LETTER FROM THE PRESIDENT AND EXECUTIVE DIRECTOR

PONT PROGRAMME

Last year we commissioned an external evaluation of our systems, processes, and work. We are proud of the outcome; to have achieved such a high standard as a relatively young institution is a great achievement. We have incorporated the feedback into our newly launched PONT Strategic Framework 2020 – 2040 and hope to build on this further in the coming years.

Our Connectivity Conservation programme got off to a great start in 2023 with five new grants in Albania, one in North Macedonia, and five in North-Western Greece from two open calls for proposals. PONT’s grant portfolio has now grown from one in 2017 to 40 grants covering the PONT Focus Area which stretches along the borders of Albania, Greece, and North Macedonia.

We also saw the first sub-grants from our grant to Connecting Natural Values and People (CNVP). During 2023, CNVP awarded sub-grants to 28 local organisations (17 local NGOs, 1 local municipality, and 9 green initiatives for businesses and 1 for a farmer) who will receive a total of €360,000 of direct financial support. An important step towards promoting the sustainable use of natural resources, through provision and support to local communities creating a better socio-economic life in harmony with nature.

We would like to thank all our donors and our grantees and also take this opportunity to thank Oliver Avramoski for his commitment and hard work in helping PONT achieve its vision and mission. We wish you all the best in your new position at the International Union for Conservation of Nature (IUCN).

PLANS FOR 2024

Looking forward to 2024 we hope to amplify the topic of freshwater connectivity conservation for the Aoos-Vjosa upper catchment. An area which has been identified as strategically important for maintaining ecological connectivity along the Pindus Mountains mixed forests ecoregion and further north with the Dinaric Mountains mixed forests ecoregion.

Further consolidation of ongoing grant portfolio is expected along with new three-year grants for our long-term partners and the recruitment of new staff to PONT.

Behind the scenes, we have been working on a system which captures all the work and success of Grantees and hope to complete the first version of the PONT database in 2024.

Please follow us via the PONT website by subscribing to our newsletter or via our social media pages Facebook or LinkedIn.
PONT’S APPROACH

As a trust fund, PONT’s approach to conservation differs from the standard “project based” or “short-term” solutions. PONT’s funding is long-term and focused on key conservation actions in the biodiversity rich mountains and lakes bridging Albania, Greece, and North Macedonia. It is designed to ensure the sustainable management of the Prespa-Ohrid, Korab-Shara, and Albanian Alps regions, including ecological corridors between these areas. Our model emphasises long-term commitment, transparency, efficiency, accountability, and collaboration.

PONT’S GRANT PROGRAMMES

We have two funding programmes:

1. PONT enables protected areas in the PONT Focus Area, to develop and implement their management plans to conserve nature through sustainable co-financing of operational costs.
2. PONT provides grants to environmental actors who are qualified not-for-profit organisations implementing conservation actions in the Prespa-Ohrid, Korab-Shara, and Albanian Alps regions, including ecological corridors between these areas.

PONT supported 40 grantees in 2023 (10 grants for protected area management authorities managing 11 protected areas and 30 environmental actors).

FOR MORE DETAILED INFORMATION ON OUR PROGRAMMES AND AN OVERVIEW OF OUR ONGOING GRANTS PLEASE VISIT OUR NEWLY UPDATED PROGRAMME PAGE AT: PONT.ORG/PROGRAMME/

CONSERVATION CONNECTIVITY

Protected areas are central to PONT’s approach. To be effective, though, protected areas need to be of sufficient size and ecologically connected to one another and the larger landscape. The areas that provide ways to identify, maintain, enhance, and restore ecological connectivity are called Connectivity Conservation Areas (CCAs) or ecological corridors. Ecological corridors are not a substitute for protected areas but complement them, especially in regions where additional protected areas are not possible, and/or connectivity is required to support biodiversity and ecological processes of the existing protected areas. Ecological corridors facilitate adaptation to changing environmental conditions, such as climate change. The ecological corridors and protected areas they connect make up an ecological network.
Contributions to U.N. Sustainable Development Goals
2023 RESULTS AND HIGHLIGHTS

The Practice Standards for Conservation Trust Funds (CTFs) were developed as a tool to improve the design, governance, management, monitoring, and evaluation of CTFs and should be viewed as norms that represent the attributes of highly effective CTFs. Adoption of the norms is voluntary and in 2023 PONT commissioned an external evaluation team to assess its adherence to these standards.

