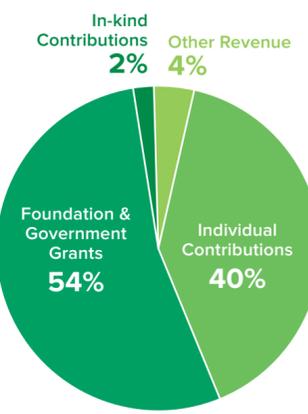


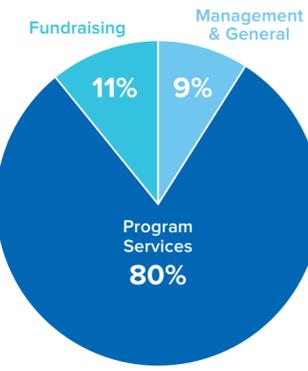
Schooling yellow-mask surgeonfish (*Acanthurus mata*)  
Photo by Jeff Yonover

# 2011 FINANCIAL STATEMENT

## SOURCES OF REVENUE



## EXPENDITURES



## STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2011

### SUPPORT AND REVENUE

Individual Contributions	\$446,073
Foundation & Government Grants	\$594,906
In-kind Contributions	\$22,713
Other Revenue	\$44,104
<b>Total Support &amp; Revenue</b>	<b>\$1,107,796</b>

### EXPENSES

Program Services	\$1,240,561
Fundraising	\$167,771
Management & General	\$139,031
<b>Total Expenses</b>	<b>\$1,547,363</b>

## THANK YOU!

Despite a continued challenging economic climate and changes in leadership during the last fiscal year, CORAL was committed to forging ahead with our critical conservation initiatives. We simply could not scale back our efforts as threats to our planet's coral reefs continue to grow.

And thanks to the thousands of individual donors, foundations, corporations, and government agencies who joined together to financially support our organization and our mission of uniting communities to save coral reefs, we did just that. We are grateful to all of you for your generosity and are honored to recognize some of you on the enclosed list.

We would also like to extend a special thank you to our partners, volunteers, Reef Leaders, photographers, and former staff and board—far too numerous to list—who have generously donated their time and expertise over the last year. CORAL would not be the global force for coral reef conservation without you.

**CORAL**  
THE CORAL REEF ALLIANCE

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# THE CORAL REEF ALLIANCE

## 2011 ANNUAL REPORT

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**CORAL** Uniting Communities to Save Coral Reefs



# CORAL CURRENT

## 2011 ANNUAL REPORT EDITION

## From the Executive Director and Board Chair



Michael Webster, Executive Director



H. William Jesse, Jr., Board Chair

We are delighted to kick off the first quarter of 2012 with this special annual report edition of *CORAL Current*. This new, versatile format allows us to share our 2011 accomplishments in a more timely manner and saves resources. By combining our annual report and winter newsletter, we are reducing our environmental footprint and directing even more funding to the critical conservation work underway in our project sites. We hope you enjoy it!

This special report shares stories of progress and transformation from this past year. You will learn how CORAL is boosting the health of coral reef ecosystems and the communities that depend on them through the Coral Reef Sustainable Destination approach: fostering conservation alliances, developing sustainable financing, implementing effective management, reducing local reef threats, creating community benefits, and promoting environmentally-friendly business practices. You will also see how CORAL's team of experts and trained volunteers engage and nurture community leadership to bring about positive change for coral reefs.

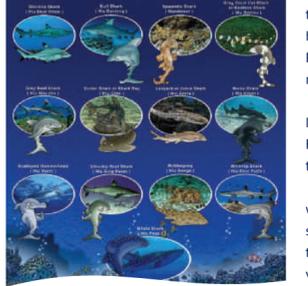
Overall, 2011 was an important year for CORAL, with the introduction of new initiatives like our global reef resilience program, shark sanctuary work, and Coral Reef CSI. This year is shaping up to be just as promising. We are refining our field programs to be even more strategic and measurable, exploring new ways to align social and economic incentives with reef health, and expanding our regional presence and impact in the countries where we work.

We recognize that none of our critical work would be possible without the generosity of donors like you. So, thank you for being an integral part of our community. Together, we are making a lasting difference for the future of coral reefs and the communities that depend on them.

# 2011 SPECIAL PROJECTS

Over the last year, CORAL has had the opportunity to lead several important projects that supplement our ongoing Coral Reef Sustainable Destination (CRSD) work. These exciting initiatives expand our reach both programmatically and geographically.

## SHARK SANCTUARIES



If you think sharks are scary, try imagining a world without them—it's much scarier! Sharks help to regulate coral reef ecosystems and maintain their high biodiversity. Losing them can have unintended and far reaching responses that ultimately end in degraded, algae-dominated reefs.

