ANNUAL REPORT
2012
ADM Capital Foundation is a Hong Kong registered charity established in 2006 by the partners of ADM Capital, which has been financing medium sized companies throughout Asia for 15 years, helping to support growth and financial sustainability (www.admcap.com).

The Foundation’s mission is to offer strategic funding and other support to organisations that work innovatively to promote equity and environmental conservation in a manner that is sustainable and sensitive to local cultures.
An annual report represents a moment to step back and remember why we do what we do as well as to review what we have achieved with our partner organisations and co-funders. In 2012, ADM Capital Foundation provided financial and practical support to extraordinary organisations and individuals working to promote environmental health and conservation in Asia as well as to those working with some of the region’s least advantaged children. Across both the environmental and children at risk programmes, never was need greater. The nexus between a healthy environment and the health of our children and their communities also never was clearer.

Asia’s environmental challenges are myriad. Our marine ecosystems are overburdened by pollution and are experiencing vastly depleted fish stocks, yet an estimated 1 billion of the world’s poorest depend on our oceans for protein. In China, water resources akin to the Middle East are further threatened by unthinkable pollution that renders 70 percent of major rivers and 55 percent of the country’s groundwater unusable. Air pollution in Hong Kong and China continued to contaminate our lungs, land and food. The importance of forestry conservation remained clear as illegal and government-sanctioned deforestation continued apace, eating at local watersheds and livelihoods.
The organisations we work with believe that children deserve better, that they should be given protection and the opportunity to lead productive, healthy lives, to have healthy, productive children of their own; a malnourished mother is more likely to have a low-birth weight baby and so the cycle continues without intervention. Our local partners believe we should exist in a clean and bio-diverse environment that provides sustainable sustenance to all.

All of the children at risk organisations we work with believe that education and vocational skills are among the most critical tools. But in order for children to learn, they must have access to adequate nutrition, healthcare, protection and other critical support, all of which the organisations we support work to provide. We also believe that educating girls in particular has a multiplier effect that stretches long into a life, helping to secure a better future for the girl herself, her future children and her family.

In all instances, food and water security are immediately the longer-term concerns and, of course, affect the poorest children the most. Already, an estimated 70 percent of the world’s undernourished children are in Asia and this has long-term consequences in terms of illness, cognitive development, child death and an ability to engage productively in the future.

In its 2012 State of the World’s Children Report, UNICEF estimates that in the developing world 215 million children are engaged not in education but in labour, more than half of these in hazardous work. Of these, an estimated 1.2 million children are trafficked annually into the multi-billion dollar sex and child porn industries and into conditions that would be unimaginable to most of us.

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Some of our partner organisations working to change lives for marginalised children include Angkor Hospital for Children, which last year provided 150,000 free medical treatments to Cambodian children. They include smaller organisations such as Migrant Education, working in Mae Sot, Thailand to make sure that 4,538 Burmese migrant children have access to education in 20 learning centres; ASSIST in Piduguralla, India, providing vocational training to 200 migrant youth annually as an alternative to work in the dangerous limestone quarries and kilns. And then there
is M'Lop Tapang, the first organisation we worked with, starting in 2006, and which now provides comprehensive support to 3500 children and 1200 families in Sihanoukville, Cambodia. Break the Silence, meanwhile, is an anti-sex trafficking initiative ADMCF co-founded with Philippines-based Stairway Foundation and extended to Thailand, training organisations in child protection via innovative animated materials. BTS will be extended to India in 2013.

Environmental education for communities, companies and investors is also, we believe, critical to changing destructive patterns and attitudes and this has been a focus of many of our environmental initiatives, most notably China Water Risk, which we developed in response to such need.

There is much work to be done side-by-side with our courageous local partners but we believe with innovation, hard work and by working patiently and carefully, community to community they can and do achieve positive results. Ultimately, this is the only way we will begin to alter the prevailing global emphasis on short-term interests at the expense of a longer and more encompassing view - an emphasis that ultimately threatens not just the world’s poorest but world economic health and security more widely.

Lisa Genasci, CEO
CHILDREN AT RISK
2012 has been an extremely busy year for the Children at Risk programme: we recorded a substantial increase in the amount of funds directly managed (US$4.87mln) and consequently were able to donate US$2.92 mln to 24 local organisations in Cambodia, Thailand, Philippines, India, Myanmar and Hong Kong, an increase of 58% from 2011.