The Figure to the right is an “at-a-glance” visualisation of PONT’s implementation of the Practice Standards in the seven thematic areas that they covered. Sixty-six out of sixty-seven Standards are considered applicable to PONT. Of the applicable Standards, PONT has fully implemented or partially and satisfactorily implemented sixty-three of the Standards, or 95%. This is a great achievement for a relatively young institution founded in 2015.

Comments received during Evaluation Interviews.

“The difference with PONT is that they come to the park and ask about its needs.”

“PONT helps with any issue. They always find a way to help us.”

“They are flexible... but firm.”

“There is constant teaching to improve our work.”

“There is help from PONT during implementation. You can call them anytime.”

“PONT is more than a donor, they are a partner.”
FIRST RESULTS OF PONT SUPPORT FOR SHAR MOUNTAIN AND ALBANIAN ALPS NATIONAL PARKS

A KfW mission comprising Dr. Matthias Grüninger (Principal Portfolio Manager) and Dr. Gerhard Dieterle (Senior Natural Resources Specialist) undertook an implementation progress review of PONT between the 9th and 14th of July 2023. The mission worked closely with the PONT management team and hosted consultations with senior management and staff of relevant national environmental institutions, particularly the National Agency of Protected Areas (NAPA) of the Republic of Albania, the Regional Administrations for Protected Areas (RAPAs) at Kukes (Albanian Alps NP), as well as the park administration of the Shar Mountain National Park in North Macedonia.

The mission visited the Shar Mountain National Park in North Macedonia and the Albanian Alps National Park (Valbona Valley) in Albania and held consultations with community representatives at Bozovce village in North Macedonia and Valbona in Albania. The mission would like to express its deep gratitude for the warm welcome and kind assistance received as well as the open and constructive discussions held during the mission’s stay. The mission gratefully acknowledges the extraordinary support and guidance provided and the hospitality offered by PONT’s management team, national/regional and protected area authorities, and community representatives. All stakeholders reiterated their full support to ensure the successful implementation of the grants financed by PONT.

The Mission assessed the value-added of PONT financing for Shar Mountain National Park: ‘PONT provided a critical contribution to ensure a swift and impactful establishment of the administrative structure and initiation of operations of the management plan. It is now important that PONT financing is complemented by additional sources from the government but also from other sources, such as collecting fees/taxes from users of the park including tour operating businesses. PONT financing assured high-quality outcomes which however would not have been possible without the highly effective work of the most dedicated and committed park management team’.

For the Albanian Alps National Park, the mission concluded: ‘PONT is providing a critical contribution to ensure a swift and impactful establishment of the administrative structure and initiation of operations of the new / expanded national park and the effective implementation of its management plan. Without financial support for hiring additional staff and covering administrative costs, both RAPAs would not be in a position to manage the six-fold increase in the park area’.
A big thank you from the PONT team to all partners contributing to this successful mission!
This year, the winning grants by national NGOs started in the transboundary Korab-Shara Albanian Alps area and ecological corridor(s), followed by our first external evaluation to reflect on the previous six years and guide our next steps.

The new grants are being implemented across the Korab-Koritnik Nature Park, the Albanian Alps, the Mavrovo, and Shar Mountain National Parks, as well as in the Connectivity Conservation Areas connecting these protected areas. The focus of the new grants was on:

1. Protected Area Governance and Administration,
2. Understanding and conserving the biodiversity of protected areas, and
3. Connectivity conservation in the PONT focus area.

