetation experts, involved in both studies, is currently updating the Natura 2000 habitats map and conservation status in the Greek part of Prespa. By combining the information on the distribution and conservation status of the EU habitats types in the three countries, the governments and environmental actors will be able to better coordinate and increase the effectiveness and efficiency of their conservation and restoration efforts at the basin level.
In February 2020 PPNEA opened a local satellite office in Albania. The country’s oldest environmental NGO invited numerous stakeholders to celebrate the opening ceremony of the local office in Gorice e Vogel in Prespa. Representatives of the National Agency of Protected Areas, the Regional Administration of Protected Areas in Korca, local authorities, other civil society organisations, students and local people all joined the ceremony. Many stakeholders from North Macedonia supported the event, such as the Public Institution Galicica National Park and the Macedonian Ecological Society. The Mayor of Prespa in Greece, as well as representatives of the Society for the Protection of Prespa and the Management Body of Prespa Park Greece, also crossed the border under cold and windy conditions to be part of this historic event.

After several speeches highlighting the history and importance of Prespa National Park, participants enjoyed a wonderful traditional lunch prepared by local women. The local office is a renovated building of the old kindergarten in Gorice e Vogel. Local people have very fond memories of this building while playing in the garden when they were young. In the same spirit, the local office is an open place for many people to come together, to exchange ideas and to learn from each other in the best interest of nature and the people of Prespa. The renovation of the building and equipping of the local office was financed jointly by PONT and the Aage V. Jensen Charity Foundation.
2020 RESULTS AND HIGHLIGHTS

INTERNATIONAL WATERBIRD CENSUS 2020

PONT grantees actively participated in the 54th count season of the annual International Waterbird Census that took place on the second weekend of January 2020. Although situated at high altitudes, the Greater and Lesser Prespa Lakes consistently host 35,000 to 55,000 waterbirds every winter, significantly exceeding the requirement to be considered a Wetland of International Importance. The census provides a valuable snapshot of waterbird population sizes and trends at the Prespa Lakes in winter.

The count was carried out simultaneously in all three countries to avoid double-counting, and following jointly agreed observation points. Through the ongoing grants to environmental actors and protected area authorities, PONT is co-financing both staff and travel costs of the participants in all aspects of the count, including data consolidation and analysis.
KEY MESSAGE

IMPORTANCE OF CONTINUATION OF ESSENTIAL CONSERVATION ACTIONS

Despite the COVID-19 pandemic PONT disbursed 90% of its planned 2020 budget allocated to grants and grant related consultants. This illustrates once again the importance of the long-term financial support for essential conservation actions. Law enforcement, fire management, visitor management and other important activities continued throughout the year. It also shows the resilience and commitment by our long-term partners continuing to operate in often challenging circumstances.

In Prespa National Park in Albania the rangers continued regular patrolling even during the COVID-19 pandemic. The environmental education programmes related to the junior rangers continued with online sessions and existing hiking trails were cleared and marked by four local temporary workers. Firefighting equipment and materials were procured and effectively used in the dry season.

Since the lockdown was lifted, Galicica National Park has been a popular destination for the people in the Prespa-Ohrid region and across the country, seeking relaxation in nature after their indoor isolation during the COVID-19 pandemic. The park has kept the entrances open and waived entrance fees until the end of June. The park staff continued with the preparations for implementing the ambitious plan for maintenance and repair of the visitor infrastructure.

“We have selected a local company to conduct the revitalization of the System of Trails and I have been appointed as a responsible person for the control of the operations. Since I have the National Park deep in my heart, I voluntarily joined the team in the actual physical works, and I can say that this is something of which I am immensely proud. We have managed to change and revitalize all information boards, location boards and signs and add some new ones, too. It has been a great pleasure and honour for me to be able to contribute towards the enhancement of the infrastructure, especially given the transformation of the working through which the PIGNP is going now.”

GJ, PIGNP
“With the support of PONT and the project “Transboundary Biosphere Reserve Prespa” Phase II, in Prespa NP, work continues on the maintenance of existing paths and the opening of new paths in special facilities such as towers, natural monuments, culture, etc.”

