

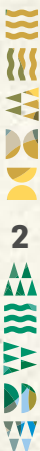


ANNUAL REPORT 2021



TABLE OF CONTENTS

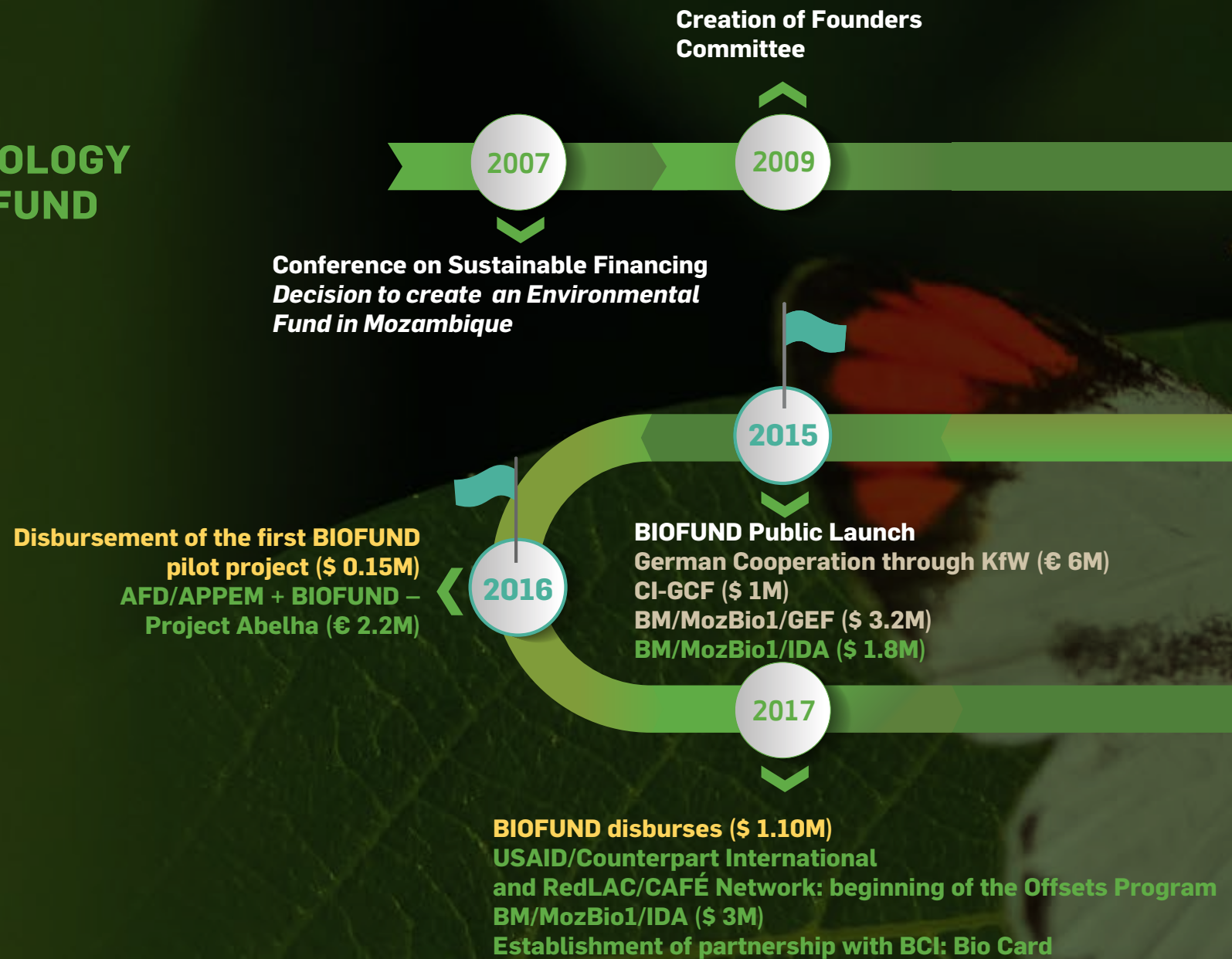
BIOFUND TIMÉLINE	04	Biofund Conservation Area Beneficiaries in 2021	35
MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS OF BIOFUND	06	Beneficiaries' Financial Performance	35
INTRODUCTION	08	Main Expenses of Conservation Areas in 2021	36
BIOFUND IN NUMBERS (2014-2021)	10	Examples Oof Activities Financed	37
MISSION, VISION AND VALUES	11	PROMOVE Biodiversidade Project	38
STRATEGIC VISION - THE 3 PILLARS	12	Theme of the Year: Abelha Project	40
STRATEGIC PILLAR 1: CONSOLIDATING BIOFUND	13	STRATEGIC PILLAR 3	43
Pillar 1 Organizational Indicators	14	Pillar 3 Organizational Indicators	44
Different types of Financial Resources	15	The Conservation Leadership Program for Mozambique	45
Valor Cumulativo do <i>Endowment</i>	16	Advocacy and Environmental Awareness Activities	47
Contributions Tto the Endowment	17	PROJECTS IN INCUBATION	48
INNOVATIVE FINANCING	18	MozNorte and MozRural projects	48
Biodiversity Offsets Program	19	Global Fund for Coral Reefs (GFCR) Project	48
Bio card	20	USFS Project	48
Rangers Support Fund	21	FINANCIAL REPORT	50
Biodiversity Conservation and Community Development Project (CBDC)	22	EVOLUTION OF EXPENDITURE	55
BIOFUND Organization Chart	23	SOURCES OF FINANCING 2021	56
Structure of the Secretariat	24	SOURCES OF FINANCING 2021	57
STRATEGIC PILLAR 2: FINANCING CONSERVATION	27	ENDOWMENT PERFORMANCE 2015-2021	58
Pillar 2 Indicators	28	ORIGIN AND APPLICATION OF FUNDS - JANUARY TO DECEMBER 2021	59
Disbursement Projects in 2021	30	MAP OF MOZAMBIQUE CONSERVATION AREAS	60
Biofund Disbursements for Conservation Areas	33		



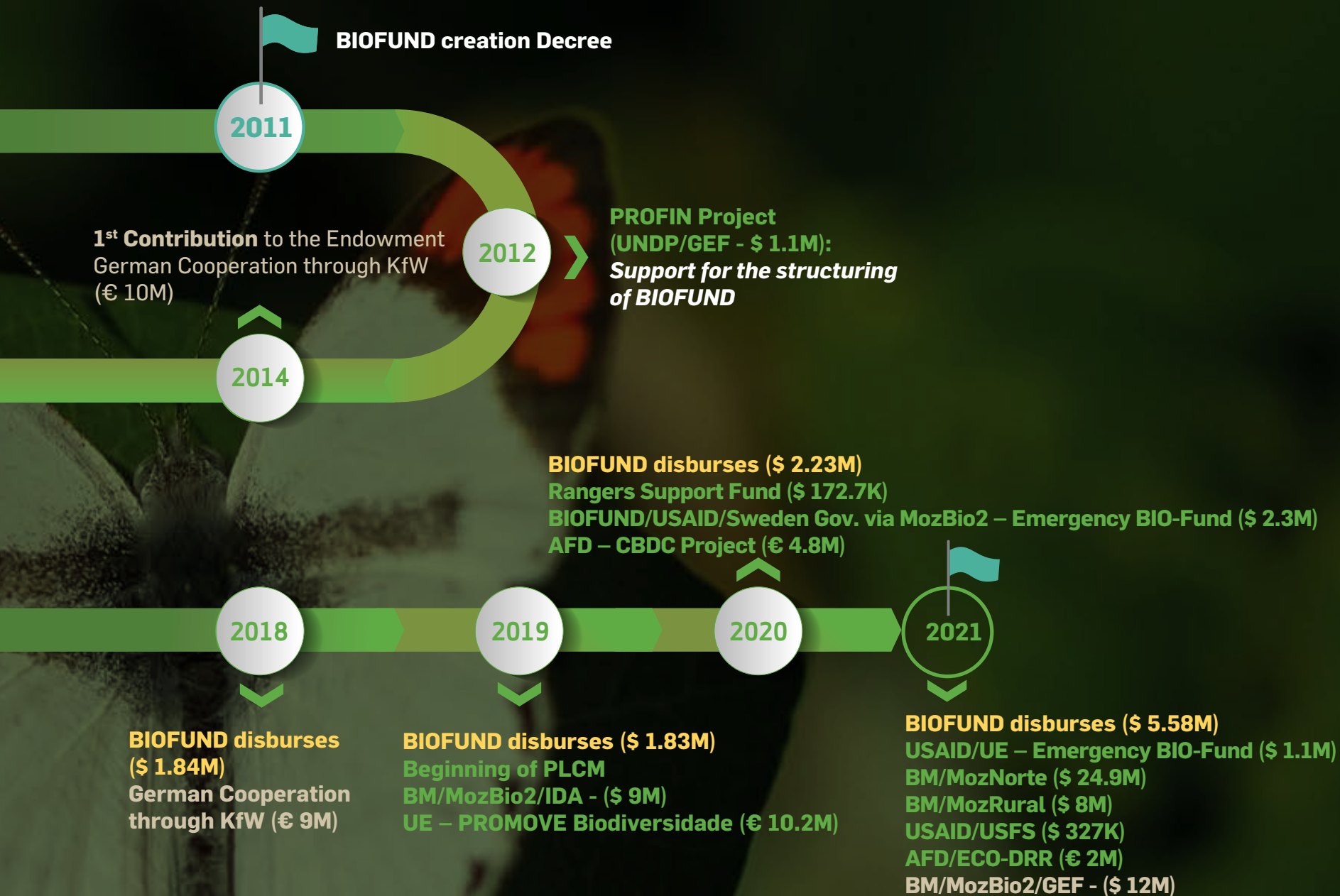
LIST OF ABBREVIATIONS AND ACRONYMS

AFD	French Development Agency/ <i>Agence Française de Développement</i>
APAIPS	Environmental Protection Area
AMOS	Mozambican Association of Safaris Operators
ANAC	Conservation Areas National Administration
ASA	Conservation Areas with no additional support
BCI	Investments and Commercial Bank
BIOFUND	Foundation for the Conservation of Biodiversity
BM	World Bank
CAs	Conservation Areas
CAFÉ	Consortium of African Environmental Funds
CFA	Conservation Finance Alliance
COMBO	Conservation, Mitigation and Biodiversity Offsets Project
CTFs	Conservation Trust Funds
DINAB	National Environment Directorate
FFEM	French Global Environment Facility/ <i>Fonds Français pour L'Environnement Mondial</i>
FFI	Fauna and Flora International
GEF	Global Environment Facility
IDA	International Development Association
KFW	German Development Bank/ <i>Kreditanstalt für Wiederaufbau</i>
MTA	Ministry of Land and Environment
MozBio	Mozambique Conservation Areas Project for Biodiversity and Development
PLCM	Leadership Program for the Conservation of Mozambique
RedLAC	Red de Fondes Ambientales de Latinoamérica y el Caribe
SNAC	National System of Conservation Areas
UE	European Union
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WCS	Wildlife Conservation Society

CHRONOLOGY OF BIOFUND



Funds disbursed by BIOFUND
 Projects
 Contributions to the endowment



MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS OF BIOFUND



Narciso Matos

PCA BIOFUND

Although our activity still suffers from the scars and injuries left by the pandemic crisis, 2021 was a year of surpassing goals for BIOFUND. We achieved record numbers not only in terms of resource mobilization but also in terms of disbursements: our Endowment recorded a donation of over USD 12 million from GEF (which brought us to a total of USD 57.9 M) and our Programs benefited from two new World Bank projects amounting to around USD 30 million; the organization's budget execution rose from USD 3.44 million (2020) to USD 7.52 million (2021), especially emphasizing the growth in more than double the amounts transferred to our beneficiaries, which rose from USD 2.23 million (2020) to USD 5.58 million (2021).

The number of projects funded by BIOFUND also grew significantly from 41 to 51, as

did the total number of beneficiaries of the Leadership Program for the Conservation of Mozambique, which rose from 22 (2020) to 92 (2021). This year our foundation was elected a member of the Executive Committee of the Consortium of African Funds for the Environment (CAFÉ) after hosting the 11th General Assembly of this Organization in Maputo.

In this period, the highlight in the calendar of activities also includes the first five awards of Dr. Lopes Pereira Ranger Support Fund, at an event led by the President of the Republic in the Niassa Special Reserve. The first studies for pilot projects of biodiversity offsets in Maputo National Park, Chimanimani National Park and Licuáti Forest Reserve also started – an important step to set innovative procedures for sustainable financing of conservation in Mozambique.

In 2021 I had the honour of being elected to chair the Board of Directors of BIOFUND, replacing Dr. Abdul Magid Osman who along with a group of other Board members had reached the end of their terms. In fact, the good results that BIOFUND has been recording are due to the safe and enlightened guidance that our foundation has benefited from in its first ten years of existence. On behalf of the Board of Directors it is therefore worthwhile that, in the first note of introduction to the BIOFUND Activity Report and Accounts, homage is paid to the management team that preceded us, which also included individuals like Óscar Monteiro, Anabela Rodrigues, and Rui Monteiro, who unfortunately passed away too soon.

At the beginning of our term, on behalf of the Board of Directors of BIOFUND, we engage in this great and noble challenge, and welcome the new and old members of the governing bodies.

We hope that together we will walk towards new horizons and perspectives of the hard work that we have ahead for the conservation of biodiversity!