The proposals covered a diverse range of themes, all in line with the objectives of the call. Some covered only protected areas while others had connectivity conservation areas and protected areas within them.

We also launched a Call for Proposals in North-Western Greece to support conservation connectivity in this biodiversity-rich region. Five new grant agreements were signed in the Pindos-Prespa Connectivity Conservation Area (CCA) in Greece.

Twelve NGOs (three in Albania, three in North Macedonia, and six in north-western Greece) are currently supported by PONT to pilot connectivity conservation interventions in the PONT Focus Area in the three countries.

All these initiatives have enormous potential for joint learning and exchange. With technical support and guidance, these grants have the potential to be demonstrative and reproducible in other areas for both the benefit of nature and people. PONT aims to consolidate and sustain PONT grants allocated to connectivity conservation in key ecological corridors enhancing effective and participatory governance of selected ecological corridor(s) based on:

- collaborative partnership
- vision and mission statements, in line with the ecological and socio-economic objectives for the ecological corridor(s)
- defined boundaries of the ecological corridor(s)
- effective, collaborative governance body
- management plan or agreed rules for the selected corridor(s)
- informed civil society and stakeholders
- participatory decision-making
- involving and benefiting women, youth, vulnerable people, and communities
- broad social support
- effective feedback mechanisms

Mirjam de Koning, Executive Director of PONT, stated that ‘after years of determination and hard work a dream has come true to provide more funding dedicated to this special area for conservation’.
Boulouki and others are assessing the possibility of restoring original water points in key ecological corridors benefiting both large carnivores and local shepherds.

EcoAlbania is, amongst others, investigating the principles of other effective area-based conservation measures as options to protect the important biodiversity in the northern part of the CCA connecting Shebenik National Park with the Prespa-Ohrid area.

PPNEA (Protection and Preservation of Natural Environment Albania) is working with their implementing partners on participatory rural appraisals in areas in the CCA connecting the Albanian Alps with Shebenik National Park.

The foundation CNVP (Connecting Natural Values and People) is working on the value chain development for nature-based tourism and cultivation of Non-Timber Forest Products including a component of sub-granting to local NGOs, green initiatives, and municipalities in selected CCAs through both their branch in Albania and their branch in North Macedonia.

EkoSvest is working on aquatic conservation and management of rivers in the Korab-Shara area in North Macedonia.

The SPP (Society for the Protection of Prespa) is working on several connectivity conservation themes related to rivers, wetlands, forests, and their connected terrestrial and aquatic species.

Arcturos is working on the protection of large carnivores and the mitigation of human-wildlife conflicts, in close cooperation with local partners as well as the regional partners MES and PPNEA.

MedINA (Mediterranean Institute for Nature and Anthropos) is working on the protection of important fish species in the Aoos-Vjosa river system, in close cooperation with local fishermen, EcoAlbania and others.

Pindos Perivallontiki is working on the identification of key ecological corridors for Chamois in cooperation with local hunters and PPNEA.

HOS (Hellenic Ornithological Society) is working on the protection of the Egyptian Vulture in close cooperation with local partners and shepherds.

Boulouki and others are assessing the possibility of restoring original water points in key ecological corridors benefiting both large carnivores and local shepherds.
On November 3rd, 2023, in Mavrovo (North Macedonia), in front of donors, implementors, and beneficiaries, a big event brought together project stakeholders for the “Sustainable use of natural resources in Korab Koritnik, Shar, and the Albanian Alps” project, implemented by CNVP and funded by PONT. During the event, 13 grantees (local organisations) signed agreements with CNVP to implement a variety of local projects around environmental and biodiversity protection, sustainable use of natural resources, non-timber forest products, and nature-based tourism.

