Annual Report

2018

Fondo Mexicano para la Conservación de la Naturaleza, A.C.
Institución Privada
In 2018, the Mexican Fund for the Conservation of Nature (FMCN) was recognized, both nationally and internationally, for its stewardship and protection of our country’s natural treasures. Among these is a great prairie in the heart of the Janos Biosphere Reserve in the state of Chihuahua, one of the last protected expanses of native grasslands in northern Mexico.

This year, we are proud to share that we successfully raised an additional US$19 million dollars from the Global Environmental Facility (GEF) and the German KfW Development Bank. We have also made it to the last stage towards becoming an accredited agency of the Green Climate Fund, a process we look forward to completing in 2019.

These last twelve months have marked important progress for conservation, thanks to determination, persistence, and strong alliances with our partners, donors, government, and local communities.

Our institution’s first 24 years have taken place during a critical period for humanity: a complex era of globalization punctuated by clashes with nationalist and populist movements. At the same time, we are witnessing the unfolding of global-scale processes that threaten our planet such as accelerating environmental deterioration, potentially irreversible impacts of climate change, and nuclear conflict.

In light of the magnitude of the global and national challenges we face, FMCN revised its Strategic Plan and renewed its commitment to the conservation of our natural capital, on which the current and future prosperity of millions of Mexicans depend.

Just as consumers use their purchasing power to influence companies’ viability and profitability based on their social and environmental responsibility standards, individual citizens can voice their values and vote to influence public policies to conserve their natural and cultural heritage. Our ecosystems and landscapes are the physical and biological infrastructure that provides essential environmental services for development and survival. Engaged citizens are powerful agents of change, and our country’s natural capital is a public good they can demand to protect.
In representation of Mexico’s citizens and as a leading civil society organization (CSO), it is imperative for us to work hand in hand with our peers, with the authorities, policy-makers, scientists and local communities to contribute to the best decision-making possible to preserve the lasting integrity of our natural resources.

The tools set out in the FMCN 2018–2023 Strategic Plan—communication, environmental education, social participation, governance, and advocacy—will be applied within a framework of inclusion and account for changing cultural paradigms, gender, indigenous people’s rights and the differential impacts climate-change and other landscape-scale processes have on our society. These perspectives will accompany our daily work and the delivery of financial and technical support to conservation actors in the long term. This is the only way we will be able to achieve our objectives of conservation, sustainability, capacity building, and environmental responsibility with our implementation partners on the ground, local communities, and the public.

It is time to act with intelligence and determination. It is time to make the voice of an informed collective heard: that our economy, culture, society, and lives depend on our natural capital—the source of our food and water, and the air we breathe. It is time to embrace hope for a great country in a better world. We cannot risk our children and all the future generations asking us one day amidst a bleak landscape, bereft of life and diversity: Why didn’t you do anything when there was still time?
OUR MISSION

To conserve Mexico’s natural heritage by delivering strategic financial and technical resources across sectors.
PROJECTS IN 2018

Natural Protected Areas Conservation Program
Marine and Coastal Conservation Program
Forests and Watersheds Conservation Program
Special and Innovative Projects
Cross-cutting Projects
In 2018, we channeled resources and coordinated efforts to promote biodiversity conservation through five programs:
This year we celebrate the 21st anniversary of the Natural Protected Areas Fund (FANP). We operate this financial mechanism in partnership with the National Commission of Natural Protected Areas (CONANP), and it has become vital for conserving biodiversity in 50 protected areas throughout the country.

The jaguar, a symbol of strength and power, is one of the program’s conservation priorities. In 2016, we established the Calakmul Fund to protect this emblematic Mexican species. This year, we financed a communications campaign to create awareness among the communities that share its habitat, reaching more than 60,000 people.

Together with the Mesoamerican Reef Fund (MAR Fund)—a regional fund with co-representation from Mexico, Honduras, Guatemala, and Belize—we financed the Manatee Sanctuary in the Caribbean as part of the project Conservation of Marine Resources in Central America.