The Board of Directors thanks BIOFUND's employees, who day after day are engaged in different activities that ensure the foundation's functioning, wisely led by its Executive Director, whose strategic vision has been crucial for the growth of BIOFUND and an outstanding positioning in the country and in Africa.

In these terms, we invite you to read the report of activities for the year 2021, which marked the resumption of normality and the hope of many successes!

Narciso Matos

Chairman of the Board Of Directors of BIOFUND

INTRODUCTION

The Foundation for the Conservation of Biodiversity - BIOFUND, is an environmental fund created in 2011 as a mechanism for sustainable financing of biodiversity in Mozambique.

In accordance with its 3 strategic pillars “Consolidating BIOFUND, Financing Conservation, and Creating a Favourable Environment”, in 2021 BIOFUND implemented a series of activities that resulted in **51 projects** to support biodiversity protection and activities with communities in 31 Conservation Areas in the country, through the support of many partners, as well as its own funds, disbursing approximately **USD 5.6 million** to the Conservation Areas.

One of the main milestones in 2021 was the completion of the terms of several long-serving members of the Board of Directors of the Foundation after more than 8 years of contributions and leadership, resulting in a new composition of the Governing Bodies.

During this period, BIOFUND's support for the conservation of biodiversity had its greatest geographical and human expression, in the extension of Programa BIO-Fundo de Emergência, which made it possible to ensure **13,139,211 hectares of protected biodiversity** in the country's public and private Conservation Areas, which represents **63%** of the total protected area in the national territory. This program mitigated the impacts of the

consequences of COVID-19 (lack of tourism revenues to cover operational expenses), supporting the salaries of over **600 workers** (rangers and essential support personnel) connected to conservation in the country, who remained in their jobs, as well as the engagement of seasonal workers from local community members.

Despite the COVID-19 pandemic which continued to challenge the various sectors of activity, especially conservation, in June 2021 we officially launched the **PROMOVE Biodiversidade Program** in a ceremony held at Gilé National Park, one of the 3 beneficiary areas of the program.

We also highlight the holding and organization in 2021, for the first time in Mozambique, of the General Assembly of the Consortium of African Funds for the Environment (CAFÉ). While unfortunately this was mainly online, the hybrid event had a virtual participation of **32 countries** and over **1000 attendants**.

Also in 2021, we started the implementation of the Rethinking the **Exposition project**, by holding several remote and in-person biodiversity exhibitions, and other environmental awareness actions at national and international events. This year these were principally co-organized by partners to reduce the administrative burden on the Foundation. These events were attended by about **4500 people**.





11th General Assembly of CAFÉ in Maputo



PLCM team at the Crescendo Azul International Conference fair, Vilankulos 2021



Rangers supported by the BIO-Emergency Fund Programme, Luwire



Launch of the PROMOVE Biodiversity Programme, at Gilé National Park

BIOFUND IN NUMBERS (2014-2021)

57.9

(USD M)
Endowment



10.2

(USD M)
Funds raised for direct
implementation projects



61.6

(USD M)
Funds raised to distribute
to CAs and other beneficiaries



12.7

(USD M)
Amount disbursed to
Conservation Areas



14.01

(ha M)
Hectares of Protected
Areas covered by
BIOFUND funding



31

Conservation Areas
Beneficiaries



70

Disbursement
Projects in
Conservation Areas



95

Conservation
Areas Managers
Trained



36 920

Participants in Environmental
Awareness Campaigns





©Caine Delacy



Mission:

Sustainable financing of biodiversity conservation, with a special focus on the national system of conservation areas, as a contribution to the balanced development of the country.



Vision:

To be the preferred mechanism for financing biodiversity conservation in Mozambique.



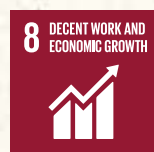
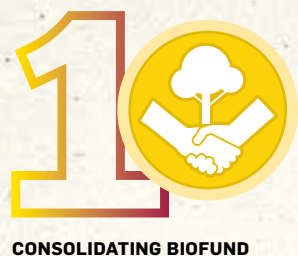
Values:

Professionalism, efficiency, transparency, inclusion.

STRATEGIC VISION - THE 3 PILLARS

The organization's focus is to support the conservation of biodiversity through direct disbursements to beneficiaries in charge of conservation management, under the guidelines of its three strategic pillars.

Each of BIOFUND's strategic pillars contributes to the achievement of some of the goals set out in the Sustainable Development Goals shown in the following figure.





STRATEGIC PILLAR 1: CONSOLIDATING BIOFUND

This pillar aims to make BIOFUND an effective and efficient organization in the financing of conservation. In order to achieve the intended results, BIOFUND shall channel a significant volume of endowment funds and pass-through funds to conservation, as well as manage resources for direct execution of projects.

STRATEGIC PILLAR CONSOLIDATING BIOFUND

Pillar indicators	Timeline							Goals set out on SP 2018-2022	Reality
	2014	2015	2016	2017	2018	2019	2020	2021	
Endowment cumulative volume (USD Millions)	10,6	14,4	21,2	24,7	32,5	37,2	41,1	43	57,9
Annual volume of resources raised for pass-through (USD Millions)	0	0	2,2	3	4,2	9,2	7,9	2	34,9
Annual volume of resources raised for direct implementation of projects (USD Millions)	0	0,2	1,1	0,7	3,1	2,96	0,8	0,3	1,3
% BIOFUND Organizational Capacity Progress*	46%	57%	69%	77%	82%	88%	90%	84%	92%

*Percentage obtained using BIOFUND Organizational Capacity Assessment tool

The table above presents the 4 main indicators of Strategic Pillar 1, as well as the goals set for 2021 and the results achieved. All the goals of this pillar were achieved and surpassed. The endowment amount exceeded the established target mainly due to the USD 12M contribution made by the GEF through the World Bank as well as the strong growth in capital markets (please, refer to the financial report for further information).

The marked discrepancy between the targets of the indicators *annual volume of resources raised for pass-through funds and for direct implementation of projects* and the reality is mainly due to the signing of management agreements for 2 large projects funded by the World Bank in the BIOFUND project portfolio in the last quarter of 2021 (the Northern Mozambique Rural Resilience Project - MozNorte with around USD 25M and the Sustainable Rural Economy Program – MozRural with approximately USD 8M).

DIFFERENT TYPES OF FINANCIAL RESOURCES

Long-term invested capital (endowment)

There was an increase of 41% compared to 2020, which represents a growth of more than 16 million of which 12 are from GEF through MozBio2, thus reaching USD 57.9 million.

Pass-through funding (*third-party funds where BIOFUND is the disbursement and financial control mechanism*)

During 2021, 34.9 million US dollars were raised, from the World Bank (USD 31.5M), AFD (EUR 2M), USAID (USD 547K), EU (EUR 485K), USFS (USD 327K) and BCI bio-Card (MZN 5.6M) that will be disbursed to Conservation Areas by 2026.

Funds for Direct Implementation of Projects

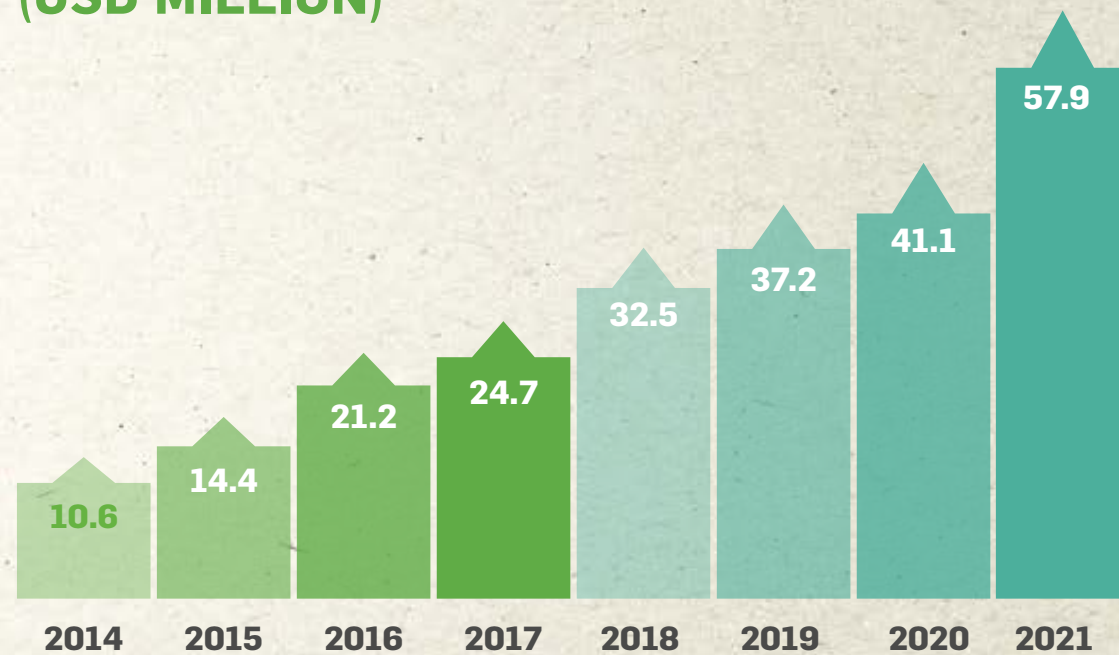
In 2021, an amount of USD 1.3M was raised from the World Bank (MozNorte and MozRural) for project implementation directly made by the Foundation.





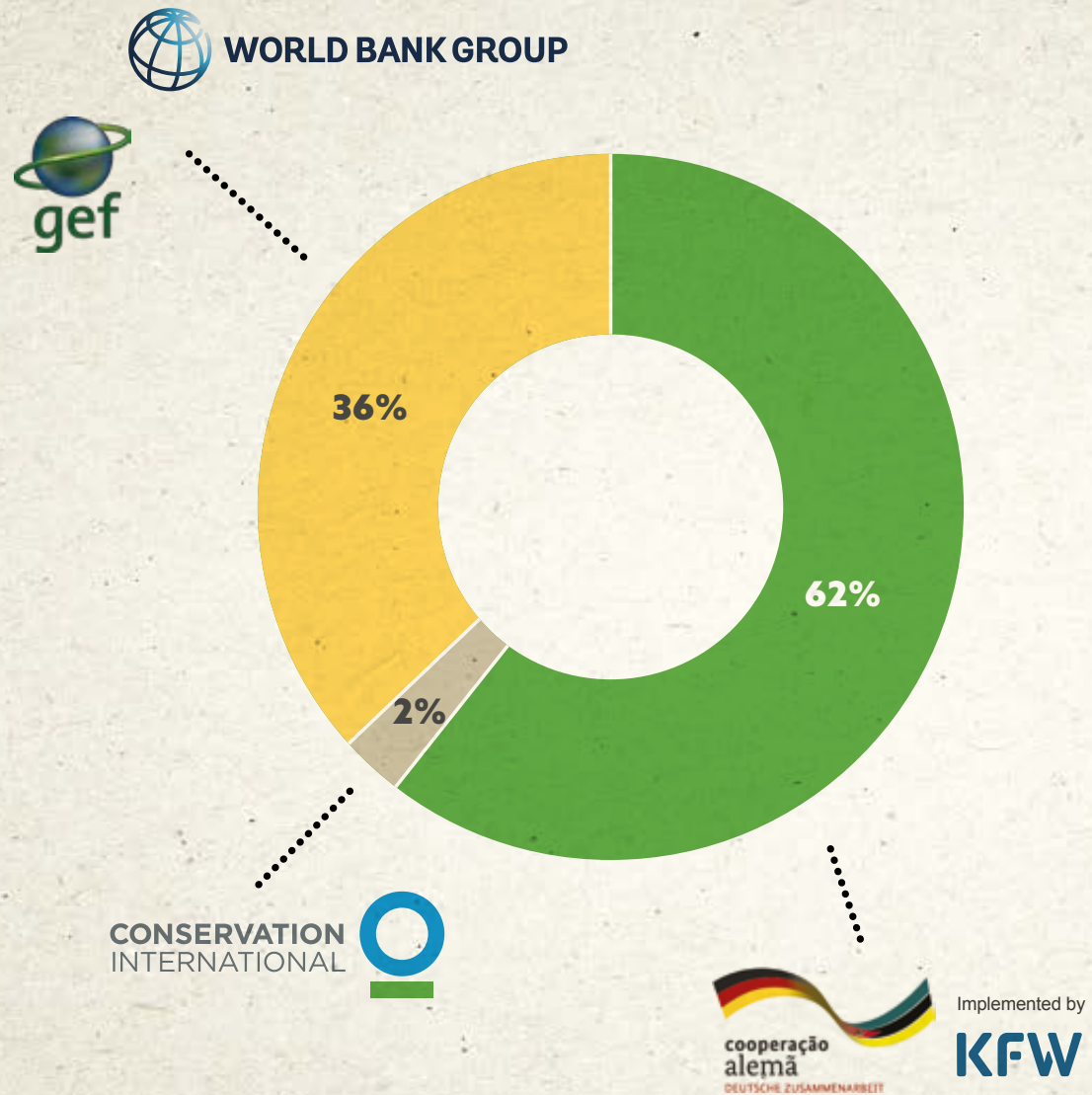
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ENDOWMENT CUMULATIVE AMOUNT (USD MILLION)



CONTRIBUTIONS TO THE ENDOWMENT

The contributions to the endowment come from German Cooperation through KfW (USD 26M); GEF via MozBio Project (USD 15M) and Conservation International (USD 1M).