We invested in strengthening the management of partners (Angkor Hospital for Children, Cambodia, Nari Gunjan, India), scaling up operations (Nari Gunjan and BHI, Thailand), facilitating mergers between complementary organisations (Kalki and Sharana, India) as well as spin-offs, where appropriate (Angkor Hospital for Children).

We provided funds to build infrastructure in an extremely cost-effective way, with a clear buy-in from both the local community and local authorities (Samsara, Thailand) and bridge funding to quality organisations with sudden cash-flow emergencies (Peuan Peuan, Thailand, Damnok Teuk, Cambodia).

Beyond financial support, we continued to provide strategic advice, support to strengthen financial systems, training on child protection and education, directly and through our partners, leveraging the know-how many of them have developed throughout the years and making it available to other organisations, in the same or other countries.

Our model of engaged philanthropy is perhaps best explained by the role we played in facilitating the transition of Angkor Hospital for Children toward becoming an independent organisation, with a strong regional board and an empowered local management. To achieve this, we supported the management of the hospital in its restructuring of the finance and development departments and helped lead the transition. We worked throughout the year with the American foundation that had run the hospital from New York for ten years, helped the hospital to develop a new governance structure and identify members of a new Board of Directors and mobilised new funds for the hospital. The transition was successfully completed at the end of 2012 after an effort that required hundreds of working days in Cambodia and several ADMCF staff. The result was the successful spin-off of the hospital, which with an annual budget of US$5 million dollars has served hundreds of thousands of children over the past ten years. It is something of which we at ADMCF are particularly proud and an achievement that would not have been possible without the support of our Board and partner investors.

Over the course of 2012 we were able to provide bridge funding to organisations hit by financial crisis and to help finance the construction of infrastructure in Cambodia, India and Thailand. This led to the strengthening of existing partnerships and the development of new ones such as Prerana and Narmada in India. These new partnerships will lead us to an exciting 2013, a year in which we expect to be able to work in new countries such as Bangladesh, Indonesia and Nepal, while continuing to strengthen our existing programmes.

Francesco Caruso, Director, Children at Risk Programme
1. Action Pour Les Enfants, dedicated to combating sexual abuse and exploitation of children in Cambodia
2. Angkor Hospital for Children, paediatric hospital in Siem Reap, Cambodia
3. ASSIST, community development assistance in Andhra Pradesh, India
4. Border Health Initiative, supporting migrant children through health and educational programmes in Sangkhlaburi area, Thailand
5. Child Protection and Development Centre, supporting street children in Pattaya, Thailand
6. Children of the Forest, working with migrant children at risk of abuse along the Thai-Burma border
7. Dammok Toek, working to protect and support street children in Poipet, Thailand
8. DMEIP, providing education to migrant children in Ranong province, Thailand
9. ECCSD, creating awareness and helping Burmese children enrol into Thai government schools in KhaoLak area, Thailand
10. Friendship, provides healthcare via a system of mobile clinics and floating hospitals as well as land-based education and livelihood support in Bangladesh
11. KTWG, improving the quality of education provided to Karen students living in Myanmar
12. Migrant Education, providing education to migrant children in Mae Sot area, Thailand
13. M’Lop Tapang, working to protect and support street children in Sihanoukville, Cambodia
14. Mon Women Network, operating a safe house in Sangkhlaburi area for migrant mothers and children at risk of violence
15. Nari Gunjan, empowering underprivileged Musahar children through education, Bihar, India
16. Narmada, learning centres for out-of-school children, Nimad region, India
17. New Hope for Cambodian Children, supporting HIV children in Cambodia
18. Peuan Peuan, protecting migrant children in Bangkok, Thailand
19. Playtao, providing a holistic afterschool programme to underprivileged primary school children in Hong Kong
20. Pratham Council for Vulnerable Children, providing education to child labourers in India
21. Prerana, supporting children of sex workers, Mumbai, India
22. Samsara Foundation, supporting the education of hill-tribe children in Northern Thailand
23. Sharana / Kalki Welfare Society, protecting and supporting the children of sex workers in Pondicherry, India
24. Stairway Foundation, working with and protecting abused children in the Philippines and beyond
Angkor Hospital for Children (AHC) is a paediatric teaching hospital working in cooperation with the Cambodian government to provide free, quality care to impoverished children in Siem Reap, Cambodia. Since 1999, AHC has provided over one million medical treatments, education to thousands of Cambodian health workers and illness prevention training to thousands of families. AHC offers comprehensive services found in western countries but rarerly in a developing world context, including Inpatient and Outpatient Care, surgical services (including heart-surgery), an emergency room, Intensive Care and antiretroviral HIV therapy. In 2012 alone AHC treated 170,000 children. Funds from ADMCF and partner investors continued to support the various medical programmes in 2012.