Sierra y Mar became the first financial cooperation initiative between Mexico and Germany, through the KfW Development Bank, for protecting natural resources. This project seeks to strengthen the operations of protected areas, providing them with the equipment and infrastructure needed to improve surveillance, communication and their general management.
4th MEETING OF THE PROTECTED AREAS LEARNING COMMUNITY

7 PROJECTS FINANCED BY THE MESOAMERICAN REEF FUND

2,535,006 DOLLARS CHANNELED TO THE FIELD

19 MILLION DOLLARS CONTRIBUTED TO SIERRA Y MAR by the German KfW Development Bank
Mexico’s oceans are a vital and unique source of biodiversity for the planet. In 2018, we promoted sustainable fishing, tourism and restoration in three marine and coastal protected areas as well as 12 fishing reserves in the Gulf of California and the Pacific coast. In collaboration with the government, we launched a monitoring program of Mexico’s mangroves using satellite images and the National Marine Biological Monitoring System to assess the ecological integrity of marine habitats.

During the 2018 World Ocean Summit, we facilitated a round-table discussion with global fish distributors. The event provided an excellent opportunity for us and our partners to disseminate the value of fishing refuges for the long-term sustainability of fisheries, promote the establishment of a national fund for sustainable fishing and present strategies for responsible consumption.
20 Projects financed by the Gulf of California Fund, the Private Lands Management Fund, and the Monte Mojino Fund

139 People & 37 CSOs benefited by the Pescadero Program

829,140 Dollars channeled to the field
Protecting biodiversity in forests for the benefit of future generations is one of our aspirations. In 2018, we provided communities with new technology to improve their capacities and trained women to respond to forest fires in northern Mexico. As part of a widespread awareness campaign, we distributed infographics to local communities and shared videos about regional species.

Since 2000, we have channeled more than $58 million pesos into Central Mexico through the Monarch Butterfly Fund to 34 ejidos and communities in core zones of the Monarch Butterfly Biosphere Reserve. Since 2007, we have been providing payments for environmental services with matching funds from our partner the National Forestry Commission (CONAFOR).

As part of the Forest Investment Program (FIP), in 2018 we supported 62 community forest enterprises within the Emfoco y Desarrollo project in Southern Mexico that work with honey, coffee, chicle gum, and timber.

We have also been collaborating with the National Biodiversity Monitoring System since 2011. By 2018, 3,480 sites had been sampled across the country. In 2017, together with the CONAFOR and the U.S. Forest Service, we created BIOCOMUNI, a tool to help landowners in communities monitor the biodiversity of their forests. In 2018, BIOCOMUNI officially became part of CONAFOR’s continued efforts to provide financial support within its Biodiversity Endowment Fund (Fondo Patrimonial de Biodiversidad) under the National Payment for Environmental Services Program.
12 projects financed by the Wildfire Management and Restoration Fund

1,041,016 dollars channeled to the field

338 people trained in community forest enterprises

11 projects funded by the Watersheds and Cities Program

19th meeting of the Wildfire Management Learning Community

18th meeting of the Watersheds and Cities Learning Community

4th meeting of the Emfoco y Desarrollo Learning Community

Creation of the Neovolcanic Belt Conservation Fund

12 projects financed by the Wildfire Management and Restoration Fund

338 people trained in community forest enterprises

1,041,016 dollars channeled to the field

11 projects funded by the Watersheds and Cities Program

19th meeting of the Wildfire Management Learning Community

18th meeting of the Watersheds and Cities Learning Community

4th meeting of the Emfoco y Desarrollo Learning Community

Creation of the Neovolcanic Belt Conservation Fund
The 2018 cohort of the Mesoamerican Reef Leadership Program (LSAM) worked to catalyze sustainable fisheries in the region, broadening existing efforts and taking on initiatives led by communities in the four countries that share the reef.

To-date, LSAM has trained 89 individuals who are implementing conservation projects. Together, these leaders, their organizations, partners, and the communities they work with form a critical mass of agents of change for the Mesoamerican Reef.

In collaboration with both the public and private sectors, we have also invested another year in preventing the extinction of Mexico’s national symbol, the golden eagle. This year, we focused our efforts in the state of Chihuahua, where we funded research to locate nesting grounds while working to restore the eagle’s habitat and monitor its nests; we also carried out a social media campaign to raise public awareness.

At FMCN, we believe that a regenerative and sustainability-oriented primary sector can be compatible with conservation and benefit biodiversity. In July 2018, The Nature Conservancy Mexico donated Rancho El Uno to FMCN to ensure the permanent conservation of the last expanse of native grasslands in the heart of the Janos Biosphere Reserve in Chihuahua. As the cornerstone of our Private Lands Conservation Program, we seek to transform the property into a center of excellence for regenerative ranching and rangeland conservation to support sustainable rural development. We are now part of an international network of regenerative ranches and have begun a series of studies to design and implement the ranch’s long-term management plan.