INNOVATIVE FINANCING

Biodiversity Offsets Program

The Biodiversity Offsets Program (PCB) is part of BIOFUND's strategic actions to explore innovative mechanisms to support funding for biodiversity conservation in Mozambique.



The PCB is implemented directly by BIOFUND in partnership with the Wildlife Conservation Society (WCS) through COMBO+ Program and with the Government of Mozambique through the National Directorate for the Environment (DINAB), and aims to develop legal, technical and financial procedures for the correct application of the Mitigation Hierarchy in Mozambique, as well as contributing to the effective implementation of pilot projects for biodiversity offsets in Mozambique.

This program is financed by the World Bank (WB) through the MozBio 2 Project, followed by the United Nations Development Program (UNDP) through the BIOSFAC Project, the French Development Agency (AFD) and the French Environment Facility (FFEM) through the Biodiversity Conservation and Community Development (CBDC) Project in Chimanimani landscape.

The following were the prominent activities in 2021:

- Training of more than **600 professionals from the government, civil society, private sector, academia, conservation areas, and others**, in matters related to the application of the Mitigation Hierarchy and biodiversity offsets in Mozambique, conducted by BIOFUND, WCS, FNDS and partners;
- **Approval of the Ministerial Diploma on Biodiversity Offsets** by the Ministry of Land and Environment (MTA) with technical assistance from BIOFUND and WCS;
- Commencement of implementation of 3 pilot projects to improve habitats, namely: Maputo National Park (PNAM), Chimanimani National Park (PNC) and Licuáti Forest Reserve (RFL) in Matutuíne;
- Review of the **ROAM Tool** (Restoration Opportunities Assessment Methodology) developed by the IUCN to include biodiversity indicators for future biodiversity offset projects and possible integration of the tool in the FNDS webgis;
- BIOFUND integrated in the **Global Agreement** for the implementation of COMBO+ Program in its second phase between 2021 and 2025;
- **Participation in national and international events to publicize the Biodiversity Offsets Program and Mozambique's experience** towards the implementation of the hierarchy and mitigation of biodiversity impacts and offsets, including: Crescendo Azul international conference, IUCN World Congress, ICCB 2021, Mangrove Global Alliance, etc.



BIO CARD

The bio card is a national fundraising project, through the engagement of the general public in partnership with the BCI, where the adhesion and use of the bio debit card contributes to a fund managed by the Foundation to support conservation.

The use of this card reached a total of **24,867 users**, which represents an increase of 8,881 new users compared to last year, and the **raising of more than USD 87,000** to support biodiversity conservation projects, selected on the basis of their relevance, impact and visibility for biodiversity.

In 2021, support continued for the second pilot project of these funds, which consists of the **Ecological Restoration of *Raphia australis***, a palm almost endemic to Mozambique that occurs naturally and restrictedly in Bobole, Marracuene.

In May 2021, a national communication campaign was launched to encourage the use of the bio card, where the user with the highest number of transactions was awarded a guided tour to Maputo National Park.



Rangers Support Fund

Also called Fundo Dr. Carlos Lopes Pereira, this project is a permanent allocation of financial resources, the income of which is used to reward rangers who stand out in the protection and conservation of marine and terrestrial biodiversity at the national level.

The Fund is the result of an initial contribution of £50,000 made by Dr. Carlos Lopes Pereira, Director of Protection and Protection Services at ANAC, the financial part of the “Prince William Award for Conservation in Africa”, awarded to him by Tusk International. BIOFUND then matched this donation from its own endowment revenues.

In 2021, 5 (five) rangers were distinguished for the first time for the 2021 Award, from 5 public and private Conservation Areas in the country, namely: Niassa Special Reserve, Bazaruto Archipelago National Park, Luwire – Lugenda Wildlife Reserve (a private operator which is part of Niassa Special Reserve), Maputo Special Reserve and Mozambique Safaris, in Tchuma Tchato. The winning rangers were awarded in the presence of the President of the Republic of Mozambique, Filipe Jacinto Nyusi, at a ceremony held at Niassa Special Reserve,



on the occasion of the World Ranger Day, celebrated on 31 July.

Fundo Dr. Carlos Lopes Pereira's main partners are ANAC and AMOS, and its main donors are BIOFUND, TUSK International and AVM Consultores.

For further information about Fundo Dr. Carlos Lopes Pereira visit www.biofund.org.mz/projects/apoio-aos-fiscais/

BIODIVERSITY CONSERVATION AND COMMUNITY DEVELOPMENT PROJECT (CBDC)

The CBDC Project is funded by the French Development Agency (AFD), French Global Environment Facility (FFEM), and Flora and Fauna International (FFI) with a total amount of EUR 4.8M for 4 years. The project's focus areas are Chimanimani National Park and its buffer zone, and the aim is to promote more sustainable environmental management by **supporting the conservation and enhancement of the heritage, and sustainable management of natural resources for the benefit of the local communities.**

The Project consists of four components implemented by Chimanimani National Park (PNC), National Administration of Conservation Areas (ANAC), Micaia Foundation and BIOFUND, which is also the financial manager of the whole project.

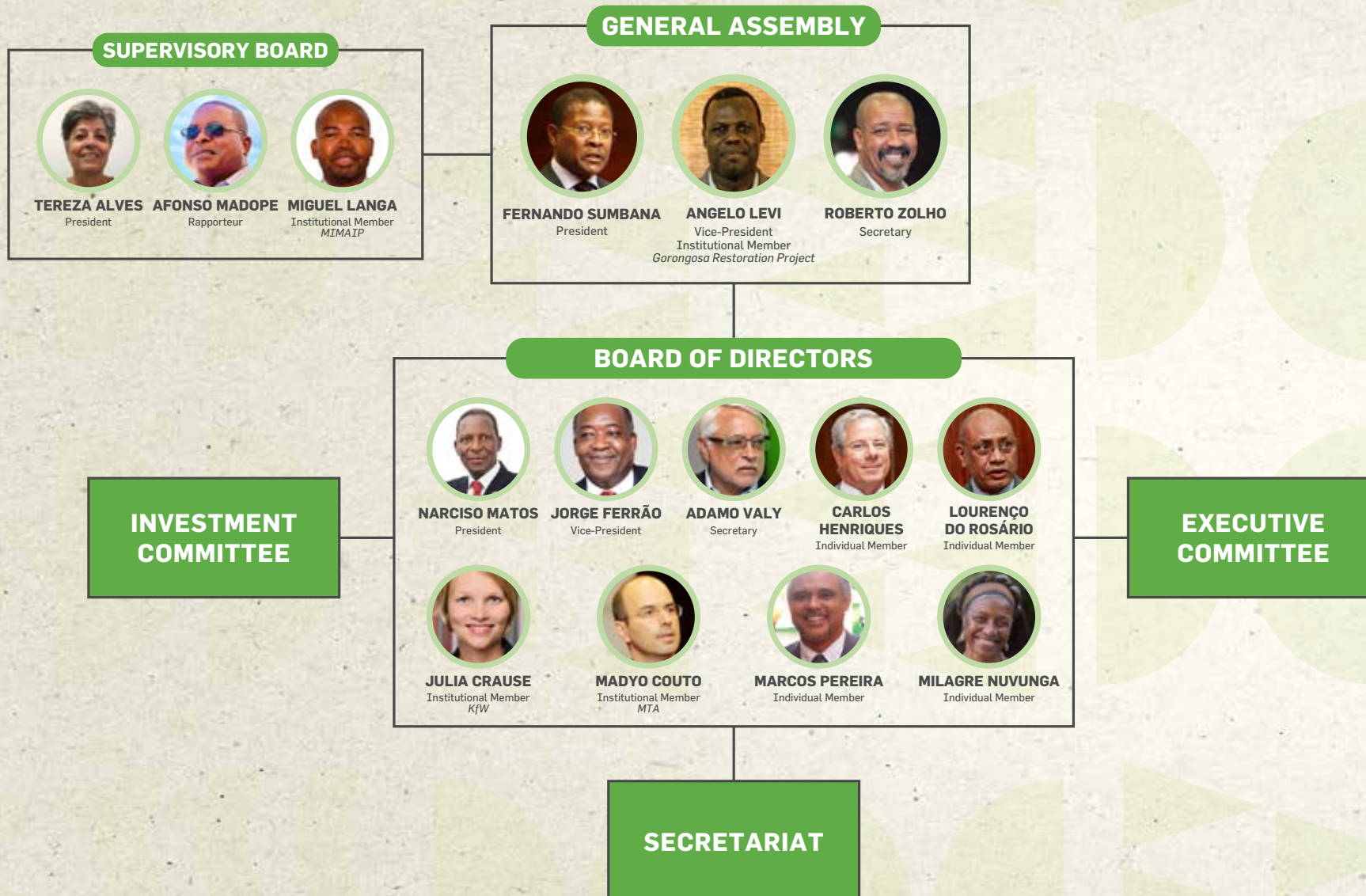
This year, more than EUR 600,000 were disbursed for the following activities:

- Comprehensive study on the historical and cultural resources of the park was initiated with the National Social and Cultural Research Institute (ARPAC);
- Studies have begun to assess the pre-feasibility to implement a water-based Payment for Environmental Services (PES) system in the Chimanimani region;
- Technical assistance services have been contracted to implement the Community Land Registry Platform within the scope of land delimitation in the buffer zone;

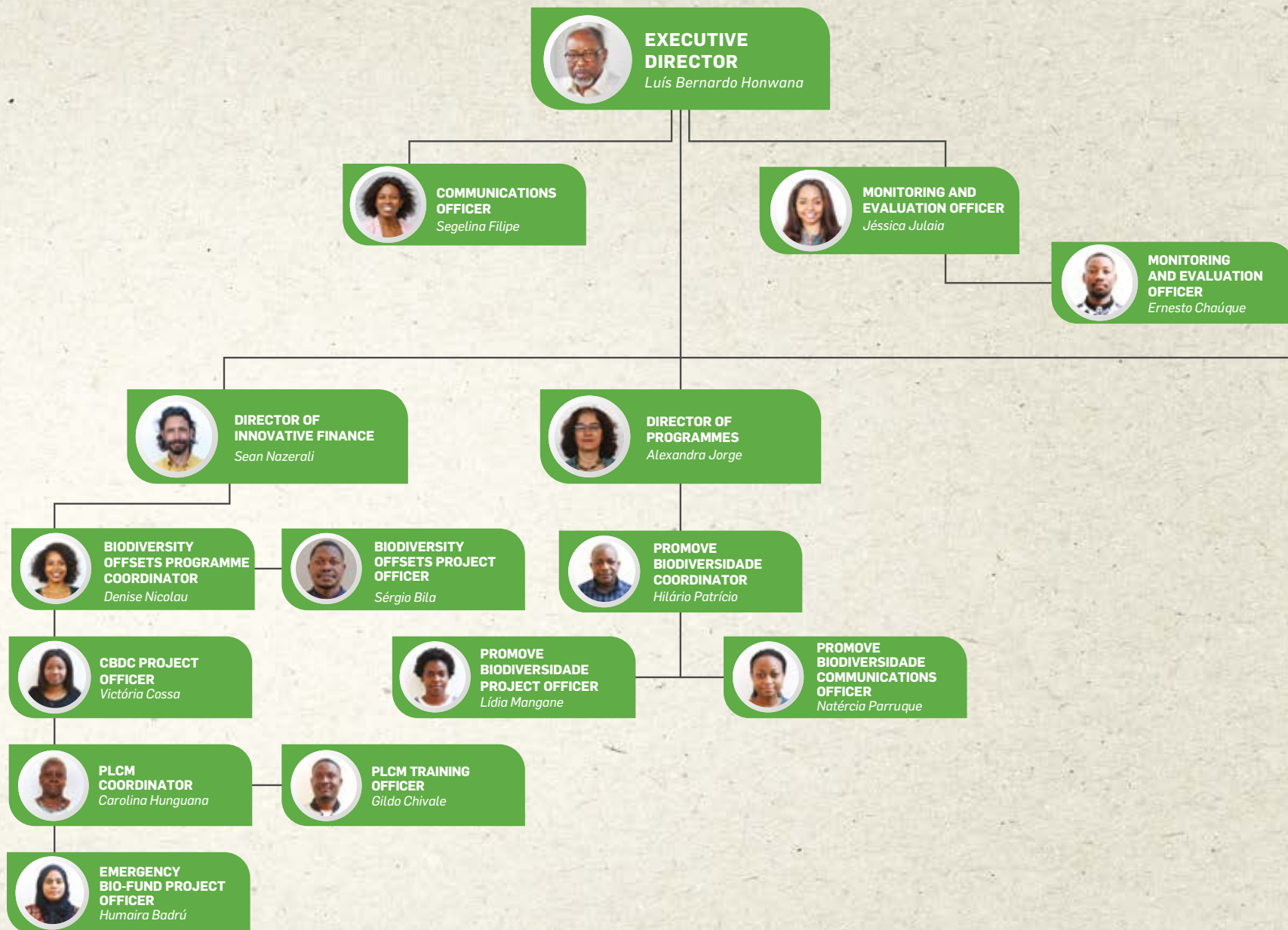


- The initial survey to assist the land delimitation process in 4 communities (in a total of 12 communities) has been conducted;
- A list of 71 species with high potential and greater availability for the development of new value chains has been drawn up;
- Training in sustainable techniques for harvesting Non-Timber Forest Products as a way of increasing sources of income for the local communities through their sale has been conducted.