**Transition**

2012 was a year of major transition for AHC with the goal of establishing a new, independent Cambodian organisation to lead the hospital and its programmes. Over the course of the year, ADMCF worked with the American charitable foundation that oversaw AHC since its inception to facilitate the transition and to ensure the new organisation would have strong accounting, development and management structures. ADMCF and a partner investor funded programmes as well as financed the costs of additional staff, including a CFO to strengthen the finance team. We also mobilised development support regionally to ensure the success of this transition. The transition will be completed in 2013.

By the end of 2012, AHC had implemented new and efficient financial systems, raised close to US$600,000 from new donors; the organisation had been restructured and a new Board of Directors formed and scheduled to meet for the first time in January 2013 in Siem Reap.
Providing Healthcare Along the Thai-Burmese Border Area

Border Health Initiative
Sangklaburi, Thailand

Burmese migrants in the border area are unable to access even the most basic health care provision. Many have the right to access health care in Thai clinics, but are unaware of this right and even if they are, they often lack the language skills and assertiveness to gain any help.

The Border Health Initiative (BHI) is a NGO dedicated to helping to improve the health and well-being of the people living along the Thailand/Burma border. Through its Medical and Social Welfare Outreach Programme, BHI provides a safety net to over 10,000 people.

With funding from ADMCF, BHI has been able to start providing pre natal care, education and financial assistance to over 300 pregnant migrant women living in extreme poverty and needing access to a safe delivery in a Thai clinic. This programme was previously managed by MSF, which pulled out of the country at the end of 2011 leaving mothers and children with no support.

Also with support from ADMCF, BHI supports migrant children with access to and funds to pay for emergency care.

Supporting Children with HIV/AIDS in Phnom Penh

New Hope for Cambodian Children
Phnom Penh, Cambodia

Cambodia has the highest prevalence of HIV in Southeast Asia, with an identified infected population of 64,750, including 3,350 children under the age of fifteen.

Founded in 2006, New Hope for Cambodian Children (NHCC)’s mission is to collaborate with the Royal Government of Cambodia and NGOs in order to assist Cambodian children living with HIV/AIDS, and their families.

Children who are HIV-infected are not accepted at most orphanages. In 2012, NHCC provided residential care to 228 orphans and abandoned children with HIV/AIDS. Additionally, NHCC provided social assistance to 1474 children and their families living in eight rural Cambodian provinces and Phnom Penh.

ADMCF has been supported NHCC since 2010, providing funds to support children living with their extended families in rural areas of the country.
Adding Space

Angkor Hospital for Children
Siem Reap, Cambodia

Over the years, the number of patients, activities, and staff has grown rapidly and existing AHC buildings no longer had the capacity to accommodate the growing needs of the hospital.

When the hospital first opened in 1999, the Outpatient Department (OPD) saw an average of 1,467 children per month, about 67 per day. In 2012, the OPD treated 11,177 children per month, about 510 per day.

The hospital’s major weakness was the lack of space for admitting patients. The Inpatient Department (with 50 beds) has to consistently deal with the space issue and this is particularly obvious during health outbreaks, like the Dengue Fever and Hand Foot and Mouth Disease outbreaks in 2012. To solve this issue, one large classroom in the Medical Education Centre was converted to a patient’s ward and 24 beds were also placed in the corridors to expand the capacity of the IPD.

In September 2012, Jane and Tony Weldon funded the construction of a new four-story building with a total area of 1,000 square meters to create additional space for medical procedures (Laboratories) and wards (Low Acute Unit) and to allow to free valuable space from the main hospital block allowing the expansion of the Emergency Room, the creation of a Neonatal ward, in line with the most pressing recommendations of the medical audit conducted by external doctors earlier in the year.
A Vocational Training Restaurant
Sandan

M’Lop Tapang Centre for Street Children
Sihanoukville, Cambodia

22 students were in training during 2012 at MT’s newly opened vocational training restaurant. In late December the first 6 students started full-time jobs at local restaurants.

MT is the first organisation supported by ADMCF, and currently works with over 3,500 children and 1200 families at ten specialised centres in the Sihanoukville area in 2012.

The organisation provided shelter, medical care, sports and arts, education and training, counselling, family support and protection to street and slum children.