In 2018, we launched the Regenerative Ranching project (GANARE) in collaboration with the French Development Agency to promote primary production models that are compatible with conserving natural resources and ecosystems. The aim is to strengthen and mobilize knowledge networks in the ranching community, provide technical support, and facilitate access to financial mechanisms that will make it possible to transition to regenerative ranching operation. The goal of the first phase of the project is to compile and generate the information needed to prepare a proposal to the Global Environment Facility to implement an intervention aimed at scaling-up successful models of regenerative ranching that are based on financial inclusion and the conservation of ecosystems and the services they provide for society.
20 LEADERS TRAINED IN 2018 BY THE MESOAMERICAN REEF LEADERSHIP PROGRAM

18,544 HECTARES OF RANGELANDS PROTECTED IN RANCHO EL UNO

4TH MEETING OF EXPERTS ON GOLDEN EAGLE CONSERVATION

627,177 DOLLARS CHANNELED TO THE FIELD

RANCHO EL UNO IS HOME TO MEXICO’S ONLY CONSERVATION HERD OF AMERICAN BISON

SPECIAL AND INNOVATIVE PROJECTS
- MESOAMERICAN REEF LEADERSHIP PROGRAM
- NETWORK OF SUSTAINABLE FISHERIES IN THE MESOAMERICAN REEF
- SUSTAINABLE RURAL LIFE
- PRIVATE LANDS AND GOLDEN EAGLE CONSERVATION PROGRAMS
Climate change is one of the greatest threats to humanity's present and future. In coordination with three government institutions, the Conservation of Coastal Watersheds in the Context of Climate Change (C6) project financed innovative local projects for comprehensive management of 16 watersheds in the Gulf of Mexico and the Gulf of California in 2018. In the future, C6 will continue to fund the operation of the protected areas in both regions, continuing the successful approaches applied to-date.
29 projects funded

4,453 people benefited

2,244,159 dollars channeled to the field

7 institutions are part of the Jamapa-Antigua bioregion coalition

Antonio Pastrana
Paulina Cerna
In 2019, the Latin American and Caribbean Network of Environmental Funds (RedLAC) that we helped establish in 1999 will celebrate its 20th anniversary in Mexico during its annual conference. Over that period, RedLAC has grown and facilitated the exchange of knowledge and experiences with environmental funds around the world. In 2016, we created the Mexican Environmental Funds Network (RedFAM), which today unites four regional funds that operate using international standards for best management practices for environmental funds.

The Green Climate Fund (GCF) is one of the world’s most important funds for supporting developing countries in their efforts to adapt to and mitigate climate change. In 2017, we began the accreditation process that will allow FMCN to become the first Mexican implementation agency of the Fund. We expect to finalize the accreditation in 2019, which will allow us to receive financing to implement large-scale projects in the country.
Fifteen years after its founding, MAR Fund has positioned itself as a regional leader for mobilizing resources, worth almost US$26 million. In 2018, we began a capital campaign with the Oak Foundation to mobilize an additional US$50 million. We also published the book Escrito Con Tinta Azul: Historias de Conservación del Sistema Arrecifal Mesoamericano (Written in Blue: Stories of Conservation in the Mesoamerican Reef). The stories help highlight the impactful work carried out in the region and will contribute to new fundraising efforts. Together with the German KfW Development Bank, we are negotiating the third phase of financial support to continue implementing innovative solutions for the world’s second largest barrier reef. Healthy Reefs Initiative and the Mesoamerican Reef Leadership Program have formed an unprecedented alliance to launch MC2. The program, developed collectively, brings applied science, leadership, and financial resources to bear on long-term conservation efforts in the region.
In the early 1990s, a participatory design process led to the founding of FMCN. Today, 24 years later, we have formed a network with more than 400 institutions from civil society, government, the private sector, academia, and the media that enriches our programs and mission. Our new Strategic Plan will guide us over the next six years with the following objectives:

**CONSERVATION**
Strengthen the health of ecosystems and their ecological processes.

**SUSTAINABILITY**
Foster long-term, sustainable use of natural resources.

**CAPACITY BUILDING**
Develop professional skill sets and individual leadership potential, as well as institutional competitiveness and capacity for sustainable development.