RAPA

“A fire was identified in the area of the village of Cerje near the border with Greece. The fire has affected a considerable area of mixed oak forest and bush. Thanks to the cooperative work of the rangers of ADZM Korca and the staff of the municipality of Pustec, its isolation was done in a very short time, thanks also to the new specific fire extinguishing equipment enabled by PONT”

RAPA

“Managing a national park is impossible without an updated Management Plan, which is the basis of legal operations in the Republic of North Macedonia. Pelister National Park, thanks to the financial support of the Prespa-Ohrid Nature Trust, adopted the key document for the institution, which means that natural values are protected and thus biodiversity is preserved at all levels and continues to be the main feature of the Park. The most important thing for all of us is the adaptation of forestry practices, together with the new management zoning, paving the way for the transition from long-term operation in forest production to conservation, in line with the vision for the park, as set out in the new management plan. Staff capacity building is crucial for the future and development of the Park. The education and training will contribute to the realization of the preservation of the biodiversity of Pelister NP.

It is important to note that stakeholders, scientific council members, and NGOs were involved in public hearings on the preparation of the Management Plan for Pelister NP, where programmes and activities were presented and supplemented with proposals for better management of the National Park. Joint planning laid the first foundations for cooperation with them. Progress has been made in communicating.”

PIPNP
OUR PARTNERS

As PONT grants require co-financing of at least 50% for protected area grants and 25% for environmental actor grants, we rely on contributions by the government, the own contribution by our grantees and the contribution by our cooperation partners. We acknowledge and are grateful for the following sources of co-financing by our cooperation partners.
OUR GRANTEES AND THEIR CO-FINANCING PARTNERS

Critical Ecosystem Partnership Fund (CEPF)

EU financed IPA-CBC programme “New opportunities for safe winter adventures”, to be implemented between 01.11.2019 - 31.10.2022

Swedish International Development Cooperation Agency (SIDA) through the financing of the “Local Economic Development project”

Critical Ecosystem Partnership Fund (CEPF)

Critical Ecosystem Partnership Fund (CEPF)

Aage V. Jensen Charity Foundation

The programme “Sustainable Economic and Regional Development, Employment Promotion, Vocational Education and Training in Albania” (ProSEED), funded by BMZ, and implemented by GIZ.

Private companies in North Macedonia; EU Delegation in North Macedonia; City of Ohrid; contribution by participants participating in the Ohrid Trail

Critical Ecosystem Partnership Fund (CEPF)

"Transboundary Biosphere Reserve Prespa Project", financed by KfW and implemented by GFA and INCA.
With an additional endowment of €4.4 million from the German Federal Ministry of Economic Cooperation and Development (BMZ), the total capital input for PONT amounts to €42.6 million. The MAVA Foundation awarded a Fundraising Grant of €49,515 so we can increase our fundraising capacities. PONT is extremely grateful for the additional contributions and the unwavering commitment of our founding donors to our mission and its future success: MAVA Foundation and the KfW Development Bank (KfW) – mandated by BMZ. With the funding split between permanent capital committed to our endowment and a portion in the form of “sinking funds” (which must be spent by a certain date), these commitments provide us with a solid financial base for the coming years.

Earnings on the investment of KfW’s endowment contribution and sinking fund, and the entire principal of the sinking fund, are dedicated primarily to support PONT’s grant programme for protected areas and environmental actors, such as NGOs working in the portions of the Wider Prespa Area located in Albania and North Macedonia. A smaller portion may also be used to cover PONT operating expenses.

The MAVA sinking fund (including investment earnings thereon) is actively used to support PONT’s grant programme in favour of the Greek NGO Society for the Protection of Prespa (SPP). The investment earnings on MAVA’s endowment can be used for any purpose that supports our mission.