The subgranting scheme is one of the components of the project which aims to join efforts with local organisations in order to achieve the “Sustainable use of natural resources in Korab Koritnik, Shar, and the Albanian Alps” project goals. From this first public call by CNVP in North Macedonia, 13 subgranting beneficiaries will receive a total of 160,000 euros of direct financial support. In addition to this, co-financing from beneficiaries is assured. Subgranting beneficiaries are local organisations with roots in the protected areas of the National Park Shar Mountains and the National Park Mavrovo. Subgrantees underwent a highly competitive selection process, during the open call for applications held on July 10, 2023.
Grants disbursed to Environmental Actors and Protected Areas (2017-2023)

Partnership Growth 2017-2023
We celebrated ten years of PrespaNet this year by meeting in the middle of Lake Prespa by boat. The international support by many actors such as PONT was acknowledged during the celebration in the local PPNEA office in Gorice e Vogel. The Mayors of the Prespa Municipality in Greece and the Pustec Municipality in Albania highlighted transboundary success stories. “The local partners gathered in Prespa today have made transboundary cooperation functional. They have joined forces for essential conservation actions, environmental education events such as the transboundary summer schools, and the support of the local communities through their local offices” stated Mirjam de Koning.

It is really an achievement and a proud moment to think it has been 10 years since the Society for the Protection of Prespa (SPP) in Greece, the Protection and Preservation of Natural Environment Albania (PPNEA) and the Macedonia Ecological Society (MES) formed the transboundary NGO network PrespaNet. PONT would like to congratulate all local partners and stakeholders for this great achievement.
Coordination between NGOs to create synergies for a bigger impact.

2023 has seen PONT grantees working on multiple Protected Areas and Connectivity Conservation. They have continued to deepen their collaboration, joining forces, and exploring opportunities for combined action among their projects.

During meetings held on June 6th, November 14th, and December 12th, the grantees had the opportunity to share updates on their progress, discuss obstacles they have encountered, and reflect on the valuable lessons learned. It was truly inspiring to witness the collective dedication and enthusiasm of the Environmental Actors, who fully embraced this initiative supported by PONT.

The exchange of experiences and insights among the participants proved to be immensely valuable, fostering a sense of unity and a shared mission for conservation for the benefit of both, nature, and people. By joining forces, these dedicated individuals and organisations are paving the way for a more sustainable future in this unique and ecologically significant region. New and exciting initiatives such as Connectivity Conservation and Other Effective Area-Based Conservation Measures (OECMs) were discussed and debated.

This ongoing collaboration among the Environmental Actors is a testament to their unwavering support for protecting and preserving the natural values of the PONT Focus Area, promoting ecological connectivity between protected areas, and delivering benefits to the local communities. Their collective achievements serve as an inspiration to others working towards nature conservation in this remarkable region. In 2024, PONT will continue to bring grantees together around important topics.

“Robertina Brajanoska, Executive Director of the Macedonian Ecological Society (MES), emphasised that the OECMs, as a very innovative approach, diverge from traditional conservation strategies. It introduces a more nuanced and adaptive framework, recognising the interconnectedness of ecosystems and human activities.”
OUR IMPACT

€1.1M
€1.1 million was disbursed to 11 Protected Areas.

€2M
€2 million was disbursed to 30 Environmental Actors.

7.5%
increase in average annual value of Management Effectiveness Tracking Tool for PAs

11.2%
increase in average value of Civil Society Tracking Tool for EAs
251,234 ha
hectares of PAs are supported by PONT operating in line with international (IUCN) standards

7
conservation actions benefiting priority Natura 2000 habitat types

58
conservation actions benefiting priority Natura 2000 species

44
conservation actions benefiting endemic species

2,300 ha
hectares of ecological corridors with strengthened management of biodiversity

30
strategically PONT financed partnerships between PAs and EAs
PONT grants require co-financing of at least 50% of eligible costs for protected area grants and for grants for state-financed environmental actors. Grants for NGOs require at least 25%. Eligible sources of co-financing are government funding; own contribution by beneficiaries; and the financial contribution by other projects (other than from the German Government). We acknowledge and are grateful for the co-financing by our cooperation partners and happy that there is an increase in government funding and own contribution as co-financing sources.