BIOFUND ORGANIZATION CHART

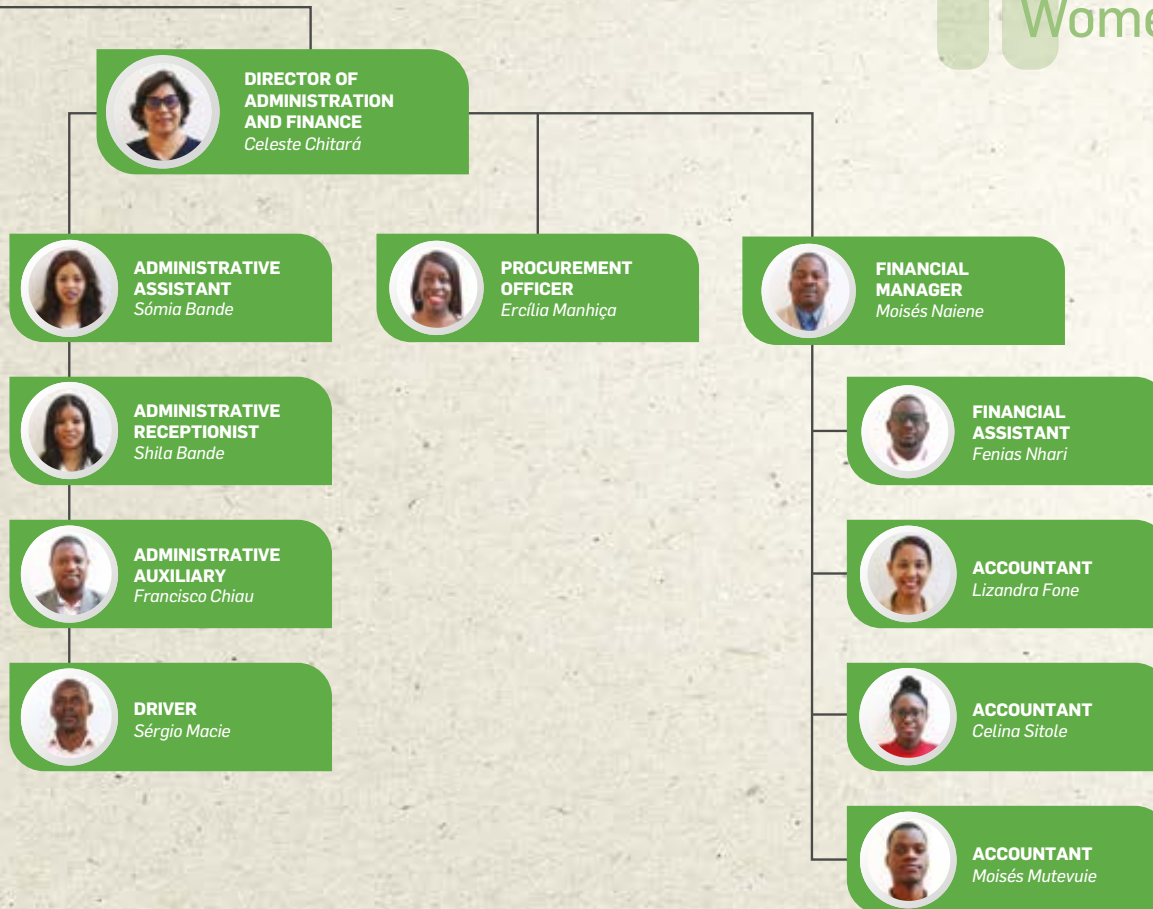


STRUCTURE OF THE SECRETARIAT



15
Women

11
Men







STRATEGIC PILLAR 2: FINANCING CONSERVATION

This pillar is the core business of BIOFUND, which is financing conservation on a long-term basis, with a focus on the National System of Conservation Areas.

PILLAR 2 INDICATORS

Pillar Indicators	Timeline							Goals set out on SP 2018-2022	Reality
	2014	2015	2016	2017	2018	2019	2020	2021	
Annual volume of resources disbursed (MZN Million)	0	0	9,1	66	111	110	154	297	351,4
*Percentage of the benefited CAs annually	0	0	5%	47%	47%	74%	79%	58%	79%

**For the purposes of this indicator, National Parks, National Reserves, Biological Reserves, Environmental Protection Areas and Total Protection Zones are considered Conservation Areas, total 19 CAs, of which 15 were supported by BIOFUND in 2021. Coutadas, Wildlife Farms and Community Conservation Areas that make up 16 CAs to totalize 31 BIOFUND beneficiary CAs in 2021, were not included.*

In 2021 BIOFUND disbursed USD 5.6 M, equivalent to MZN 351 million, to Conservation Areas, and exceeded the established target. This is explained by the increase in the number of projects, especially with the implementation of BIO-Fundo de Emergência Project and the beginning of disbursements of CBDC-Chimanimani and PROMOVE Biodiversidade projects. This was reflected in the increase in the budget allocated to the CAs compared to what was foreseen during the design of the SP goals in 2018.

With the implementation of BIO-Fundo de Emergência since 2020, BIOFUND increased the scope of its support to CAs, starting to support all National Parks and Reserves (except Gorongosa National Park), which contributed to exceed the goal of the indicator “percentage of benefited CAs annually”.



DISBURSEMENT PROJECTS IN 2021

The disbursement program, which represents the organization's Core Business (passing-through funds to Conservation Areas to support operating costs) had 51 projects in execution in 2021:

1

PROMOVE Biodiversidade – (European Union)



Total amount of financing: EUR 10.2 M



Project duration: 2019-2025



Beneficiaries:

1. APAIPS (CTV/Terra Nautics/Conserve Global consortium);
2. Monte Mabu (WWF/RGCRN/RADEZA consortium);
3. Gilé National Park (IGF and RADEZA-buffer zone).

2

MozBio 2 – (World Bank/IDA)



Total financing amount: USD 4.5 M



Project duration: 2019-2024



Beneficiaries:

1. Chimanimani National Park;
2. Maputo National Park;
3. Marromeu National Reserve.

3

Abelha – (French Development Agency and BIOFUND)



Total financing amount: USD 2.2 M



Project duration: 2016-2021



Beneficiaries:

1. Bazaruto Archipelago National Park;
2. Gilé National Park;
3. Limpopo National Park;
4. Maputo National Park;
5. Quirimbas National Park;
6. Zinave National Park;
7. Cabo São Sebastião Total Protection Zone.

4

Pós-Abelha – BIOFUND



Estimated annual amount of financing: USD 244.000



Project duration: Since 2021



Beneficiaries:

1. Bazaruto Archipelago National Park;
2. Quirimbas National Park;
3. Zinave National Park;
4. Cabo São Sebastião Total Protection Zone.

5

ASA/ Conservation Areas without Additional Support - (BIOFUND)



Estimated annual funding amount: USD 150.000



Project duration: Desde 2019






Beneficiaries:

1. Banhine National Park;
2. Magoé National Park.
3. Pomene National Reserve.




6

BIOFUND – annual income from Conservation International's contribution to the BIOFUND endowment

-  **Annual financing amount:** USD 25.000
-  **Project duration:** 2019-permanent
-  **Beneficiaries (1):** Specific support for the Primeiras e Segundas Ilhas Environmental Protection Area.

7

Bio card – (BCI)

-  **Valor anual estimado do financiamento:** USD 50.000
-  **Project duration:** Desde 2019
-  **Beneficiaries (1):** Bobole Biological Reserve (represented by Mozambique Agricultural Research Institute – Forest Research Centre, with support from 2021-2023).




8

Chimanimani CBDC Project – (AFD, FFEM)

-  **Annual financing amount:** EUR 4.2 M
-  **Project duration:** 2020-2024
-  **Beneficiaries (2):** Chimanimani National Park and MICAIA.




9

IDAI Support Project – BIOFUND

-  **Annual financing amount:** USD 50.000 per year
-  **Project duration:** 2019-2022
-  **Beneficiaries (1):** Chimanimani National Park

10

ECO-DRR Project - (AFD)

-  **Annual financing amount:** EUR 2M
-  **Project duration:** 2021-2025
-  **Beneficiaries (1):** WWF – Zambezi Delta.

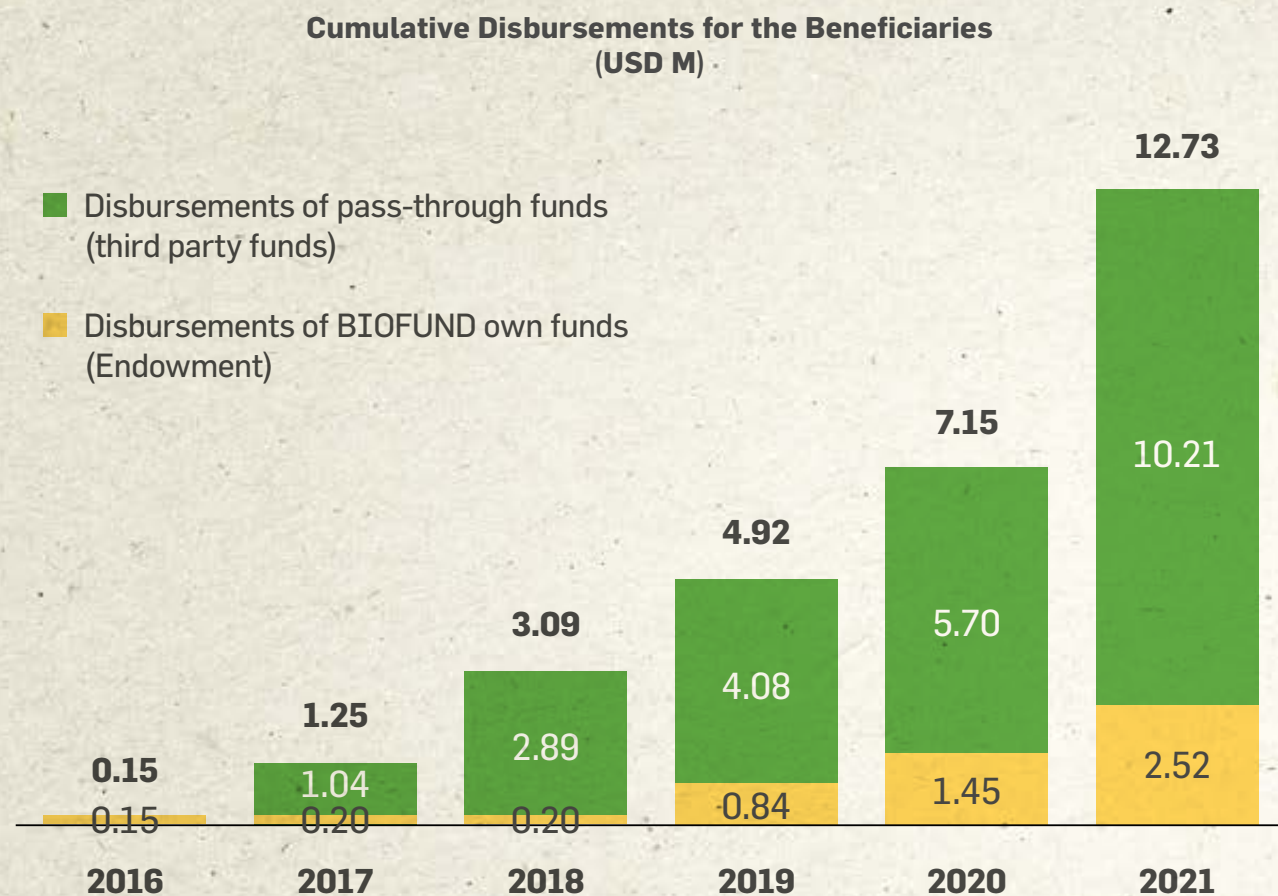
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BIO-Fundo de Emergência Project – (BIOFUND, Government of Sweden/MozBio2, USAID, EU)

-  **Total amount of financing:** USD 3.4 M
-  **Project duration:** 2020-2021
-  **Beneficiaries:**
 1. Banhine National Park;
 2. Bazaruto Archipelago National Park;
 3. Chipanje chetu – Lipilichi;
 4. Community Conservation Program – Tchuma Tchato;
 5. Coutada 11 (Zambeze Delta Safaris);
 6. Dombawera Safaris;
 7. Gilé National Park;
 8. Kambako Safaris (L8, L9 and Nicage);
 9. Limpopo National Park;
 10. Lugenda Wildlife Reserve;
 11. Mágoè National Park;
 12. Mahimba Game Farm;
 13. Maputo Special Reserve;
 14. Mashambanzou Safaris;
 15. Massingir Safaris;
 16. Mozambique Safaris;
 17. Muthemba Safaris;
 18. Ngalamo Safaris;
 19. Niassa Special Reserve;
 20. Pomene National Reserve;
 21. Ponta Chemucane;
 22. Ponta do Ouro Partial Marine Reserve;
 23. Quirimbas National Park;
 24. Rio Save Safaris (Coutada 9);
 25. Sábié Game Park;
 26. Zinave National Park.