Unfortunately, this scary scenario is becoming a reality. Intense commercial fishing, driven largely by the lucrative market for shark fins, has caused a drastic decline in shark populations—and coral reef health—worldwide. In response, CORAL launched two campaigns in 2011 to protect sharks in the Indo-Pacific. These campaigns are helping sharks now, and also cementing alliances that will help to protect reefs far into the future.

CORAL is working with the Pew Environment Group and the Fijian Ministry of Fisheries to advance legislation for a Fijian National Shark Sanctuary. Legal protection for sharks will need support from Fijians across the nation to be effective, so we have spent the past year securing endorsements from traditional leaders and developing wide-reaching media and education campaigns.

We are also bringing communities together to protect sharks in Indonesia's Raja Ampat archipelago, where the unmonitored harvest of sharks is a pervasive concern because of the area's remoteness. With support from the Save Our Seas Foundation, CORAL has been building awareness about the problem through a multi-faceted outreach campaign. We have developed informative outreach materials, trained village teachers to educate their students about the importance of sharks and coral reefs, and begun working directly with Indonesia's youth to encourage the next generation of shark stewards.

## CORAL REEF CSI



Photo courtesy of Dave Gulko

While developing environmentally-friendly laws is an important part of coral reef conservation, these laws are only effective when they are observed and adequately enforced. But when crimes take place beneath the waves, evidence collection and prosecution becomes particularly challenging.

As the new home of the Coral Reef CSI program, CORAL is putting some teeth into the laws that protect coral reefs. This innovative program gives participants—now numbering over 350—the necessary skills and tools to gather courtroom-worthy underwater evidence that will maximize the success of prosecution, negotiation, and mitigation. The rigorous weeklong Coral Reef CSI workshops provide practical, hands-on training in forensic techniques applicable to vessel groundings, destructive fishing, illegal extraction, and other human impacts that threaten coral reefs.

Since Coral Reef CSI joined CORAL in February 2011, its scope has expanded to include a new workshop module that addresses the illegal marine wildlife trade, which we piloted at a workshop in Thailand. Modules on marine aquatic contaminants and sea turtle field forensics are also in the works.

Expanding law enforcement through the Coral Reef CSI program is an exciting opportunity for bolstering our efforts to reduce threats to coral reefs around the world.

## REEF RESILIENCE TRAININGS



As a small organization with a big mission, CORAL is adept at magnifying the impact of our work. The Reef Resilience to climate change program we launched in 2011 is a prime example—we have now trained coral reef conservation leaders from around the world to become reef resilience trainers themselves, replicating our workshop for colleagues in their home countries.

Our "train-the-trainers" program is quickly building a global network of professionals who understand how to bolster reef resilience to climate change. Moreover, we are empowering participants to turn their knowledge into conservation action by providing microgrants for local projects that incorporate the training material.

After our first successful training of reef managers from the Indo-Pacific and Red Sea regions, CORAL broke new ground for our training in the Caribbean when we targeted marine recreation providers. Since these professionals visit the reefs daily, they are more likely to detect subtle changes and can serve as important sentinels for climate change on reef systems. Our training ensures that they know how to recognize changes from climate change, such as bleaching or brightening of coral, and then communicate this information to managers who can quickly respond.

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Editor: Susan Wolf  
Designer: Damien Scogin (ds4@mac.com)  
Contributing Authors: Sarah Freiermuth, Joanta Solins,  
and Susan Wolf

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# CORAL'S APPROACH

Using the six strategic indicators of our Coral Reef Sustainable Destination model, outlined in the following stories, CORAL is creating programs and infrastructure that improve sustainability across our project sites.

# 2011 CONSERVATION PROGRAM HIGHLIGHTS

## CONSERVATION ALLIANCES

It's no secret that coral reefs are a source of fascination for students of all ages and often inspire young environmentalists to pursue careers in conservation. So, when CORAL was asked to participate in "Conservation Matters," an innovative classroom program that highlights real-world conservation initiatives, we naturally jumped at the opportunity. CORAL was selected from a group of organizations benefiting from the SeaWorld & Busch Gardens Conservation Fund—a program that has granted more than \$8 million to protect wildlife and wild places. As a project partner, we were asked to share conservation stories and photos with an exceptional group of fourth and fifth grade students at Cahoon

Elementary School in Tampa, Florida. Students explored different biomes while learning about conservation projects like CORAL's mangrove reforestation workshops and lionfish reduction efforts in Belize.

The Conservation Matters pilot program was deemed a huge success. Now in its second



Students participating in the Conservation Matters program  
Photo courtesy of Shellie Kalmore

year, the program is finding new ways to challenge students to find solutions for some of our world's greatest conservation challenges. "Our goal is to immerse our students in global biome studies so that they will become aware of the importance of their role in making a positive impact worldwide," said the school's principal, Joanne Griffiths.