SOLID FUNDING BASE

PONT is extremely grateful for 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 the KfW/BMZ 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 in Albania and North Macedonia. The initial sinking fund contributions can be used for grants in the entire PONT focus area in Albania and North Macedonia. The latest sinking fund contribution of €20 million is to be exclusively allocated as grants for additional protected areas in Albania (Korab Koritnik Nature Park and the Albanian Alps National Park) and connecting transboundary areas in North Macedonia (Mavrovo National Park and Shar Mountain National Park). Important conservation actions supported by NGOs in the protected areas and ecological corridors between the protected areas are also eligible for co-financing by PONT. A small 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 the Hans Wilsdorf Foundation are used to support the work related to the conservation of species and their habitats in the entire PONT focus area. The additional sinking fund contribution is earmarked for Greece.

The donation by the Sigrid Rausing Trust is used to finance local NGOs working in the Wider Ohrid Area and to prepare for and implement our new programme in North-Western Greece and the Vjosa upper catchment in Albania. A portion may also be used to cover PONT operating expenses.
In 2021, we started a risk register which is updated twice per year. With the additional sinking fund contributions from KfW/BMZ in 2021 and the Hans Wilsdorf Foundation in 2022, we secured long-term financing stability for the coming decade. This will help us maintain our endowment capital and continue providing support to the protected areas and environmental actors. We continue improving the procedures and workflows of our growing grant programme and investment portfolio. The implementation of the PONT Environmental Social Management System helps us to minimise any reputational risk or negative social impact caused by PONT.

RISKS MANAGEMENT

The Nature Trust Alliance provides us with administrative shared services from the office in Frankfurt am Main, in close collaboration with the Caucasus Nature Fund (CNF), the Blue Action Fund and the Legacy Landscapes Fund.

The Investment Committee 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 investment policy including a sustainability policy.

Our annual accounts, which are summarized in this report, are audited annually by one of the 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 and risks.

ACKNOWLEDGEMENTS

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

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

We would also like to thank all our cooperation partners for their co-financing contributions and technical inputs.
## Summary of Balance Sheet € 000s / December 31

<table>
<thead>
<tr>
<th>Assets</th>
<th>2023</th>
<th>2022</th>
<th>Equity &amp; Liabilities</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Plant &amp; Equipment</td>
<td>2</td>
<td>3</td>
<td>Foundation Capital</td>
<td>30.000</td>
<td>30.000</td>
</tr>
<tr>
<td>Financial Assets (Investment Securities)</td>
<td>67.497</td>
<td>58.093</td>
<td>Reserves</td>
<td>43.332</td>
<td>46.110</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Funding Capacity Reserve MAVA</td>
<td>2.710</td>
<td>3.209</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Funding Capacity Reserve KfW</td>
<td>34.784</td>
<td>37.221</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Funding Capacity Reserve HW</td>
<td>4.890</td>
<td>5.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Saving and Free Reserve</td>
<td>949</td>
<td>680</td>
</tr>
<tr>
<td>Current Assets and Prepaid/Deferred Items:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable &amp; other</td>
<td>146</td>
<td>94</td>
<td>Provisions and Liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Miscellaneous Provisions</td>
<td>147</td>
<td>209</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>5.999</td>
<td>18.165</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepaid Expenses and Deferred Charges</td>
<td>0</td>
<td>0</td>
<td>Trade accounts and other</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td>73.644</td>
<td>76.355</td>
<td>Total Equity &amp; Liabilities</td>
<td>73.644</td>
<td>76.355</td>
</tr>
</tbody>
</table>

Total assets as of December 31, 2023 are €73.6 million. This €2.7 million decrease compared to December 31, 2022 is due to the use of the sinking fund capital of PONT, to pay for grant related expenses, consultancies and external project monitoring in 2023. The endowment capital from “German Financial Cooperation ("GFC"), MAVA and the Hans Wilsdorf Foundation remained unchanged at €30 million.