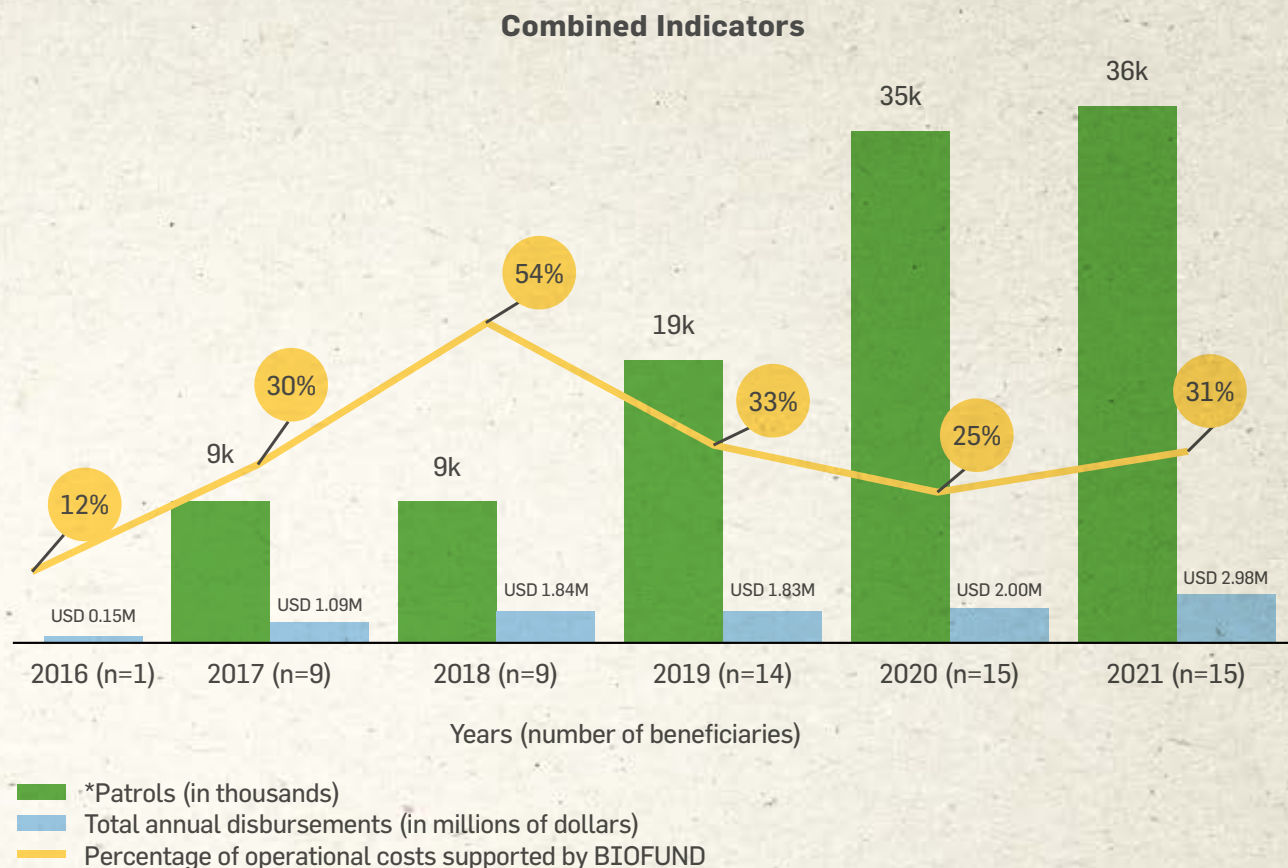


BIOFUND DISBURSEMENTS FOR CONSERVATION AREAS



In 2021, BIOFUND disbursed USD 5.58M to the beneficiaries - more than double the funds from the previous year, reaching a cumulative volume of USD 12.73M, of which USD 2.52M came from endowment funds. Indeed, this year was the period with the highest contribution from the endowment to disbursements, an increase of 75% compared to 2020. The increase in the volume of resources disbursed is mainly associated with the operationalization of new projects and, in general, familiarization of beneficiaries with the financial procedures.

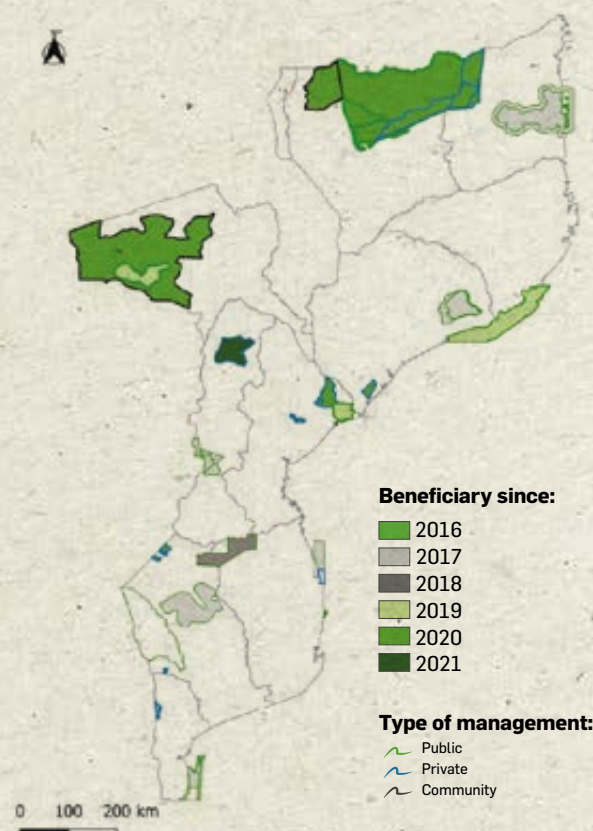
BIOFUND DISBURSEMENTS FOR CONSERVATION AREAS



The evolution of the volume of resources disbursed to the CAs has been accompanied, in addition to the increase in the number of beneficiaries, by the growing protection effort in the beneficiary Conservation Areas, contributing to a better control of natural resources, and management capacity in general. BIOFUND's contribution to the operating costs of the beneficiary Conservation Areas is, on average, 30% of the total budget of these areas.

Note: The number of beneficiaries in this analysis does not include the private CAs and REN that are Emergency BIO-Fund beneficiaries.

BIOFUND CONSERVATION AREA BENEFICIARIES IN 2021



Refer to the last page of this report to see the Map of all Conservation Areas in Mozambique.

BENEFICIARIES' FINANCIAL PERFORMANCE



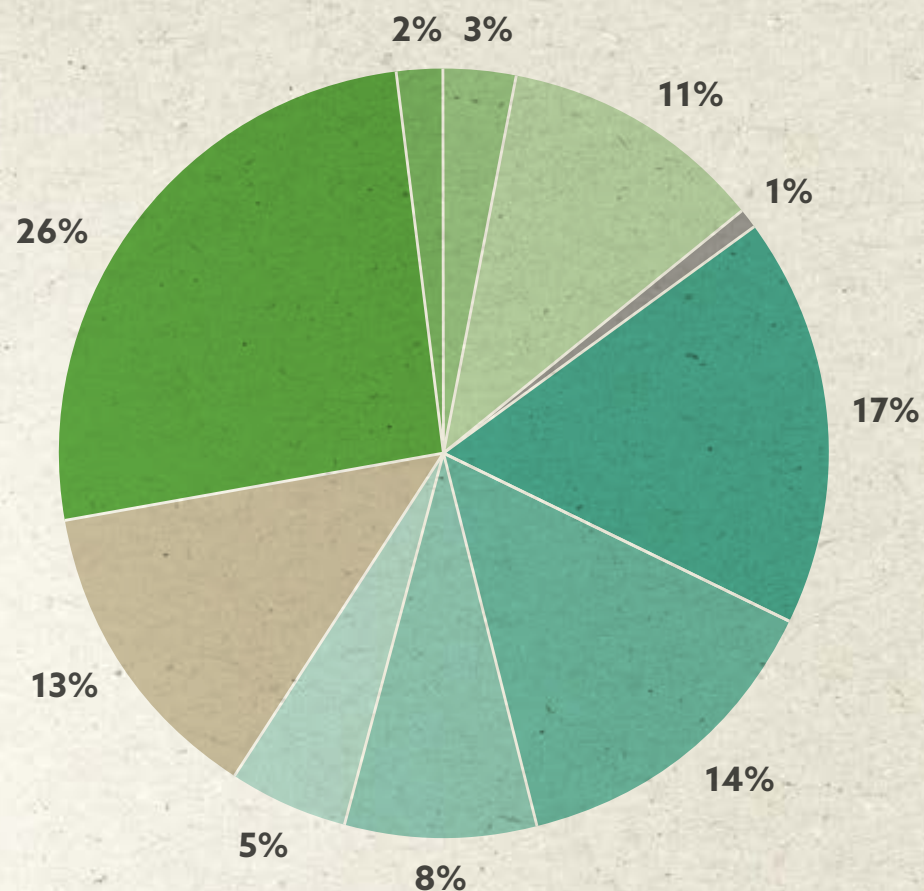
The overall execution of CAs in 2021 was 65%, however, as the graph shows, Conservation Areas with a budget of up to US\$300,000 (mostly BIOFUND's own projects), and CAs under private management in general, had a financial execution above 80%. Noteworthy is the low execution of some beneficiaries that have management structures in an incipient stage, as is the case of APAIPS and Monte Mabu.

MAIN EXPENSES OF CONSERVATION AREAS IN 2021

This graph shows the largest expenditures by the beneficiary Conservation Areas in 2021 across all on-going disbursement projects, which have been grouped into 10 categories, predefined according to current expenditures.



In 2021, BIOFUND financed salaries in 18 Conservation Areas (6 more CAs compared to 2020), by disbursing over USD 1.2M under the BIO-Fundo de Emergência. Like in 2020, there were significant expenditures in general costs, community development and food for rangers in 2021. It should be noted that some of the purchases include materials used in ecological monitoring activities, which were not shown in the graph above.



GENERAL COSTS: office supplies; travel and stays; insurance, energy, gas and water; rent payments.

MAINTENANCE OF INFRASTRUCTURES: buildings, fences, trails and bridges (materials and hiring of part-time workers).

CONSERVATION AND ECOLOGY: fighting uncontrolled fires, hiring part-time workers (monitors).

EXAMPLES OF ACTIVITIES FINANCED

SUPPORT TO THE MANAGEMENT AND PROTECTION OF CAs HABITATS

- Payment of salaries to over 670 rangers and support staff in the CAs (BIO-Fundo de Emergência and PROMOVE Biodiversidade);
- Purchase of uniforms for rangers, food and fuel kits.

PURCHASE OF EQUIPMENT AND MEANS OF TRANSPORT

- Purchase of 5 vehicles, 16 motorcycles and 1 boat (BIO-Fundo de Emergência, PROMOVE Biodiversidade and CBDC Chimanimani, for Mágoè NP, Monte Mabou and Fundação MICAIA).

MAINTENANCE OF INFRASTRUCTURES AND EQUIPMENT

- Maintenance of equipment and infrastructures in the beneficiary Conservation Areas is ensured;

CAPACITY BUILDING AND TRAINING

- 22 technicians from the Conservation Areas were trained in Planning and Financial Management.

COMMUNITY DEVELOPMENT

- Hiring of 700 part-time workers (MozBio2/Eco-jobs, Abelha and BIO-Fundo de Emergência);
- Award of 84 scholarships for girls in secondary education (MozBio2 project).

CONSERVATION AND ECOLOGY

- Monitoring of sea turtles (Santuário Bravio de Vilankulos, Maputo NP and Archipelago de Bazaruto NP).
- Removal of invasive plants in Maputo NP and Santuário Bravio de Vilankulos.



PROMOVE BIODIVERSIDADE PROJECT

Part of the European Union's "PROMOVE Global" Integrated Rural Development Program, PROMOVE Biodiversidade is part of BIOFUND's strategic pillar 2, related to conservation financing and has the following specific objectives:

- (i) Implement sustainable initiatives and strategies that improve the management and administration skills of the intervention areas;
- (ii) Adopt sustainable livelihood practices for local communities living inside and outside (buffer zone) the conservation areas; and
- (iii) Encourage and disseminate applied research and participatory studies related to natural resource management to influence sustainable use and policies.

The areas of intervention of this project which has a total funding of EUR 10.2M for 6 years, include Gilé National Park (PNAG), Monte Mabu and the Primeiras and Segundas Ilhas Environmental Protection Area (APAIPS).

The following were the outstanding activities in 2021:

- **The official launch of the project**, on 11 June 2021, in Gilé National Park, Zambézia province, in a ceremony conducted by the Minister of Land and Environment, Ivete Maibaze, which was attended by the European Union Ambassador, the Secretary of State and the Governor of Zambézia province,

representatives of the State Representation Councils and Nampula Province Executive Council, staff from the Ministry of Foreign Affairs and Cooperation (MINEC), ANAC, BIOFUND, Members of the local district governments, representatives of the beneficiary communities and civil society organizations engaged in the program implementation.

- **Signing grant agreements with project implementing partners** – this enabled the start of the implementation of activities in the 3 areas covered by the project:
 - » PNAG: **FFS-IGF** for biodiversity conservation support component, and **RADEZA** for the livelihood component in the park's buffer zone;
 - » **WWF-ReGeCom-RADEZA** Consortium for Monte Mabu;
 - » **CTV-Terra Nautics-Conserve Global** Consortium for APAIPS.
- **Selection of the beneficiary teams of the 1st call for research grants at PNAG** in the following priority thematic areas (i) Habitat Management (miombo); (iii) Macrofauna Management and (iii) Local Communities - Sociocultural and economic studies.