Earnings on the investment of the endowment provided by a donor who wants to remain anonymous are used to support the work related to the conservation of species and their habitats in the entire basin.
GOVERNANCE

Supervisory Board
Lynda Mansson, Director General of MAVA Foundation (President)
Demetres Karavellas, CEO of WWF Greece (Vice-President)
Dr. Klaus Müller, Director for Southeast Europe and Turkey, KfW Development Bank
David Morrison, leading PONT’s Investment Committee
Gabriel Schwaderer, Executive Director of EuroNatur

Management Board
Mirjam de Koning, Executive Director

Staff
Suela Mehmeti, Office Manager
Oliver Avramoski, Grants Coordinator
Gwenaelle Joubert, Fundraising Officer

Nature Trust Alliance
PONT is supported by a shared services office in Frankfurt am Main, which works in close collaboration with the Caucasus Nature Fund (CNF), the Blue Action Fund and the newly established Legacy Landscapes Fund.

The Investment Committee, which is a committee under the PONT Supervisory Board and led by one of the Supervisory Board members, makes the overall decisions regarding the investment portfolio. The Investment Committee is advised by an Investment Advisor. The Investment Advisor regularly verifies compliance with the joint PONT/CNF investment policy including a sustainability policy.

Our annual accounts, which are summarized in this report, are audited annually by one of the big four global auditing firms. PONT has an Audit Committee comprised of two board members, which meets separately once per year with PONT’s independent bookkeeper and tax advisor and its external auditors to discuss issues relating to financial reporting.
ACKNOWLEDGEMENTS

A special thank you to Nina Smith and Ronny Dobbelsteijn for providing us with pro bono support for our public relations, IT and communications.

Under the leadership of David Morrison, the pro-bono contribution of our investment committee members (Al Breach, Johan Holgersson, Ronald Kent and Alexandre Manghi) remains invaluable. PONT would like to thank all of them for their contribution.

A big thank you to Christoph Tiskens and Frank Mörschel from the KfW for their invaluable contributions over the last years. We welcome their successors Dr. Klaus Müller and Dr. Matthias Grüninger and are looking forward to a fruitful cooperation for the years to come.

We would also like to thank all our cooperation partners for their co-financing contributions and technical inputs.
## FINANCIALS

The information in this section should be read in conjunction with PONT’s 2020 financial statements including the notes thereto, which are published on our website in the 2020 audit report finalised by PONT’s independent auditor by mid 2021.

### Balance Sheet

<table>
<thead>
<tr>
<th>Summary of Balance Sheet</th>
<th>€ 000s / December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td>2020</td>
</tr>
<tr>
<td>Fixed Assets:</td>
<td></td>
</tr>
<tr>
<td>Property Plant &amp; Equipment</td>
<td>0</td>
</tr>
<tr>
<td>Financial Assets (Investment Securities)</td>
<td>34,900</td>
</tr>
<tr>
<td><strong>Equity &amp; Liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Equity:</td>
<td></td>
</tr>
<tr>
<td>Foundation Capital</td>
<td>30,000</td>
</tr>
<tr>
<td>Reserves:</td>
<td>8,892</td>
</tr>
<tr>
<td>Funding Capacity Reserve MAVA</td>
<td>3,935</td>
</tr>
<tr>
<td>Funding Capacity Reserve KfW</td>
<td>4,310</td>
</tr>
<tr>
<td>Saving and Free Reserve</td>
<td>647</td>
</tr>
<tr>
<td><strong>Current Assets and Prepaid/ Deferred Items:</strong></td>
<td>43</td>
</tr>
<tr>
<td>Accounts receivable &amp; other</td>
<td>76</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>4,085</td>
</tr>
<tr>
<td>Prepaid Expenses &amp; Deferred Charges</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>39,061</td>
</tr>
<tr>
<td><strong>Provisions and Liabilities:</strong></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Provisions</td>
<td>69</td>
</tr>
<tr>
<td>Trade accounts and other</td>
<td>57</td>
</tr>
<tr>
<td><strong>Total Equity &amp; Liabilities</strong></td>
<td>39,061</td>
</tr>
</tbody>
</table>


Total assets as of December 31, 2020 amounted to €39 million. This marks a €3.2 million increase compared to December 31, 2019 reflected in PONT’s equity and caused by an increase on the endowment capital of PONT, with a new contribution of €4.4 million from KfW/BMZ. Together with the initial contributions to the endowment from KfW/BMZ, MAVA and an anonymous donor, the foundation capital now totals €30 million.

