

## Board Report 2022

**For transparency reasons and considering the Prince Bernhard Nature Fund operates on international level, it was decided to switch to English, both for the Board Report and Financial Accounts.**

### **PRINCE BERNHARD NATURE FUND (PBNF)**

Amsterdam

#### Objective and policy to pursue objective.

Established in 1994 by the late Prince Bernhard of the Netherlands, the statutory mission of the Prince Bernhard Nature Fund (PBNF) is to support small, preferably local initiatives worldwide towards the conservation of endangered species (flora & fauna), or initiatives that in other ways promote the conservation and wise use of nature and our natural resources base. The PBNF believes in the power of local organizations to solve problems around local biodiversity and ecosystems, in harmony and together with local populations and stakeholders. Many adequate solutions exist, but many of them lack the funds to implement them. The PBNF provides these funds in the form of small grants that are often used as seed funding to kickstart new initiatives. The PBNF also stimulates innovation and cooperation within the nature conservation sector, by challenging itself and others to think outside the box and to exchange opinions, thoughts and experiences. It does this by maintaining a continuous collaboration and ongoing dialogues with other Funds and by organizing exclusive Seminars around pressing topics around biodiversity, typically connecting the conservation sector with stakeholders from other sectors. The main specific goal for 2022 was to give at least €250.000 in the form of small grants to nature conservation initiatives worldwide. Other goals for 2022 were to build a funders network to collaborate with, and to organize the Seminar 'Conservation in a Populist Society' at the 'Oude Loo' castle. The policy plan was to receive and assess a diverse selection of project proposals, from which the projects would be selected that would receive support from the Fund. The policy plan for both the Seminar as well as for the funders' network was to use the existing network of our staff and Board to attract and engage relevant players that can contribute with experience, expertise, and ideas.

#### Report of activities that fit within the policy to pursue the objectives.

In the year 2022, the Fund received 455 applications for project support. Fauna & Flora International provided an expert reviewing panel that assessed a pre-selection of 100 project proposals. They provided advice on the feasibility and potential impact of the projects and ranked them in order of their recommendation to fund and alignment with the PBNF criteria for project support. ABN AMRO MeesPierson has managed and strategically invested our portfolio based on our jointly established investment statute. In January 2022, the portfolio was split in two; 50% of the investments stayed in the current 'Sustainable Mandate', while 50% of the investments were allocated to a new mandate of ABN called 'Impact Mandate'. The Board decided in the Board meeting of November 2021 that this would be worthwhile to try out and to compare performance, since the Impact Mandate was even more sustainable than the current Sustainable Mandate, something that would fit very well the mission and vision of the Fund.

Most of the specific goals for 2022 were met. A turbulent year on the stock market mainly due to the war in Ukraine resulted in a negative result on investments of over €1.286.000. However, due to €2.4 million that was withdrawn from our asset management and placed in a savings account in 2019, we were able to absorb this fluctuation and still donate €295.000 to conservation projects. To the satisfaction of the Board, the shortlisted proposals contained great diversity and the Fund was able to support a wide variety of projects related to endangered species of flora and fauna worldwide. The other goals for 2022 were partially met. Collaborations with other Funds were established and relations were strengthened, resulting in two interactive learning sessions, five new Partners of the Conservation Connect platform and the exposure of eight fraudulent organizations from Colombia. By increasing the number of Conservation Connect Partners, both the value of the platform and the income it generates was increased, ultimately with the intention of mobilizing more funding for local conservation efforts. Working together in a network was instrumental in exposing the fraudulent organizations, as the network had access to much more sources of intelligence and manpower as one Fund alone. This information is now used to inform and warn other Funders outside of the network. The only activity in 2022 that could not be completed as planned was the Seminar 'Conservation in a Populist Society'. This was cancelled because of two reasons, the first one being a limited internal capacity to organize the event and the second one being the unavailability of the 'Oude Loo' castle, since refugees of the Ukraine war were temporarily given shelter at the location.

## Summary of the Budget of 2023

The main objectives of 2023 are the same as previous years. It is expected that during the board meeting in the fall, a decision will be taken about whether to again withdraw an amount from asset management and place this in the savings account, so that fluctuations in the stock market can be absorbed. This will allow the PBNF to continue to spend a minimum of €250.000 per year on the support of a wide variety of local nature conservation projects, independent of the return on investments. The rest of the assets will be managed by ABN AMRO MeesPierson just like previous years. Next to its core activity of providing project support, the PBNF wants to continue to stimulate innovation and cooperation within the nature conservation sector. In 2023, more will be invested in the development of the Conservation Connect platform. The board sees great potential in this platform, as it brings funders and projects together, creates an efficiency and overview in the sector that we never had. We intend to increase the financial sustainability of the platform by asking all Partners to contribute financially with a Partner fee. Next to that, the platform will function as a vehicle to engage with other funders and attract new project proposals. It is expected that a new Product Manager will be sourced in the beginning of 2023 to develop this activity further. Next to growing the collaborations between funders, PBNF also wants to invest in stimulation of collaboration between the implementing conservation organizations. The Fund is reserving €30.000 to pilot the construction of 'Conservation Circles', which would be smaller networks of conservationists grouped around a species or topic. This budget would also be directed towards gathering these Conservation Circles in a live conference or workshop.

## Policy with regard to the size and function of discretionary assets

What is left of the € 2.4 million that was withdrawn from asset management in January 2019 acts as a buffer to ensure that a diversity of nature conservation projects can also be financially supported and running activities can be maintained in years with disappointing interest rates. The rest of the discretionary assets of the Nature Fund is reinvested in strategic and sustainable investments, and managed by ABN AMRO MeesPierson, with the aim of generating capital growth that can then be spent on project support. The selection of conservation projects was based on expert reviews by Fauna & Flora International in previous years. In 2023, the selection process will be based on a nomination system by different other Funders and be based on expert reviews of those funders. The priorities are set and discussed and a final decision on the grant allocation is taken by the Board during board meetings.

## Remuneration of the Board and management

In accordance with the Articles of Association (Statuten, Article 4), the members of the Board are not entitled to any remuneration. They are, however, entitled to reimbursement of reasonable expenses incurred. This did not apply in 2022, no expenses were reimbursed.

The annual income of the director A. Alexandre for 2022 was €68.230. The director has a permanent contract for 36 hours per week and manages a small team of two employees. The Board has jointly determined and approved the annual income, which the Board considers to be in line with current salaries of directors of small charities in the sector. The performance and remuneration policy of the director is evaluated annually by the Board. The last evaluation took place on 25 May 2022.

## Other comments

The Chair would like to thank its fellow board members and the director for their work and dedication.

## The composition of the Board and Management

H.R.H. Prince Constantijn van Oranje	Chair
Dr. P. Verweij	Secretary
Mr. M.C. 't Hooft-Bolle MBA	Treasurer
Drs. A.W.P. Stapel	Board member
Msc. A. Alexandre	Director

Amsterdam, 21 June 2023  
On behalf of the Board,

HRH Prince Constantijn (Voorzitter)