Launch of the PROMOVE Biodiversity Programme, Gilé National Park

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Theme of the Year

ABELHA PROJECT

Highlight– ABELHA PROJECT: the challenge that determined the course of BIOFUND

The Project “Áreas Protegidas e Protecção de Elefantes em Moçambique” (APPEM), funded by the French Development Agency (AFD) within the scope of supporting biodiversity preservation in Mozambique had two components: supporting the fight against poaching in a large scale through ANAC (Euros 4M), and supporting operating costs to Conservation Areas by BIOFUND (Euros 2M).

This project was a crucial milestone in BIOFUND history because **it established the standard procedures and criteria for the beginning of the Foundation’s mission – disbursing funds to Conservation Areas, for direct management by the beneficiaries.**

The disbursement component of the APPEM project was financed 80% by AFD and 20% by BIOFUND- this made it also the first use of its *Endowment* incomes. This project received the name (internally



at BIOFUND and among its beneficiaries) of **“Projecto Abelha (Bee Project)”** inspired by the organizational characteristics of teamwork and persistence and began in 2016, even before the formal signing of the APPEM project (in October of 2016).

The early start of the project was possible thanks to the **strategic decision to make our own funds available from the BIOFUND endowment, to begin the pilot phase** and support the operational costs of the Limpopo National Park (PNL). This allowed us for the first time to test and adjust procedures, as well as promote the empowerment of the administrative and financial staff of the different Conservation Areas, using a BIOFUND procedures manual for disbursement projects, which was developed in collaboration with the Technical Assistance from Consortium GITEC/Funbio (financed by KfW).

The second **strategic decision was to have administrative and financial management capacity as one of the main criteria for the selection of beneficiaries**, which culminated in the selection of 8 beneficiaries across the country. This decision proved to be suitable as it enabled for good results in the disbursement process already in 2017. These **visible**

results allowed BIOFUND to be trusted by the World Bank to take on a new responsibility of disbursing USD 3M to Conservation Areas, beneficiaries of the MozBio 1 Project, and later the same responsibility for an even larger amount (USD 4.5M) through the MozBio 2 Project. These timely results also **influenced the comparative study of the European Union and led to the choice of BIOFUND to be the financial mechanism of the PROMOVE Biodiversidade Program from 2018, to manage a portfolio of Euros 10.2M in this project.**

This rapid growth in the number of beneficiaries and volume of financial resources disbursed and raised by BIOFUND was thanks to the Abelha Project, which allowed for the consolidation of disbursement, accountability and monitoring procedures for all of its 8 CA beneficiaries across the country. The Abelha Project is therefore considered embryonic and the precursor to the rapid expansion of BIOFUND after 2018.

- The Abelha Project ended successfully in 2021, having partially supported (on average 25% of the total support to the management of the CAs) non-salary operational costs

(protection and administration), ecological monitoring and environmental education in the communities of the 8 CAs, covering a total of 3,137,949 ha of protected area.

- The Abelha Project identified the strong link between the management capacity and ability to absorb funds, with the human resources capacity that the CAs had. This triggered the need for investment in attracting more professionals to conservation, eventually inspiring the internship program (among others) that was realized in the current Leadership Program for the Conservation of Mozambique (PLCM).
- The Abelha Project is being continued by the Post Abelha Project which guarantees the continuity of BIOFUND's long-term support to all 8 initial beneficiaries. This process also gave rise to this approach **“When BIOFUND starts supporting a CA, it never quits,”** thus playing its long-term financial sustainability role.





STRATEGIC PILLAR 3: PILLAR 3 ORGANIZATIONAL INDICATORS

This pillar addresses issues relevant to conservation, raising the awareness of society and particularly of young people, students and future teachers, as well as disseminating knowledge about biodiversity and establishing dialogues and partnerships in order to create a favourable environment for conservation in the country.

PILLAR 3 ORGANIZATIONAL INDICATORS

Pillar Indicators	Timeline							Goals set on SP 2018-2022	Reality
	2014	2015	2016	2017	2018	2019	2020	2021	
Number of participants in events	0	1,500	3,100	4,000	5,262	5,066	13,394	4,000	4,598
Number of BIOFUND website users	-	-	4,110	6,052	12,531	26,739	32,076	13,000	59,921

Since the outbreak of COVID-19 pandemic, BIOFUND has been looking for innovative and creative ways to meet the goals of this strategic pillar, which has historically been reserved for large annual biodiversity events and exhibitions open to the public. The efforts undertaken to boost digital channels to disseminate the message of biodiversity conservation are visible through the results achieved: the number of users of BIOFUND website in 2021 was higher than the cumulative number of the last 2 years, and greatly exceeded the established target.

With the public launch of the PROMOVE Biodiversidade project, various Webinars and workshops held, partnerships established, playing host to the 11th General Assembly of CAFÉ, and the innovation of creating a Virtual Biodiversity Exhibition, it was possible to achieve the number of participants planned, even in a pandemic year.

THE CONSERVATION LEADERSHIP PROGRAM FOR MOZAMBIQUE

The Conservation Leadership Program for Mozambique (PLCM) takes a long-term view of conservation, involving several areas of knowledge, and aims at contributing to the transformation of the sector into a pole of economic development in the country.

Objectives of the program:

- i) Increase the capacity and skills of SNAC professionals;
- ii) Motivate and attract qualified young people to the conservation system; and
- iii) Attract the general public, young people in particular, to the conservation community network.

In order to achieve the objectives, in 2021 the PLCM highlights the following activities:

- 6 SNAC technicians were successfully trained as Tourist Guides in a course at the Southern African Wildlife College (SAWC), and training started for 15 SNAC technicians, 10 in English lessons and 5 in an online course on Conservation Economics;
- Allocation of 58 interns (in different internship centres) resulting from demand from SNAC institutions, which means an increase of 222% compared to the number of interns in 2020. Of these interns, 4 were hired by the respective internship centres;
- 13 scholarships were awarded for master degrees, and 3 research grants for master's theses and research teams;
- Biodiversity exhibitions and awareness-raising activities were carried out, involving over 1000 participants at *Feira do Livro* events in Inhaca, in partnership with the Municipality of Maputo and of the II Crescendo Azul International Conference in Vilankulos;
- Partnerships were signed with Portucel, Vodacom and other organizations within the scope of the creation of a pilot Conservation Centre and environmental education activities in the district of Sussundenga, Manica province.



THE CONSERVATION LEADERSHIP PROGRAM FOR MOZAMBIQUE

SUCCESS STORY

Xangamira Siteo: a young woman who challenged her limitations for the conservation of biodiversity

In 2021, the gender approach of the Leadership Program for the Conservation of Mozambique – PLCM, resulted in the success story of an intern, Xangamira Siteo, trained in agribusiness, who overcame her limitations and created a small business.

Xangamira supported the Marromeu Reserve and Landscape in the development of their business plans. During her internship, she was in charge of promoting community development activities in Marromeu, such as monitoring the activities of Small Emerging Commercial Entrepreneurs and Small and Medium Enterprises in the Gender Action Learning System (GALS) program, among other activities relevant to the landscape.

The young woman, who has special needs due to limited speech and mobility, is not only an example of determination and overcoming, she is also evidence that women have an important role in transforming conservation in Mozambique. *“PLCM gave me the opportunity to challenge my limitations and apply my knowledge to the development of biodiversity conservation associated with community development in Marromeu Reserve. Currently, I am dedicated to the management of my own small company that supplies organic fertilizers for agricultural production. I feel that I am ready to lead conservation-related activities”,* said Xangamira.

PLCM offers opportunities to young graduates from all over the country using a holistic approach to conservation involving different areas of knowledge. Inclusion is an important aspect of the program, so the issue of gender becomes essential. Bearing in mind that the number of women in conservation is quite small, the program has committed to ensure that 35% of the beneficiaries are women, and that they can lead conservation development.



©Xangamira Siteo

ADVOCACY AND ENVIRONMENTAL AWARENESS ACTIVITIES

Over

100 participants

Biodiversity exhibition at the International Ranger's Day event, led by the President of the Republic at Niassa Special Reserve.

People reached

1068 people reached

Realization of the 11th General Assembly of CAFÉ.

Over

300 participants

Biodiversity exhibition at PROMOVE Biodiversidade launch event in Gilé National Park.

Over

300 visitors

Realization of an online exhibition of biodiversity with over 300 visitors.

Over

80 participants

Environmental awareness-raising lectures at the first edition of Youth Forum in Quelimane.

60 participants

Session about mangroves and marine sustainability during II Edition of Crescendo Azul International Conference.

Over

400 hundred people sensitized

Biodiversity exhibition and Environmental Awareness lectures on marine ecosystems at Feira do Livro e Biodiversidade event in Inhaca.

Cerca de

600 people reached

Marine and coastal biodiversity exhibition at Crescendo Azul International Conference, II Edition.

Over

599.000 listeners reached

Publicity of *rádio-novela* about pangolin on community radios.

Over

584 beneficiaries

Partnership with Still Standing - environmental education and sport.

PROJECTS IN INCUBATION

MozNorte and MozRural projects

With funding from the World Bank, in 2021 we signed an agreement where BIOFUND will have the fiduciary responsibility to pass-through approximately USD 30M through MozNorte and MozRural projects (Northern Mozambique Rural Resilience Project and Sustainable Rural Economy Program, respectively), for activities in the Conservation Areas in the Northern and Central region of the country.

Global Fund for Coral Reefs (GFCR) Project

Also in 2021, BIOFUND was selected as a Convening Agent for Mozambique for the GFCR. A project proposal for funding up to USD 10 M is being drafted.

USFS Project

An agreement was signed with the United States Forest Service (USFS) to pass-through approximately USD 300,000 from USAID, to support the ANAC Business Unit and the Lugenda Tactical Tailors initiative in the Luwire/Lugenda Block at Niassa Special Reserve.



FINANCIAL REPORT









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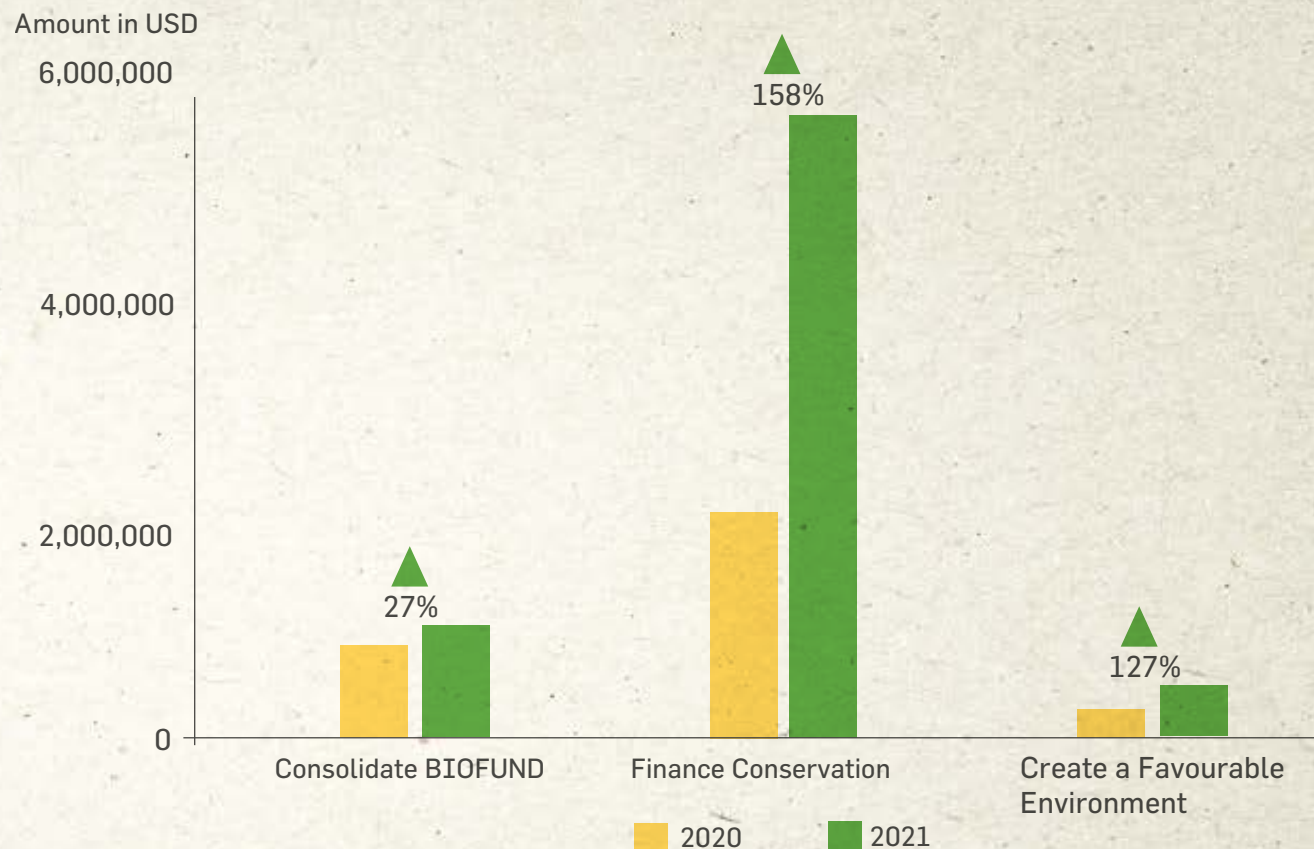
This report describes BIOFUND's financial activity in the 2021 financial year. However, since it is necessary to illustrate the required framework and growth over time, an overview of the expenditures since 2012 is also provided.