Educating Hill Tribe Children in Mae Hong Son Province

Samsara Foundation
Northern Thailand

Samsara Foundation aims to support the education of underprivileged rural children living in mountain villages in Northern Thailand. Most of these hill tribe villages are more than a day’s walk from school and there is no transportation, meaning 60% of children must board.

Samsara considers education key to poverty alleviation and gives priority to basic projects, such as water purification, kitchens and dormitories and the provision of educational tools.

In 2011, ADMCF committed a three-year grant to Samsara. During the first year, ADMCF and partners provided funding for the construction of four student dormitories as well as eight kitchen/canteens at eight primary schools. Facilities were opened in May 2012 and as a result, student enrolment increased by 4% and student retention increased by 29%.

In 2012, we have provided funding for the construction of adequate facilities at 10 schools, which shall be open by May 2013.
Supporting Children of Sex Workers

Prerana
Mumbai, India

Kamathipura is one of Mumbai’s oldest and Asia’s largest red light district. Prostitution is illegal in India, however Kamathipura has been thriving for many decades, due to a strong nexus between the pimps and the local administrative authorities, which allowed easy trafficking of children and women into the area.

Prerana has been working in the red light district in Mumbai since 1986. Through outreach and awareness Prerana has been able to put an end to child prostitution and has prevented the second generation from entering into prostitution. During these years, Prerana has played an important role in mentoring other organisations, identifying support for them and spreading the advocacy component widely.

Prerana runs 3 programmes, which has helped them to successfully eliminate second generation trafficking into prostitution: 1) Night Care Centre, providing a significant and viable option for women living in the red light area to protect their children. 3 NCCs are currently sheltering approx. 250 children; 2) Education Support Programme (ESP): enrolling children into government schools and following their progress until academic milestones are reached. On average this programme covers 250 children on a daily basis; 3) Institutional Placement Programme, where children in need of care and protection are de-linked from the red light area and placed in shelters and boarding homes. IPP has impacted over 1200 children; 4) Residential shelter programme for young girls who are from the Red Light area in Mumbai and at risk of prostitution.

ADMCF has supported Kamathipura’s ESP programme in 2012 which offers education to 100 children on a daily basis, with another 800 children in the follow-up programme.

There are no real estimates of the magnitude of child sexual abuse in India. In 2007, however, the Government of India produced a first-ever national study on child abuse that showed 53% of children surveyed had been sexually abused. ADMCF will extend the Break The Silence initiative to India in 2013 and we have identified Prerana as our main country partner.
Protecting Children From Sex Abuse and Trafficking

Stairway Foundation
Asia

For two decades, Mindoro-based Stairway Foundation (SF) has worked with child victims of sex abuse in the Philippines by using its award-winning animations covering different aspects of child sexual abuse and trafficking. ADMCF and SF have partnered-up to distribute these animations under the Break the Silence initiative to Asian NGOs and train local police and other stakeholders raising the issue of child sexual abuse and trafficking among local communities.

SF has been working with the Philippino police for years and in particular with the Women and Children’s Protection desks. During the hundreds of training sessions conducted with Police staff, it has emerged that the space in most police stations is not supporting the purpose of the WCPDs in providing a proper environment for women and children to feel protected and safe, where they can disclose traumatic experiences of abuse and exploitation.

In 2012 ADMCF provided funding for the creation of separate Child Friendly Spaces in 15 police precincts chosen as pilot sites in the Greater Manila area, making it easier for victims to report their cases.

Protecting Migrant Children

Peuan Peuan (Friends International)
Bangkok, Thailand

Puean Peuan has been supporting street children from various nationalities in Thailand since 2005. In 2011, Puean Peuan provided services to over 2,000 children including safe shelter, educational activities, life skills education, school or family reintegration, basic health care, and hygiene services.

ADMCF provided bridge funding in 2012, when the largest donor of Puean Peuan, after six years, suddenly decided to direct its funding to government-run initiatives. The lack of advance notice hit Puean Peuan hard and our support allowed the organisation to continue its work and ensure the work over previous would not be wasted.

Puean Peuan was able to secure funding for 2013 also thanks to connections and references provided by ADMCF.
The Musahar community has been at the lowest rung of the society in the poor Indian State of Bihar. Musahar girls and women face frequent and damaging discrimination and are subjected to exploitation, violence, and sexual harassment. For generations, the Musahars have been deprived of any rights to education, health, livelihood, etc. Among women, their literacy rate is 0.09% and among men, it is about 2%. In 2012, ADMCF has worked with two organisations in Bihar’s capital, Patna, namely Nari Gunjan and PCVC. Nari Gunjan (NG) began working with the Musahar community in 1987. NG has since provided education to 12,000 girls, of which 75% have been mainstreamed into government schools and provided vocational training, healthcare, advocacy and life skills to thousands of girls and women.