**ENVIRONMENTAL RESPONSIBILITY**
Promote voluntary offsetting in development projects.
As Mexico’s national environmental fund, our internal operations are aligned with the Practice Standards for Conservation Trust Funds, an international tool for improving the design, management, monitoring, and evaluation of these entities. Based on this framework, our Strategic Plan includes six internal objectives:

**GOVERNANCE**
Maintain effective institutional stewardship.

**OPERATIONS**
Ensure efficient and effective investment in strategic projects.

**ADMINISTRATION**
Continue as an institution of excellence in financial resource management.

**INFORMATION, MONITORING AND EVALUATION**
Document, analyze and disseminate investment results.

**ASSET MANAGEMENT**
Ensure the sufficiency, permanence, solidity, and financial health of the institution, as well as transparency and accountability.

**RESOURCE MOBILIZATION**
Consolidate FMCN as the most innovative and effective private environmental funding organization with the greatest impact in Mexico.
OUR BOARD OF DIRECTORS

ALBERTO SAAVEDRA OLAVARRIETA
Chairman

PEDRO ÁLVAREZ ICaza

GABRIELA ANAYA REYNA

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MAURICIO VACA TAVERA

FELIPE PÉREZ CERVANTES
Commissioner
OUR TEAM

Passionate about nature, an exceptional 48-person team in Mexico City, La Paz, Coatepec, and Cancún makes our day-to-day work possible. The FMCN team renewed its commitment to the future of our country during our annual meeting held this year at a firefly sanctuary in Tlaxcala.

OUR BOARD

OF DIRECTORS

OUR TEAM

Lorenzo J. de Rosenzweig P.
Ximena Yáñez Soto
Renée González Montagut

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Director of Finance, Operations, and Compliance
Director of Conservation

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Mireya Méndez
Karín Mijangos
Flora Moir
Carlos Moreno
Karla Quan
Israel Quiroz

Araceli Sánchez
Citlalli Sánchez
Daniela Seligson
Susana Téllez
Laura Torres
Karina Ugarte
Araceli Vargas
Dominga Vásquez
Selina Villegas
Conserving Mexico’s natural capital requires the effort of all sectors and many actors. In nearly 25 years, more than 200 national and international donors have supported our endeavors. We thank them for their continued trust and commitment.
Grupo Tarerio, S.A. de C.V.
Hábitat y Palomas del Noreste, A.C.
Heyman y Asociados, S.C.
Horologium, S.A. de C.V.
Hospitalidad Potosina, S.A. de C.V.
Hotelería y Servicios Reforma, S.A. de C.V.
Hoteles City Express, S.A.B. de C.V.
Hoteles y Desarrollo BCG, S.A.P.I. de C.V.
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Impulsora Hotelera Río Culiacán, S.A. de C.V.
Impulsora Plaza Baja Norte, S.A. de C.V.
Impulsora Plaza Cananea, S.A. de C.V.
Impulsora Plaza Celaya, S.A. de C.V.
Impulsora Plaza Ciudad del Carmen, S.A. de C.V.
Impulsora Plaza Coatzacoalcos, S.A. de C.V.
Impulsora Plaza Dos Bocas, S.A. de C.V.
Impulsora Plaza Guadalupe, S.A. de C.V.
Impulsora Plaza Guanajuato, S.A. de C.V.
Impulsora Plaza Hermosillo, S.A. de C.V.
Impulsora Plaza Juárez, S.A. de C.V.
Impulsora Plaza Jurica, S.A. de C.V.
Impulsora Plaza La Noria, S.A. de C.V.
Impulsora Plaza La Unión, S.A. de C.V.
Impulsora Plaza Mazatlán, S.A. de C.V.
Impulsora Plaza Minatitlán, S.A. de C.V.
Impulsora Plaza Nuevo Laredo, S.A. de C.V.
Impulsora Plaza Reynosa, S.A. de C.V.
Impulsora Plaza Santo Domingo, S.A. de C.V.
Impulsora Plaza Tamaulipas, S.A. de C.V.
Impulsora Plaza Tijuana, S.A. de C.V.
Impulsora Plaza Torreón, S.A. de C.V.
Impulsora Plaza Villahermosa, S.A. de C.V.
Impulsora Plaza Zacatecas, S.A. de C.V.
Impulsora Plaza Zaragoza, S.A. de C.V.
Immobilier Hotelera City Express, S.A. de C.V.
Immobilier Hotelera Paso Montijo, S.A. de C.V.
Immobilier Tsemach, S.A. de C.V.
Inter-American Development Bank
International AIDS Society
International Community Foundation
Iván Penié Rodríguez
Jacinto Romero Estrada
John D. and Catherine T. MacArthur Foundation
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Juan Paulo Treviño Bryan
Julio Moure Cortés
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KfW Banco de Desarrollo Alemán
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La Estación de Apizaco, S.A. de C.V.
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Lindblad Expeditions-National Geographic Joint Fund for Exploration and Conservation
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Marc Busain
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María Eugenia Arreola Aguirre
Maria Hydle
Mariana Taladriz Hernández
Marilyn Kuehn
Mario Alberto Montaño Morales
Marisla Foundation
Merrill Lynch Casa de Bolsa, S.A. de C.V.
Mesoamerican Reef Fund
Michael Roe
Möbius Partners, L.L.C.
Monarch Butterfly Fund
Donors