MAVA Foundation, GFC, and Hans Wilsdorf Foundation made contributions to PONT’s funding capacity reserve totalling €54.6 million (of which €6.6 million from MAVA, €43 million from GFC, and €5 million from Hans Wilsdorf Foundation). The funding capacity reserve contributions were made as “sinking funds” to be spent until 2040. After the utilization in 2023 of the sinking funds as described in the discussion of the income statement below, a balance of €42.4 million remained at the end of 2023 (€2.7 million in the MAVA sinking fund, €34.8 million in the GFC sinking fund, and €4.9 million in the Hans Wilsdorf Foundation sinking fund).
In line with the prior year, the miscellaneous provisions amounted to €146,240 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 (€67.5 million) and cash (€6 million).

**INCOME STATEMENT**

<table>
<thead>
<tr>
<th>Income and Expenses (amounts in Euro)</th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NET REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>807,071</td>
<td>(1,051,836)</td>
</tr>
<tr>
<td>Donations &amp; Other Income</td>
<td>124,837</td>
<td>133,871</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>931,908</td>
<td>(917,964)</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programme &amp; Programme support</td>
<td>3,361,406</td>
<td>2,389,490</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>219,984</td>
<td>267,530</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>3,581,389</td>
<td>2,657,019</td>
</tr>
<tr>
<td><strong>NET INCOME (loss)</strong></td>
<td>(2,649,481)</td>
<td>(3,574,984)</td>
</tr>
<tr>
<td>Transfer from Funding Capacity Reserve</td>
<td>3,046,183</td>
<td>3,464,481</td>
</tr>
<tr>
<td>Transfer to/from Saving Reserves</td>
<td>269,024</td>
<td>(52,192)</td>
</tr>
<tr>
<td>Funds Carried Forward from prior year</td>
<td>36,889</td>
<td>95,200</td>
</tr>
<tr>
<td>Funds Carried Forward</td>
<td>164,567</td>
<td>36,889</td>
</tr>
</tbody>
</table>

**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 that are reflected in reserves. Utilisation 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.

**€3.1 million disbursed in grants**

**Invetsment Returns av. 2.6%**
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 following table shows the development of our investment income/loss.

<table>
<thead>
<tr>
<th>NET INVESTMENT INCOME/LOSS (AMOUNTS IN EURO, EXCEPT %)</th>
<th>2023</th>
<th>2022</th>
<th>% Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest, dividend and similar income</td>
<td>1.139.300</td>
<td>684.428</td>
<td>66%</td>
</tr>
<tr>
<td>Realised capital gain net</td>
<td>183.633</td>
<td>86.567</td>
<td>112%</td>
</tr>
<tr>
<td>Total Investment Income</td>
<td>1.322.933</td>
<td>770.995</td>
<td>72%</td>
</tr>
<tr>
<td>Currency exchange losses</td>
<td>(139.683)</td>
<td>(1.376.560)</td>
<td>-90%</td>
</tr>
<tr>
<td>Investment management and other expenses</td>
<td>(376.179)</td>
<td>(446.270)</td>
<td>-16%</td>
</tr>
<tr>
<td>Total Investment Expenses</td>
<td>(515.862)</td>
<td>(1.822.830)</td>
<td>-72%</td>
</tr>
<tr>
<td>Donations and other income</td>
<td>124.837</td>
<td>133.871</td>
<td>-7%</td>
</tr>
<tr>
<td>Net Revenue</td>
<td>931.908</td>
<td>(917.964)</td>
<td>+202%</td>
</tr>
</tbody>
</table>

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

The investment climate in 2023 ended on a positive note towards the end of the year. The increase of earnings from interest and dividends and the reduction of the capital losses compared to 2022 left a positive realised investment income of €807,071. Donations and other income in 2023 reflect current use donations from the Sigrid Rausing Trust (£100,000), private donors, and provisions with a total value of €124,837.
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.