ADMCF partnered with Nari Gunjan to implement an education programme in the very poor district of Punpun, 35 km from Patna, in 2012. Through DICs and pre-schools NG reached out to children in the age group of 3 to 18 years across 18 communities in Punpun. In 2012, 983 children have been enrolled and regularly learning at the 28 non-formal education centres (18 DICs and 10 pre-school centres), 630 mothers have been inducted into the programme through the mothers committees and more than 3,500 members reached out through the campaign on Domestic Violence.

Pratham Council for Vulnerable Children (PCVC) and ADMCF have jointly opened DICs in the most disadvantaged communities with a large number of working children across various cities in India since 2008. In 2012, there were 11 DICs operational in India: Three DICs each in Lucknow, Jodhpur and Jaipur, supporting 2,320 children, and two new DICs in in urban slums occupied by Musahars in Patna, supporting 472 children.
Educating Burmese Migrant Children

Migrant Education
Mae Sot, Thailand

Migrant Education (ME) coordinates the work of learning centres for migrant children (Burmese, Karen, Mon and Shan) in the Mae Sot area (Thailand), providing education to migrant children from their surrounding communities, who may otherwise not be able to receive and education.

In 2012, ME supported 20 learning centres, recognised by the Thai government, in which 287 teachers provided education to 4,538 migrant children. ADMCF supported ME in strengthening its governance and supporting stronger interaction and cooperation with Thai education authorities.

ADMCF also assessed ME’s financial systems and reviewed its accounting, also in order to ensure other donors of ME’s financial transparency.

Learning Centres for Out-of-School Children

Narmada
Nimad Region, Madhya Pradesh, India

Narmada started working in the Nimad region in 2010 when they identified that many children and adults were malnourished and women and girls did not enjoy the right to education.

ADMCF provided seed funding in 2011 and in 2012, Narmada was able to reach out to more than 817 children (ages 3 to 14 years) through 17 non formal education centres and 7 preschools across 7 villages, many run from government school premises.

The education centres have had a significant impact in the lives of women and girls. The project has opened doors for Narmada to address other issues in the villages related to gender equality, health, employment and higher education.
2012 was a year to take stock of global and regional environmental challenges. The year marked the 20th anniversary of the 1992 UN Conference on Environment and Development (UNCED), in Rio de Janeiro – the Earth Summit - and the 10th anniversary of the 2002 World Summit on Sustainable Development (WSSD) in Johannesburg. Both were landmarks in recognising the extent to which our natural environment had entered decline. The 1992 Earth Summit led to the adoption of Agenda 21, which amounted to a blueprint for the protection of the planet and its sustainable development. Sadly, little of this document has since found its way into policy, law or even good practice. In June 2012, the UN convened Rio +20 looking back at achievements and forward at the challenges. The conference highlighted what have become the critical issues in need of priority attention: fresh water, oceans, animal and plant species continued to face unprecedented pressures. According to the IUCN, twenty percent of the world’s mammals are now at risk of extinction while 70% of coral reefs are threatened or destroyed. Meanwhile, air pollution and lack of clean water directly threaten the health of millions of people worldwide, particularly in Asia, where the effects are often compounded by poverty.

ADMCF continues to be committed to addressing these challenges by working with dedicated individuals and organisations regionally. In 2012, we developed additional key strategic partnerships with global and local philanthropists, leveraging our funds and the achievements of those organisations we support. In 2012, we made headway in many areas, working closely with regional partners:

- Awareness of declining shark populations grew and we also saw increased momentum against consumption of shark fin product.
- We saw investors increasingly paying attention to our China Water Risk (www.chinawaterrisk.org) initiative, which highlights water risk associated with doing business and investing in China. A year since launch, and investment groups already were working with us to commission research relative to their interests.
- Amphibian researcher, Jodi Rowley described two new frog species, naming one after ADM Capital Partner Denys Firth: Leptolalax firthi.
- Clean air moved up the government agenda in Hong Kong pushed by Civic Exchange and Clean Air Network.
- Efforts continued to develop financing mechanisms for forest conservation, while Nantu, one of Sulawesi’s most valuable intact primary rainforests, remains standing and pristine due to committed conservation efforts.