MAVA Foundation and KfW/BMZ made contributions to PONT’s funding capacity reserve in 2016 totalling €12.6 million (of which €6.6 million from MAVA and €6 million from KfW/BMZ). The funding capacity reserve contributions were made as “sinking funds” to be spent until 2030. After the utilization in 2020 of the MAVA and KfW sinking funds, utilized amounts described below, a balance of €8.2 million remained at the end of 2020 (€3.9 million in the MAVA sinking fund and €4.3 million in the KfW/BMZ sinking fund).

In line with the prior year, the miscellaneous provisions amounted to €69,416 reflecting outstanding invoices for consulting and other services in connection with investment advisory, custody fees, accounting, financial statements and audit.

The asset side of the balance sheet reflects a division between investment securities (€34.9 million) and cash (€4 million).

Background
As background to the discussion of PONT’s income statement, it is important to keep in mind the different sources and uses of our funds.

- PONT’s “above the line” spending sources include current use income in the form of the interest and dividend earnings and capital gains on our investments, as well as a smaller amount of donations.

- As mentioned in the description of the balance sheet, PONT received separate “sinking funds” contributions in 2016 from MAVA and KfW that are reflected in reserves. Utilization of the sinking funds is reflected “below the line” in the income statement as a transfer from reserves. Given that today the sinking funds finance the bulk of the PONT programme expenditures, this means that PONT’s income statement will continue to show a loss before reserves transfer, until PONT’s sinking funds are reduced and its income from investments and donations grows.
Net Revenue

PONT’s net revenue is composed of Net Investment Income and Revenue from Donations and Grants as shown in the table above.

The above table shows the development of our Investment income/loss.

Turbulent capital markets in 2020 resulted in the investment committee and our discretionary managers re-positioning certain elements of the portfolio during the market downturn, resulting in a capital loss of about €366,000. Partially offsetting these losses were increased ordinary income from our investments reflecting our increase invested assets as well as significant currency gains from our hedging activity as the dollar weakened. Investment expense also increased in line with our increased invested assets. Overall, we recorded only modest net investment income in comparison to the 2019 result, which was driven by significant capital gains in that year. As discussed below under “Investment Returns”, the 2020 investment performance was overall positive on a total return basis.

Donations and other income in 2020 reflect current use donations from private donors of €5,000 and a fundraising grant awarded by MAVA Foundation, so PONT can increase its fundraising capacities.

<table>
<thead>
<tr>
<th>Income and Expenses</th>
<th>(amounts in Euro)</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>89,602</td>
<td>718,099</td>
<td></td>
</tr>
<tr>
<td>Donations &amp; Other Income</td>
<td>41,472</td>
<td>9,000</td>
<td></td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td></td>
<td>131,074</td>
<td>727,099</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programme &amp; Programme support</td>
<td>1,230,061</td>
<td>1,206,042</td>
<td></td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>182,624</td>
<td>194,408</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td></td>
<td>1,412,685</td>
<td>1,400,449</td>
</tr>
<tr>
<td><strong>NET INCOME (LOSS)</strong></td>
<td>(1,281,611)</td>
<td>(673,350)</td>
<td></td>
</tr>
<tr>
<td>Transfer from Funding Capacity Reserve</td>
<td>1,262,245</td>
<td>966,298</td>
<td></td>
</tr>
<tr>
<td>Transfer to Saving Reserves</td>
<td>-</td>
<td>239,366</td>
<td></td>
</tr>
<tr>
<td>Funds Carried Forward from Prior Year</td>
<td>62,396</td>
<td>8,814</td>
<td></td>
</tr>
<tr>
<td>Funds Carried Forward 2020</td>
<td>43,031</td>
<td>62,396</td>
<td></td>
</tr>
</tbody>
</table>