Morgan Stanley Smith Barney, L.L.C.
Musa Angulosa, S.A. de C.V.
Nacional Financiera Fideicomiso Fondo para la Biodiversidad
Nacional Financiera, S.N.C.
Nancy Espinal Ramírez
National Fish and Wildlife Foundation
National Geographic Society
National Wildlife Federation
Niños y Crías, A.C.
NOS Noroeste Sustentable, A.C.
Olabuenaga Chemistri, S.A. de C.V.
Operadora de Hoteles City Express, S.A. de C.V.
Operadora de Hoteles Nualva, S.A. de C.V.
Operadora de Hoteles y Restaurantes del Papaloapan, S.A. de C.V.
Operadora Metropol, S.A. de C.V.
Parks Canada
Pauline St. Denis
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Promotora de Deportes, Espectáculos y Convenciones de Tijuana, S. de R.L. de C.V.
Promotora de Hoteles Fema, S.A. de C.V.
Promotora Turística de Oaxaca, S.A. de C.V.
Pronatura Península de Yucatán, A.C.
Pronatura Sur, A.C.
Proyectos Inmobiliarios de Saltillo, S.A. de C.V.
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Solar Household Energy
Stephanie Vaccarello
Stephen G. Test
Susana Téllez Gudiño
The Bodhi Tree Foundation
The David and Lucile Packard Foundation
The Jane Goodall Institute
The Leona M. and Harry B. Helmsley Charitable Trust
The Nature Conservancy
The Overbrook Foundation
The Summit Foundation
The Tiffany & Co. Foundation
The Walton Family Foundation
The William and Flora Hewlett Foundation
The World is Just a Book Away
TreadRight Foundation
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Turística del Sur, S.A. de C.V.
UBS Casa de Bolsa
UBS Servicios Financieros
Universidad Anáhuac de Cancún, S.C.
U.S. Agency for International Development
U.S. Department of Agriculture
U.S. Fish and Wildlife Service
U.S. Forest Service
Vanessa Valdez Ramírez
Vicente Ferreyra Acosta
Wendy Laine
Wick Communications
Wildlife Conservation Society
World Bank
World Resources Institute
World Wildlife Fund
# Financial Statement

## As of December 31, 2018 and 2017 (Mexican pesos)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>8,864,369</td>
<td>11,306,439</td>
</tr>
<tr>
<td>Sundry debtors</td>
<td>576,872</td>
<td>756,238</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>9,441,241</td>
<td>12,062,677</td>
</tr>
<tr>
<td>Restricted cash and investments in securities</td>
<td>2,883,797,146</td>
<td>2,737,082,041</td>
</tr>
<tr>
<td>Real estate, furnishings and equipment – net</td>
<td>3,755,361</td>
<td>4,647,820</td>
</tr>
<tr>
<td>Restricted land holding</td>
<td>34,084,560</td>
<td>-</td>
</tr>
<tr>
<td>Other restricted assets</td>
<td>5,336,767</td>
<td>-</td>
</tr>
<tr>
<td>Warranty deposits</td>
<td>144,174</td>
<td>167,527</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>2,936,559,249</td>
<td>2,753,960,065</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND ENDOWMENT</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Short Term Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sundry creditors</td>
<td>654,107</td>
<td>766,055</td>
</tr>
<tr>
<td>Taxes and accrued expenses</td>
<td>1,536,947</td>
<td>2,449,479</td>
</tr>
<tr>
<td>Accrued income tax –stet</td>
<td>56,818</td>
<td>115,341</td>
</tr>
<tr>
<td><strong>Total Short Term Liabilities</strong></td>
<td>2,247,872</td>
<td>3,330,875</td>
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<tr>
<td>Deferred income</td>
<td>11,013,033</td>
<td>11,791,105</td>
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<tr>
<td>Employee benefits</td>
<td>1,970,785</td>
<td>2,287,278</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>15,231,690</td>
<td>17,409,258</td>
</tr>
</tbody>
</table>