Sophie le Clue, Director, Environment Programme
PARTNERS: ENVIRONMENT

1 HONG KONG
   • Alliance for a Beautiful Hong Kong, promoting aesthetic values and the integrity of the natural environment in Hong Kong
   • BLOOM Association, dedicated to the conservation of marine life in and around Hong Kong
   • Civic Exchange, a public policy think tank informing environmental policy in Hong Kong
   • Clean Air Network, working to improving the quality of Hong Kong’s air
   • Conservation International a global conservation organisation working in Hong Kong to address shark fin consumption
   • Hong Kong Shark Foundation, focusing on shark conservation and working towards reducing shark fin consumption in Hong Kong
   • Redress, promoting environmental sustainability in Asia’s fashion industry by reducing textile waste, pollution, water and energy consumption

2 VIETNAM
   • Australian Museum, supporting Dr. Jodi Rowley to research amphibian diversity in South East Asia

3 CHINA
   • China Water Risk, an ADMCF initiative designed to help investors and businesses understand and mitigate risk around China’s water crisis

4 CAMBODIA
   • Flora & Fauna International, supporting conservation activities in Cambodia

5 SULAWESI, INDONESIA
   • YANI, conserving 62,000 hectares of virgin rainforest in Sulawesi, Indonesia
Marine Conservation

BLOOM Association, Hong Kong Shark Foundation
Conservation International
Hong Kong

Since 2007, our marine conservation work has focused on supporting efforts to address declining shark populations through key drivers such as shark fin consumption. This has involved working with international and local NGOs on research and public/corporate campaigns.

In 2012, significant momentum was gained by these organisations. By year end, 60 percent of five-star hotels in Hong Kong had banned shark fin or taken it off menus. Leading corporates such as Bank of China banned shark fin from corporate functions and Cathay Pacific Airways committed to carrying only sustainably sourced fins. As public opinion shifted, in partnership with others, we began lobbying the Hong Kong government to introduce a policy banning shark fin consumption across the public sector. While Hong Kong has a relatively small population, its responsible for about 50% of the global shark fin trade and a lack of trade regulation ensures that it has a major impact of global importance.

Developing a regional marine strategy
ADMCF is looking to expand its marine conservation portfolio to a regional strategy in 2013 that will address some of the following issues:

- Unregulated trade of endangered marine species in Hong Kong: Despite vast quantities of seafood trade, Hong Kong has not signed or acceded to key international treaties and agreements that others in the region including China, are a party to.
- Food Security: Asia is central to concerns over declining fish stocks accounting for 50% of annual world fisheries harvest and two thirds of global consumption
- Declining stocks: Most stocks of the top ten species, accounting for about 30 percent of world marine capture fisheries production, are fully exploited and have no potential for increased production. Fishing capacity is estimated to be as much as two to four times what we need to harvest sustainably from the world’s fisheries.
Amphibian Research and Conservation

Jodi Rowley, Australian Museum
Cambodia and Vietnam

ADMCF has been supporting the research work of amphibian biologist Jodi Rowley since 2007. A staggering one third of all amphibian species are threatened with extinction and our lack of knowledge hinders even the most basic amphibian conservation in Southeast Asia.

Jodi’s work is fundamental to future conservation efforts. Specifically she integrates ecological behavioural, bioacoustics, molecular and morphological data to uncover and document amphibian biodiversity and inform conservation decisions. She is also actively capacity building; mentoring and supporting students.

In 2012, with her team, Jodi published six scientific papers and discovered two new frog species - bringing the total number of species discovered with ADMCF’s support to twelve. The new species described were Firth’s Asian Leaf Litter Toad Leptolalax firthi named after ADM Capital partner Denys Firth and Helen’s Flying Frog Rhacophorus helenae named in honour of Jodi’s mother.

In 2012, Jodi became a Tier I Member of the IUCN Amphibian Red List Authority.

Forest Conservation and Community Development

Yayasan YANI
Sulawesi, Indonesia

For the past five years, we have supported Yayasan YANI in its efforts to conserve 62,000 hectares of increasingly rare virgin rainforest in Northern Sulawesi.

In 2012, ADMCF continued to provide core conservation funding and strategic support as well as assistance in identifying funding mechanisms, the aim which is to strengthen financial sustainability of the project.

Illegal gold mining clearly emerged as a major threat to the Nantu-Paguyaman watershed in 2012. An estimated 150-200 miners work at the Batuangkobu mining site within the wildlife reserve. Another 100 are based at the Sapa mine, within approximately two days’ walk.