In 2021, the Foundation reached the maximum of its budget execution in absolute terms since the beginning of its operation, in the amount of USD 7,518,069. However, the performance was relatively low (66%) compared to the annual budget of USD 11,428,885. This performance below our expectations was mainly due to the reduction of various types of expenses due to the restrictive measures adopted in the fight against COVID-19 pandemic. In-person activities were mostly carried out remotely, drastically reducing some expenses. The following graph compares the Execution of the 2021 and 2020 Budgets, by Strategic Pillar.

Annual Budget Execution by Strategic Pillar

IN USD			
Strategic Pillar	Budget	Execution	% Execution
1. Consolidate BIOFUND	1,781,612	1,268,026	71%
2. Finance Conservation	8,977,883	5,808,863	65%
3. Create a Favourable Environment	669,390	441,180	66%
TOTAL	11,428,885	7,518,069	66%

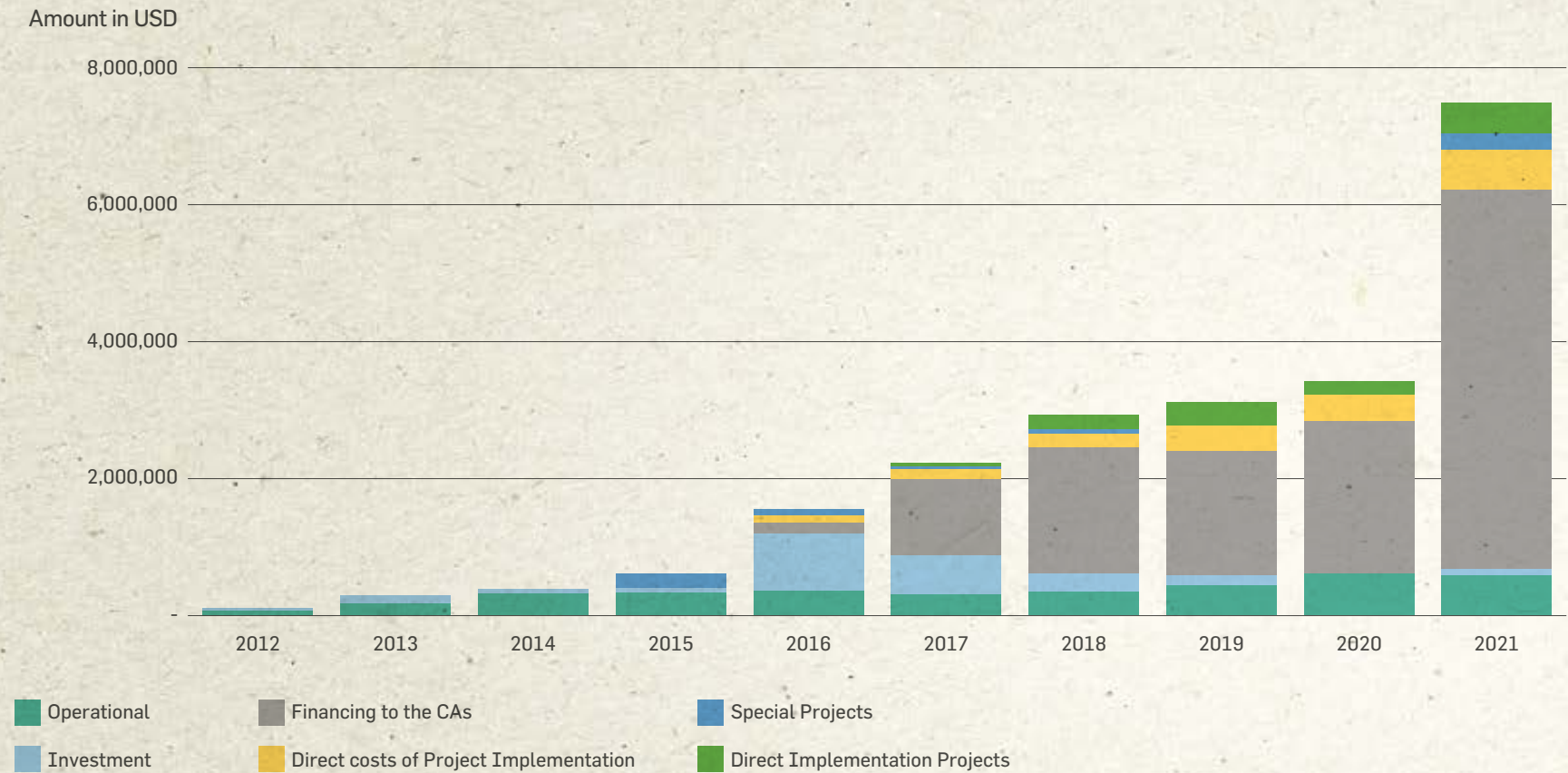
EXECUTION OF THE 2021 AND 2020 BUDGETS, BY STRATEGIC PILLAR



Although the execution of the budget was 66%, it is important to note that there was a positive variation of 118%, compared to 2020, with emphasis on strategic pillar 2, where the funds disbursed and executed by the beneficiaries had a positive variation of 158%, corresponding to a level never before attained of USD 5,577,727, despite the fact that there were activities that were not fully implemented.

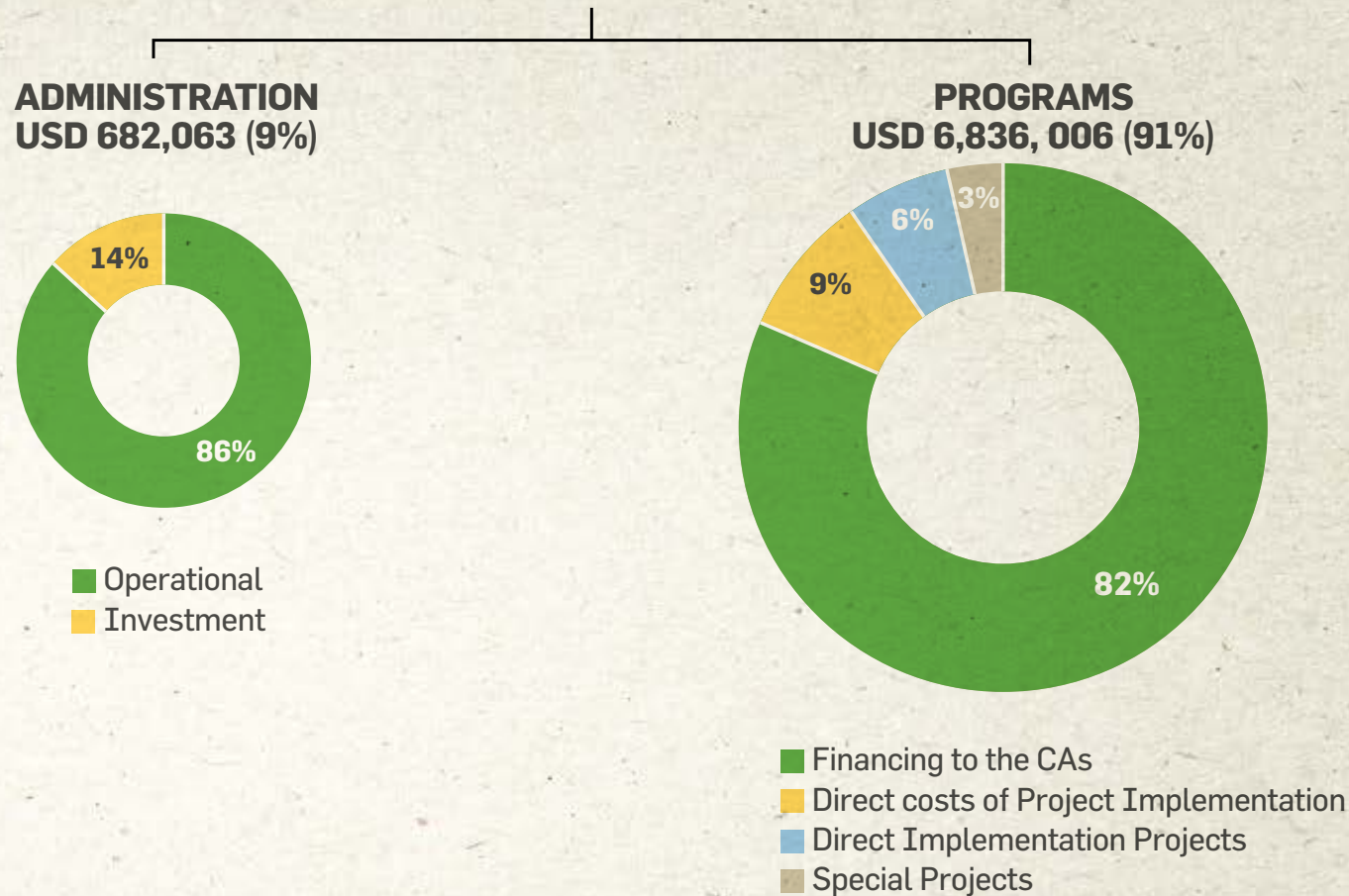
EVOLUTION OF EXPENDITURE

Evolution of Expenditure 2012-2021



The increase in BIOFUND's activities was gradually accompanied by the growth of its structure and, consequently, by the evolution of operating, investment and financing expenses for the Conservation Areas, since the beginning of its activities in 2012, as shown in the graph above.

COMPOSITION OF EXPENDITURES 2021



The costs of **Administration** in 2021 represent 9%, corresponding to USD 682,063 of the global cost structure, and it is distributed between two groups of Operating and Investment expenses, and they are mainly staff-related costs.

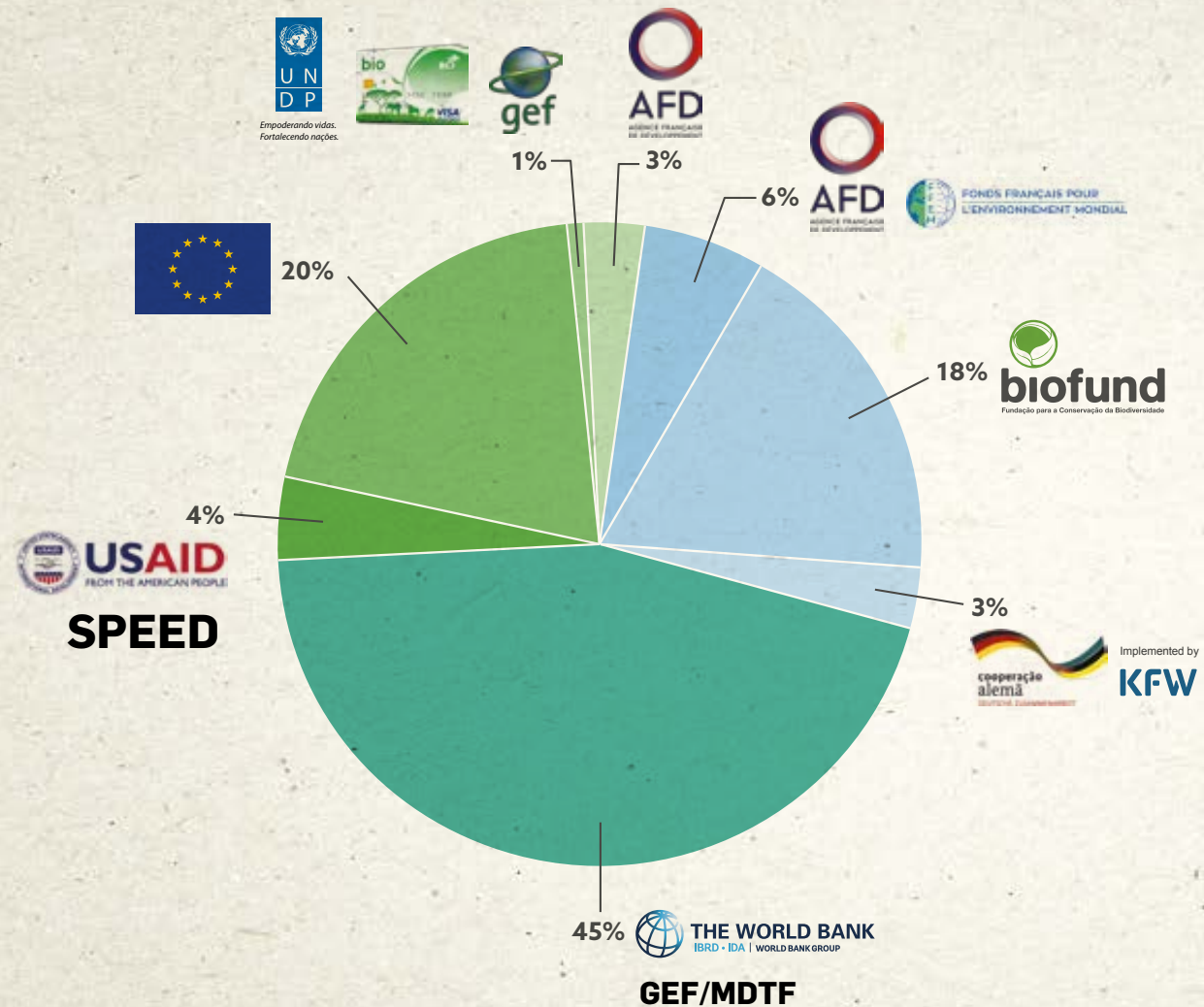
In turn, the execution of the **Program Component**, which includes funds disbursed to Conservation Areas, direct implementation projects, special projects and direct project implementation costs, represented 91% of the total amount executed, as the graph below shows in details, most of which was disbursed to the CAs, through the 10 disbursement projects underway.