| Endowment                                   |             |             |
| Permanently restricted                       | 2,247,564,135| 1,860,790,760|
| Surplus for the year as restricted net assets| 39,421,327  | -           |
| **Total Restricted Endowment**              | 2,286,985,462| 1,860,790,760|

| Unrestricted Endowment                      |             |             |
| Retained earnings                           | 875,760,047 | 746,125,158 |
| Surplus of the year                         | (241,417,950)| 129,634,889 |
| **Total Unrestricted Endowment**            | 634,342,097 | 875,760,047 |
| **Total Endowment**                         | 2,921,327,559| 2,736,550,807|
| **Total Liabilities and Endowment**         | 2,936,559,249| 2,753,960,065|
## Statement of Activities

For the years ended December 31, 2018 and 2017 (Mexican pesos)

<table>
<thead>
<tr>
<th>CHANGES IN UNRESTRICTED ENDOWMENT</th>
<th>UNRESTRICTED ENDOWMENT</th>
<th>RESTRICTED ENDOWMENT</th>
<th>2018 TOTAL</th>
<th>2017 TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance of investments in securities – net</td>
<td>90,361,128</td>
<td>-</td>
<td>90,361,128</td>
<td>186,001,505</td>
</tr>
<tr>
<td>Donations received</td>
<td>63,882,598</td>
<td>39,421,327</td>
<td>103,303,925</td>
<td>120,824,002</td>
</tr>
<tr>
<td>Services revenue</td>
<td>778,072</td>
<td>-</td>
<td>778,072</td>
<td>208,895</td>
</tr>
<tr>
<td>Lease income</td>
<td>455,454</td>
<td>-</td>
<td>455,454</td>
<td>-</td>
</tr>
<tr>
<td>Other income</td>
<td>50,391</td>
<td>-</td>
<td>50,391</td>
<td>140</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>155,527,643</strong></td>
<td><strong>39,421,327</strong></td>
<td><strong>194,948,970</strong></td>
<td><strong>307,034,542</strong></td>
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<tr>
<td>Expenses</td>
<td></td>
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<tr>
<td><strong>Direct project expenses, allocable to:</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Natural Protected Areas Conservation Program</td>
<td>48,766,675</td>
<td>-</td>
<td>48,766,675</td>
<td>40,867,771</td>
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<tr>
<td>Forests and Watersheds Conservation Program</td>
<td>20,026,328</td>
<td>-</td>
<td>20,026,328</td>
<td>17,640,307</td>
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<tr>
<td>Cross-cutting, Special and In-development Projects</td>
<td>55,236,754</td>
<td>-</td>
<td>55,236,754</td>
<td>68,400,710</td>
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<td><strong>Total</strong></td>
<td><strong>139,980,166</strong></td>
<td>-</td>
<td><strong>139,980,166</strong></td>
<td><strong>142,601,510</strong></td>
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<td><strong>Operational expenses, allocable to:</strong></td>
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<tr>
<td>Natural Protected Areas Conservation Program</td>
<td>12,438,461</td>
<td>-</td>
<td>12,438,461</td>
<td>13,128,510</td>
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<td>Forests and Watersheds Conservation Program</td>
<td>16,765,441</td>
<td>-</td>
<td>16,765,441</td>
<td>19,440,586</td>
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<td>Marine and Coastal Conservation Program</td>
<td>5,042,166</td>
<td>-</td>
<td>5,042,166</td>
<td>5,965,682</td>
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<td>Cross-cutting, Special and In-development Projects</td>
<td>9,032,141</td>
<td>-</td>
<td>9,032,141</td>
<td>5,647,658</td>
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<td>Communications and Development expenses</td>
<td>5,305,084</td>
<td>-</td>
<td>5,305,084</td>
<td>2,183,007</td>
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<td>Indirect costs</td>
<td>15,255,730</td>
<td>-</td>
<td>15,255,730</td>
<td>15,986,693</td>
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<tr>