ADMCF also continued to work with YANI to integrate community development more closely with conservation in an effort to increase the sustainability of the project. In addition we are examining opportunities in conservation finance options such as a forest impact bond as mechanism to general revenues to facilitate forest protection and community development.
Building a Knowledge Platform on China’s Water Crisis

**China Water Risk**

Hong Kong

Water risk has continued to gain prominence globally and nowhere more so than in China. Amidst concerns of water security and the water energy nexus, water is a top priority for the Chinese government. Committed to spending RMB 4 trillion on water infrastructure, in 2012 the Government introduced seven key water initiatives including its water management decree, pollution prevention and development plans, water use quotas and new drinking water standards.

In 2011, ADMCF launched China Water Risk (CWR), a comprehensive information web portal focused on engaging the global investment and business communities, civil society and individuals, in understanding and managing China’s water risk. CWR celebrated its first birthday in October 2012, by which time it had confirmed its position as a leading think tank and commentator on China’s water crisis.

CWR highlights and addresses the complex issues surrounding China’s water crisis by framing risks by industry sector, using innovative graphics to target its audience and by publishing and disseminating ground breaking research. The portal provides a platform for expert views, research, interviews and analysis from industry leaders. Leading financial institutions have commissioned CWR to undertake original research and corporates operating in China are seeking advice on exposure to water risks and in some cases the development of water philosophy.

Indications are that the investor communities’ awareness of water issues is growing; an increasing number of funds and sector analysts have started to include water risk in their analyses, putting companies under increasing pressure, adding to growing NGO demands, public protests and media interest.

With the launch of its Chinese language site, operating out of Beijing scheduled for May 2013, CWR will continue to build on progress made in 2012, broadening its reach and partnership with relevant stakeholders, stimulating dialogue on the issue and ultimately facilitating better management of water resources in China.
Gathering Voices
Against Air Pollution

Clean Air Network
Hong Kong

CAN’s objective is to engage Hong Kong on the issue of air pollution by informing them about the public health hazards air pollution poses. CAN aims to bring people together to urge the government to implement a more stringent air quality management framework.

Since 2009, CAN has become the #1 information resource about air pollution, health and policy in Hong Kong. To meet its objectives, in 2012, it employed three main strategies: i) political lobbying; ii) social media; and community and media campaigns. In 2012 CAN has worked on:

- Advocating for effective policies for replacing old and polluting vehicles
- Advocating for mandated at-berth fuel-switch of ocean-going vessels
- Encouraging legislators to adopt and actively support CAN’s policy recommendations
- Supporting grassroots politicians in disseminating relevant air quality information within their constituencies
- Building social media reach, which in 2012 extended to 20,000 via Facebook and newsletters
- Developing a PM2.5 monitoring network with members of the public and district councilors

Science-based Policy Research
on Air Pollution

Civic Exchange
Hong Kong

In 2012, ADMCF continued to support public policy think tank Civic Exchange’s work to improve air quality in Hong Kong. Funds provided contributed to the publication of ground-breaking research: “A Price Worth Paying: The Case for Controlling Marine Emissions in the Pearl River Delta”. Marine emissions are responsible for 54% if Hong Kong’s ambient SO2 levels.

Conducted in collaboration with, the Hong Kong University of Science and Technology, and the University of Hong Kong, showed that 519 premature deaths per annum are attributable to ocean-going vessels in the PRD, the majority of which occur in Hong Kong.

Covered extensively by international and local media, the research provides a focus for future policy engagement with the Hong Kong Government, Mainland China, and the Asia Pacific region, as regards tighter fuel standards for vessels and emissions control.

ADMCF’s funding also kick-started preliminary research on a number of air quality related topics, including cruise ship emissions and PM2.5 pollution in the Pearl River Delta region. Research will be published in 2013.
Rainforests are among the most important and yet threatened ecosystems on the planet. Covering 31 percent of the Earth, they are home to 50 percent of our plants and animals. They provide a refuge for biodiversity, act as the world’s thermostat by regulating temperatures, atmospheric gases and weather patterns and are critical in maintaining the Earth’s limited supply of fresh water and significant carbon stores.

At the same time, local populations, usually without specific land rights, often rely on forests to generate income through mining, logging, rattan collecting or poaching. Helping local communities build sustainable livelihoods both inside and outside the forest, educating them about the value of conserving forests to guarantee water for crops, for example, as well as income, is essential to forest protection.