### Net Investment Income

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary Income*</td>
<td>401,907</td>
<td>307,063</td>
<td>31%</td>
</tr>
<tr>
<td>Realized Capital Gain/Loss</td>
<td>(365,992)</td>
<td>691,809</td>
<td></td>
</tr>
<tr>
<td>Foreign Currency Gain/Loss Net</td>
<td>247,725</td>
<td>(116,823)</td>
<td></td>
</tr>
<tr>
<td>&quot;Total Investment Income (net of foreign currency loss)&quot;</td>
<td>283,640</td>
<td>882,049</td>
<td>-68%</td>
</tr>
<tr>
<td>Less Investment Expenses</td>
<td>(194,038)</td>
<td>(163,950)</td>
<td>18%</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>89,602</td>
<td>718,099</td>
<td>-88%</td>
</tr>
</tbody>
</table>

*Consists of: dividends; interest and similar Income and fund distributions

### Expenses

Most of our expenditures are used for our core mission, namely grant and programme expenses, but a smaller portion goes to cover costs that directly support the PONT operating expenses.

Expenses for Programme Grants and projects reflect our grants for programmatic purposes and mission-related activities. Grants to NGOs include our continuing grant to the Greek NGO SPP (€650,000 in 2020) as well as smaller grants to NGOs in North Macedonia and Albania (€197,422 in 2020 in total).

The increase in our Grant’s to PA’s of 4% in 2020 shows that despite the COVID-19 pandemic, we maintained our programme to support PAs in North Macedonia and Albania with four grants to five protected areas in those countries. In 2020, we continued our consulting and other projects grants based on identified needs (organisational development of the local offices of PrespaNet partners & calculating the eligible co-financing capacity of Resen Municipality and Public Institution Pelister National Park for future PONT grant applications).

The Programme Development and management (internal) expense reflects staff salary allocations to the development and management of our programme as well as travel costs related to our programme, and the costs of running our office in Tirana.

The Operating Expenses of PONT reflect our administrative and fundraising costs. The Administrative expenses consists mainly of bookkeeping, financial reporting and audit, legal and similar costs in Germany and Albania, including the cost of support of the Nature Trust Alliance’s (NTA). In 2020, PONT managed to control administrative expenses well (-7%) despite the increase in our programme work.
Fundraising expenses include mainly the allocation of the salary of the executive director according to the time dedicated to fundraising activities as well as the fundraising travel expenses.

With the operating expense ratio, we seek to ensure that the costs incurred to run our foundation are not out of line with our overall expenses including the grant programme. We seek to ensure that operating expenses are well below 20% of the total, and in recent years, with our maturing grant programme, that has been the case. The ratio decreased to 13% in 2020.

With the programme delivery ratio, we track the costs we incur in delivering the programme (i.e. in developing and monitoring our grants) in relation to our overall programme costs. We are primarily a grant making organization—and for the most part are not direct implementers of our projects. As such, we seek to control the cost of delivering our programme, while at the same time keeping in mind the capacities of our grantees, their need for our support in developing their projects and the important monitoring necessary to ensure our funds are properly spent and making an impact.
Net Income and Funds Carried Forward

In 2020, PONT’s ordinary income and expense items generated a net loss of €1.282 million before transfer from the reserves. This transfer added €1.262 million in revenue and, after offsetting the carry forward from the prior year, €43,031 remained to be carried forward to 2021.

We plan and manage our expenditures in relation to the funding sources available to us. We strike a balance between developing our grant programme on a sustainable basis and at the same time adding the maximum permitted funding to capital and reserves. For as long as we have adequate sinking funds, we can draw on them to support our programme as it develops and achieve a zero balance or small surplus on our income statement. Our challenge is to develop funding sources that allow us to continue spending at current or even higher levels, and for the long term, as the sinking funds are consumed.

Investment Returns

PONT’s income statement reflects investment income in the form of dividend and interest income and realized capital gain or loss but does not reflect the underlying increase or decrease in the value of its investment portfolio (unrealized capital gain or loss). PONT follows closely the total return on its investment portfolio (the combination of earned income and realized gain or loss and the unrealized gain or loss). In 2020, despite the effects of COVID-19 on the financial markets, PONT had an overall performance of 3.8%. Our investing activity contributed an overall increase in value of €1.7 million in 2020.

From the inception of our investment programme in January 2017 to the end of 2020, we have managed an overall positive return on our invested assets of 15.2% (3.6% per annum).