<td>Depreciation of property, furniture and equipment</td>
<td>718,566</td>
<td>-</td>
<td>718,566</td>
<td>866,868</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>64,557,589</strong></td>
<td>-</td>
<td><strong>64,557,589</strong></td>
<td><strong>63,219,004</strong></td>
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<td><strong>Administration expenses, allocable to:</strong></td>
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<tr>
<td>Indirect costs</td>
<td>6,729,102</td>
<td>-</td>
<td>6,729,102</td>
<td>6,456,017</td>
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<td><strong>Total</strong></td>
<td><strong>71,286,691</strong></td>
<td>-</td>
<td><strong>71,286,691</strong></td>
<td><strong>69,675,021</strong></td>
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<tr>
<td>Other disposal expenses and disbursements</td>
<td>445,488</td>
<td>-</td>
<td>445,488</td>
<td>84,642</td>
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<td>Bank commissions</td>
<td>112,028</td>
<td>-</td>
<td>112,028</td>
<td>309,799</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>557,516</strong></td>
<td>-</td>
<td><strong>557,516</strong></td>
<td><strong>394,441</strong></td>
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<td><strong>Comprehensive result of unrestricted financing:</strong></td>
<td></td>
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<tr>
<td>Unrealized (loss) gain on financial instruments</td>
<td>(164,604,151)</td>
<td>-</td>
<td>(164,604,151)</td>
<td>75,956,120</td>
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<tr>
<td>Foreign currency (loss) gain – net</td>
<td>(20,460,251)</td>
<td>-</td>
<td>(20,460,251)</td>
<td>(40,569,460)</td>
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<td><strong>Total</strong></td>
<td><strong>(185,064,402)</strong></td>
<td>-</td>
<td><strong>(185,064,402)</strong></td>
<td><strong>35,386,660</strong></td>
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<tr>
<td>Result of activities before income taxes</td>
<td>(241,361,132)</td>
<td>39,421,327</td>
<td>(201,939,805)</td>
<td>129,750,230</td>
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<td>Income tax</td>
<td>56,818</td>
<td>-</td>
<td>56,818</td>
<td>115,341</td>
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<td>Result of activities at end of year</td>
<td>(241,417,950)</td>
<td>39,421,327</td>
<td>(201,996,623)</td>
<td>129,634,889</td>
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</table>
CUMULATIVE PROJECT SUPERVISION AND OPERATIONS EXPENSES VS. RESOURCES CHANNELED TO THE FIELD, 1994–2018
CAPITALIZATION VS. RESOURCES SPENT, 1994–2018
HISTORICAL PROGRAM FUNDING
THROUGH DECEMBER 2018 (MILLIONS OF MEXICAN PESOS)
ACCrued CAPITALIZATION BY DONOR
through December 2018 (Millions of Dollars)

<table>
<thead>
<tr>
<th>PHASE I</th>
<th>PHASE II</th>
<th>PHASE III</th>
</tr>
</thead>
<tbody>
<tr>
<td>GLOBAL ENVIRONMENT FACILITY (GEF)</td>
<td>MEXICAN FEDERAL GOVERNMENT</td>
<td>UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)</td>
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<tr>
<td>58.46</td>
<td>20.00</td>
<td>19.50</td>
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<td>13.75</td>
<td>16.80</td>
<td>4.38</td>
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<td>0.25</td>
<td>1.75</td>
<td>3.00</td>
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<tr>
<td>1.35</td>
<td>0.25</td>
<td>1.75</td>
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<td>OTHERS</td>
<td>GOVERNMENT OF THE STATE OF MICHOACÁN</td>
<td>THE SUMMIT CHARITABLE FOUNDATION</td>
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<tr>
<td>5.41</td>
<td>0.25</td>
<td>1.75</td>
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<tr>
<td>TOTAL</td>
<td></td>
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Annual Report 2018 FMCN
FANP FINANCING BY YEAR
THROUGH DECEMBER 2018 (MILLIONS OF DOLLARS)