Finding the funds to help communities generate income and to pay the costs of conservation is a challenge, in part because the economic rewards for cutting forests are substantial. Since 57 percent of the world’s forests, including most tropical forests, are located in developing countries, it is hard to make the economic argument that these areas should not be developed for the benefit of global climate. The question remains, how to balance development and conservation and raise the funds to pay for both?

ADMCF has been working on a Forest Impact Bond concept, whereby international government funds, funds from multilaterals with an interest in combating climate change and conserving developing world forests are pooled in an SPV and then allocated to community development initiatives with specific parameters and measures of impact.

The key would be to persuade the local government to join what would essentially be a development initiative but with additional conservation benefits. The SPV funds would be available to repay investors in the event that the community development programmes, livelihood initiatives, the conservation targets achieve desired results. In this way, the pooled funds are used only if they have been effective and only after impact has been achieved and quantified.
Environmental Petition Site

Hong Kong

Hong Kong faces many environmental and urban challenges beyond the local air quality and marine conservation issues in our portfolio. Areas of concern to the local community include the increasing mountains of waste and lack of disposal and recycling options, inappropriate development within our country parks as well as poor urban planning, animal welfare, climate change and water scarcity, amongst others. Many of us in Hong Kong feel disempowered, believing that we can do little to effect positive change.

Experience has shown, however, that uniting people under one voice on any issue is more effective than individuals working alone for change. Globally, there are numerous on-line petition sites that have empowered individuals and groups, helping them bring issues to the attention of companies and governments worldwide. In Asia, there is no such regional or local mechanism.

In 2012, ADMCF developed the concept of a Hong Kong-focused petition site, designed specifically to engage and connect individuals and groups on local environmental issues. We plan to launch the site, ‘Support Hong Kong’ [撐香港], in the first half of 2013.
FINANCIAL REPORT
• Total contribution revenues increased by 52% (US$6.44mln in 2012 vs. US$4.25mln in 2011). The increase resulted from Investing Partner contributions.

• Total funds received from Investing Partners were US$5.31mln. This represents an increase of 91% over prior year (US$2.78mln in 2011). A substantial portion of funding from Investing Partners came from one donor, the Richard P. Haugland Foundation.

• Total programme expenses and grants increased by 50% (US$3.92mln in 2012 vs. US$2.61mln in 2011).
During 2012, ADMCF received contributions from ADM Capital of US$1.13mln. A portion of these funds were used to wholly support the Foundation’s core managerial and operating costs of $287k. In Hong Kong, ADM Capital also provided free office space at an estimated donation-in-kind of US$180k to be used as co-working space by ADMCF staff and other non-profit organisations. In Cambodia, ADM Capital also provided the free use of a home office to Fauna & Flora International at an estimated donation-in-kind of US$60k.

During 2012, ADMCF received contributions of US$5.31mln from Investing Partners who chose to use the Foundation as a strategic advisor. 100% of these funds were directly allocated to the Environment and Children at Risk programmes.

In addition to funding directly, the Foundation also facilitated substantial donations indirectly to organisations where ADMCF had performed due diligence and remained engaged. This amount is estimated at US$445k.

Total expenses and grants during 2012 were US$4.21mln. Of this amount, US$3.92mln (93%) were related to the funding of programmes and US$287k (7%) represented management costs of the Foundation. As a percentage of total expenses, management costs are relatively low due to the fact that ADMCF receives free office space as a donation in kind and salaries of programme related staff are allocated to the related programmes accordingly.

Total expenses and grants related to the Children at Risk Programme were US$3.16mln and total expenses and grants related to the Environmental Programme were US$761k.

**FINANCIAL REPORT**

### FUNDING in US$mln

- ADM Capital Contributions US$1.13mln
- Donations Facilitated US$445k
- Investing Partner Contributions US$5.31mln

### EXPENSES & GRANTS in US$mln

- Children at Risk US$3.16mln
- Environment US$761k
- Management & General US$287k
OUR THANKS TO

- Goldman Sachs Gives at the direction of the Kennedy Family Foundation
- Jane & Tony Weldon
- J. Leon & Co
- J Walter Thompson
- Oak Foundation
- Pew Charitable Trust
- Yan and Guy D’Auriol
- Sandra D’Auriol
- Richard P. Haugland Foundation
- Rockefeller Brothers Fund
- RS Group
- Swire Trust
- Ernst & Young
- Goodwin Proctor
- Proskauer Rose LLP

Photo by Raf Sanchez