SOURCES OF FINANCING 2021

In 2021, BIOFUND had funding from different partners to support its activities. The source of the funds and the percentage of contribution from each partner are detailed in the chart below.

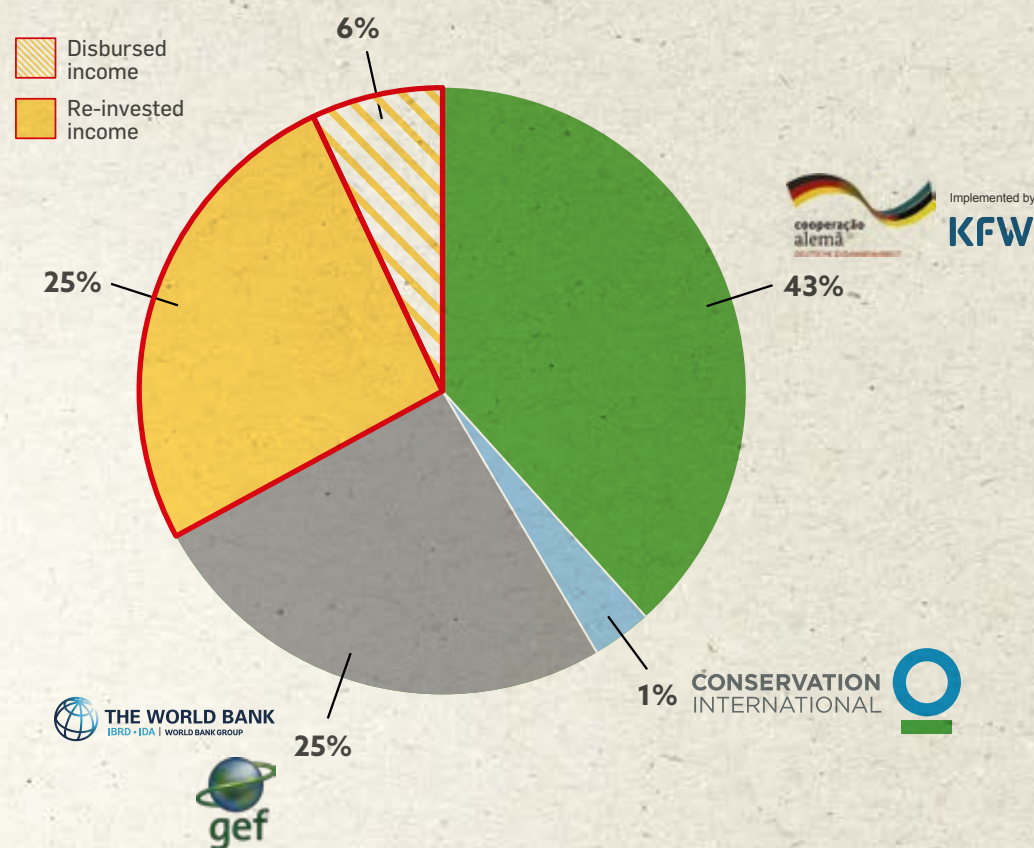
It is worth highlighting the contribution of World Bank/MozBio 2 (through IDA, MDTF and GEF) which financed around 45% of our activities, corresponding to USD 3,396,879, followed by EU/PROMOVE Biodiversidade supporting 20%, corresponding to USD 1,359,416.

The increase in the volume of project execution boosted a new dynamics of work by BIOFUND, showing its capacity to respond to the current demands of growth and diversification of support for biodiversity in the country.



ENDOWMENT PERFORMANCE 2015-2021

In 2021 we started with a market value of USD 41,118,203.31. During the year, a contribution was received from GEF through the World Bank, in an amount of USD 12,000,000, which increases the total donor capital contributions since inception to USD 42,490,771.48. In the same period, the endowment had a net income of USD 4.7 million US dollars, resulting in the endowment having a market value of USD 57.9 M at the end of the year. This represents an annual return of 14.41%, but we must take into consideration that inflation also rose dramatically (7%) in 2021. However, the endowment income still significantly exceeded the after-inflation target of +4.5% set out in the Foundation's Investment Policy. On average over the last 5 years, the endowment has provided an annualized return of 11.77%.



ORIGIN AND APPLICATION OF FUNDS - JANUARY TO DECEMBER 2021

In the following table, we display the receipts and payments table that briefly shows the cash flows that occurred during 2021 and their application based on the activities planned and implemented during the year. The opening balance in 2021 was USD 47,276,691, receipts from different partners amount to USD 18,137,142. Gross income for the year, including endowment income, amounts to USD 6,012,212, which confirms a total availability of funds of USD 71,426,046, after disbursement transactions, and payment of expenses incurred during the year, and we closed the year with the of USD 62,321,336.

Map of Origin and Application of Funds, January to December 2021

(Amount in USD)

Opening balance	47,276,691
Receipts	
Project received funds	18,137,142
Received interests	6,012,212
Regularizations	-
Total received	71,426,212
Expenses	
Services and other operational costs	7,518,069
Fees of the Asset Manager	232,623
Amendments Vs Justifications of CAs	308,445
Regularizations and return of balances	22,820
Endowment income disbursed	1,022,753
Total of payments	9,104,710
Final balance	62,321,336

The Supervisory Committee closely accompanied the Foundation's activities through regular participation in the Board of Directors' meetings. It analysed the 2021 External Audit report and has a positive opinion on the Foundation's functioning in general, and especially on the accounting procedures and financial performance.

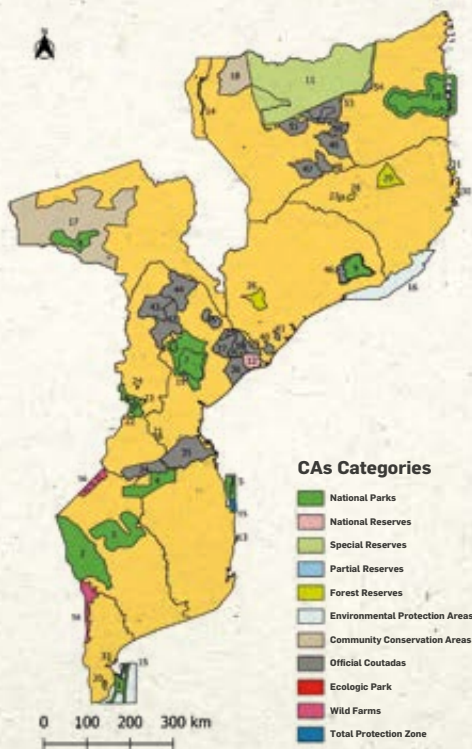
The audit report does not contain any restrictions or qualifications.

MAP OF MOZAMBIQUE CONSERVATION AREAS



CONSERVATION AREAS OF MOZAMBIQUE

A Conservation Area is a terrestrial or aquatic delimited area, established by a specific legal tool, especially dedicated to the protection and maintenance of biological diversity, natural and cultural resources. The Conservation Areas National Network covers 26% of the national territory and it is composed, among other categories provided for by Conservation Law, by Parks and National Reserves (under the management of ANAC and its partners), Forest Reserves (under the control of DINAF), Official Coutadas and Wild Farms (private management), classified according to the protection level aiming to guarantee the representative conservation of the ecosystems and species, and the local community coexistence with other interests and values to preserve.



DESCRIPTION OF MOZAMBIQUE CONSERVATION AREAS

1. Maputo National Parks
2. Limpopo National Parks
3. Banhine National Parks
4. Zinave National Parks
5. Arquipélago de Bazaruto National Parks
6. Chimanimaní National Parks
7. Gorongosa National Parks
8. Magoé National Parks
9. Gilé National Parks
10. Quirimbas National Parks
11. Niassa Special Reserve
12. Marroneu National Reserve
13. Pomene National Reserve
14. Lago Niassa Partial Reserve
15. Maputo Environmental Protection Areas
16. Ilhas Primeiras e Segundas
Environmental Protection Areas
17. Tchuma Tchato Community Program
18. Chipanje Chetu Community Program
19. Mitchu Community Conservation Areas
20. Licuati Forest Reserve
21. Mucave Forest Reserve
22. Maronga Forest Reserve
23. Moribane Forest Reserve
24. Zomba Forest Reserve
25. Inhamitanga Forest Reserve
26. Derre Forest Reserve
27. Ribáuê Forest Reserve
28. Mupalue Forest Reserve
29. Mecuburi Forest Reserve
30. Matibane Forest Reserve
31. Baixo Pinda Forest Reserve
32. Nhapacua Forest Reserve
33. Malhazine Ecologic Park
34. Official Coutada 4
35. Official Coutada 5
36. Official Coutada 10
37. Official Coutada 12
38. Official Coutada 11
39. Official Coutada 14
40. Luabo Official Coutada
41. Micaúne Official Coutada
42. Official Coutada 13
43. Official Coutada 9
44. Official Coutada 7
45. Official Coutada 15
46. Mulela Official Coutada
47. Nacúma Official Coutada
48. Nipepe Official Coutada
49. Nungo Official Coutada
50. Messalo Official Coutada
51. Lureco Official Coutada
52. Marupa Official Coutada
53. Marangira Official Coutada
54. Nicage Official Coutada
55. Cabo São Sebastião Total
Protection Zone
56. Wild Farms





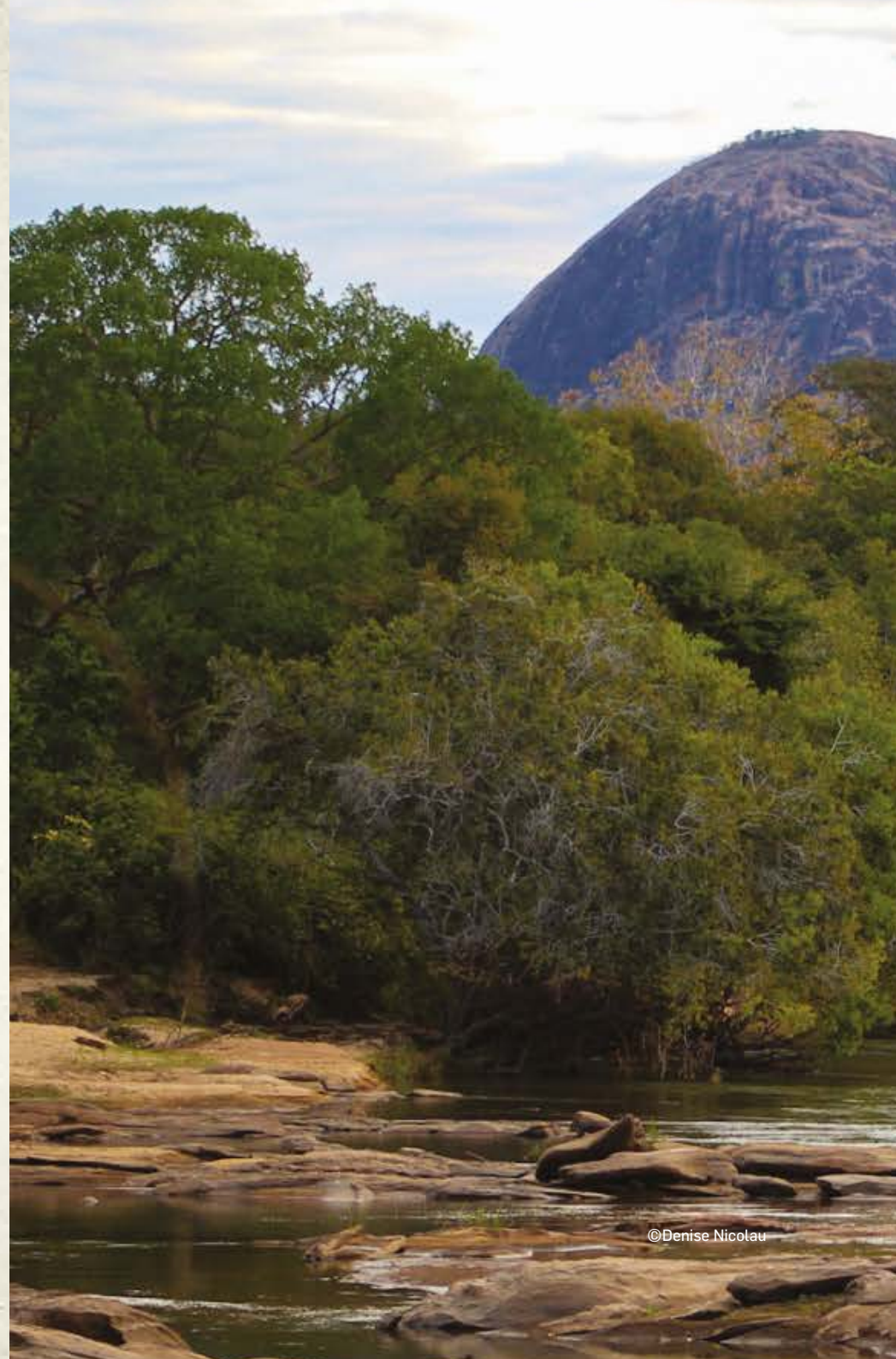


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