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programme Grants &amp; Projects</td>
<td>3,174,837</td>
<td>2,216,397</td>
</tr>
<tr>
<td>Grants to NGO’s</td>
<td>2,013,452</td>
<td>1,378,271</td>
</tr>
<tr>
<td>Grants to PA</td>
<td>1,092,691</td>
<td>735,934</td>
</tr>
<tr>
<td>Consulting &amp; Other Projects</td>
<td>68,694</td>
<td>102,192</td>
</tr>
<tr>
<td>Programme Development and Management</td>
<td>186,568</td>
<td>173,092</td>
</tr>
<tr>
<td>Programme Development and Management Internal</td>
<td>184,568</td>
<td>169,679</td>
</tr>
<tr>
<td>Programme Development and Management External</td>
<td>2,000</td>
<td>3,413</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>219,984</td>
<td>267,530</td>
</tr>
<tr>
<td>Administrative</td>
<td>182,841</td>
<td>216,047</td>
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<tr>
<td>Fundraising</td>
<td>37,143</td>
<td>51,483</td>
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<tr>
<td>Total Grant and Other Expenses</td>
<td>3,581,389</td>
<td>2,657,019</td>
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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 (€531,681 in 2023) as well as grants to 29 other EAs/NGOs in the three countries (€1,481,771 in 2023 in total). The increase in our grants to NGOs and PAs (€1,092,691 in 2023) reflects the new grants in our geographical expansion areas. In North Macedonia and Albania, we continue to support 10 grants to 11 protected areas in those countries. In 2023, we also continued our consulting based on identified needs (PONT External Evaluation, studies regarding the delineation and description of the Connectivity Conservation Area in North-Western Greece, and our ongoing support to grantees by PONT Focal Points).

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.
In 2023, fundraising expenses include mainly the allocation of the salary of the Executive Director according to time dedicated to fundraising activities as well as the fee of the part-time fundraising consultant.

We follow an “operating expense ratio” to monitor the relationship between the operating expenses and the foundation’s overall expenses including the grant programme. We seek to ensure that operating expenses are well below 15% of the total, and in recent years, with our maturing grant programme, that has been the case. The ratio in 2023 (6.1%) decreased for the first time below 10%.

We are primarily a grant-making organisation—and for the most part, are not direct implementers of our programmes. 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 grants and the important monitoring necessary to ensure our funds are properly spent and making an impact. We follow our “programme delivery ratio” (5.6% in 2023) to do this, tracking the costs we incur in delivering the programme (i.e., in developing and monitoring our grants) in relation to our overall programme costs.

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</thead>
<tbody>
<tr>
<td>Operating Expense Ratio [1]</td>
<td>6.1%</td>
<td>10.1%</td>
<td>14.8%</td>
<td>12.9%</td>
<td>13.9%</td>
<td>16.5%</td>
<td>21.0%</td>
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<tr>
<td>Programme Delivery Ratio [2]</td>
<td>5.6%</td>
<td>7.2%</td>
<td>8.5%</td>
<td>9.4%</td>
<td>9.9%</td>
<td>10.8%</td>
<td>6.8%</td>
</tr>
</tbody>
</table>

[1] Operating Expense Ratio = Administrative Expenses + Fundraising Expenses / Total Expenses
[2] Programme Delivery Ratio = Programme Development and Management / Total Programme Expenses
NET INCOME AND FUNDS CARRIED FORWARD

In 2023, PONT’s ordinary income and expense items generated a net loss of €2,649,481 million before transfer from the reserves. This transfer added €3,046,183 million in revenue and, after offsetting the carry forward from the prior year, €164,567 remained to be carried forward to 2024.

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 earned investment income in the form of dividend and interest income, realized capital gain or loss, and currency gains or losses as discussed above. However, these figures do not reflect the underlying increase or decrease in the value of the investment portfolio (unrealized capital gain or loss). Accordingly, from an investment perspective, PONT follows the total return on its investment portfolio (the combination of earned investment income and unrealized gain or loss).

In 2023, the value of our assets increased overall by 4.2% during the year. PONT’s performance since the inception of its investment program in 2017 accumulates a 20% return with an annual average return of 2.6%.