Shellie Kalmore, education manager for Busch Gardens, is excited to work with partners like CORAL to help energize a new generation of problem solvers. "The program lets kids know they have a voice and can make a real difference."

### Other examples of CORAL's conservation alliance efforts

+ CORAL's partnership with the National Museum of Crime & Punishment in Washington, D.C., to showcase the Coral Reef CSI program as part of the *Crimes Against Sea Life* exhibit

+ CORAL's collaboration with the Hol Chan Marine Reserve and the San Pedro Tour Guide Association to host the first-ever lionfish tournament in San Pedro, Belize

## SUSTAINABLE FINANCING

Ocean lovers from around the world flock to Indonesia to explore its magnificent coral reefs. As home to more than seventy-five percent of the world's known coral species, this region of the world, known as the Coral Triangle, is arguably the epicenter for global marine biodiversity.

While marine recreation is a boon to the local economy, there is limited effort to manage tourism, fishing, and other human-related impacts to the local reef system. The eastern Bali community of Amed is no exception. This blossoming marine tourism destination is in serious need of targeted coral reef management efforts.

In response, CORAL is spearheading the development of a user-fee system in Amed

that would secure sustainable financing for the management and conservation of its locally-managed marine area (LMMA). Luckily CORAL is well adept at designing effective and transparent user-fee programs from our experience working in Fiji's Namena Marine Reserve, Honduras' Roatan Marine Park, and Indonesia's Raja Ampat community. While these programs continue to thrive and bring tangible benefits to their communities, they could not have been successful without initial buy-in from local residents.

CORAL is taking a similar approach in Amed by working with LMMA management staff and local marine tourism operators to assess how the user-fee would be perceived by tourists, while at the same time building

community support for the program. We developed a "willingness to pay" survey and enlisted several local university students to conduct interviews with tourists at dive shops in the region. From a pool of over 100 respondents, the majority of those polled indicated that they were happy and willing to pay a fee in order to help conserve the local reef system. The surveys also provided important feedback about the preferred fee amount and what specific conservation activities tourists would most like to see their fee used for.

With this helpful data, we are well on our way toward designing a sustainable LMMA that is financed by the local tourism industry.

### Other examples of CORAL's sustainable financing efforts

+ CORAL's partnership with the Big Island Reef Fund to produce and sell conservation-focused bag tags on Hawaii Island; proceeds are used to develop coral reef educational materials and provide stipends for local Reef Leaders

+ CORAL's work on the Namena Marine Reserve user-fee system, which helps to fund the continued protection of the reserve, while also supporting community improvement projects in Fiji

## THREAT REDUCTION

In March of 2011, Mexican President Felipe Calderón announced official plans to drive an additional twenty-five million tourists to Mexico over the next seven years. As one of the country's most important tourism draws, the Mesoamerican Barrier Reef will face significant impacts from this edict—especially because tourism is already cited as one of the top contributors to poor reef health in the area. Ironically, the push to expand tourism could degrade the very attraction that tourists come to experience.

To prevent that undesirable outcome, CORAL has stepped up our efforts with the Mesoamerican Reef Tourism Initiative (MARTI). Since 2006, the MARTI partners have been working directly with tourism stakeholders, including marine recreation providers, cruise lines, and hotels, to reduce their impacts on the marine environment. CORAL, a founding member of MARTI, has been central to these efforts,

spearheading the initiative's work to promote sustainable marine recreation practices. In 2011, CORAL assumed a more extensive leadership role as the secretariat of MARTI's steering committee for the next two years.

With CORAL's support, MARTI achieved two major milestones this past year: appointing a diverse and talented board of advisors and hiring its first director general, Thomas Meller. Thomas is in charge of coordinating all partner efforts and identifying creative new opportunities to engage the tourism industry.

"In five years, MARTI has become the most important sustainable tourism initiative in the Mesoamerican Reef region," says Thomas. "I look forward to integrating the individual strengths and expertise of our six partners to build an even stronger initiative that will achieve our vision—transforming tourism into a force for biodiversity conservation and sustainable community development."

### Other examples of CORAL's threat reduction efforts

+ Our engagement with the cruise ship industry in Roatan, where we have trained all cruise tour operators on sustainable marine recreation practices

+ Our hotel outreach in Hawaii to reduce the industry's environmental footprint on neighboring coral reef ecosystems

## EFFECTIVE MANAGEMENT

Located off the island of Roatan in the Bay Islands of Honduras, Cordelia Banks is home to one of the largest remaining stands of endangered staghorn coral (*Acropora cervicornis*) in the greater Caribbean. This recently discovered reef has exceptionally high live coral cover—more than four times the average for the Mesoamerican Barrier Reef. Its dense, healthy corals provide habitat for numerous species, including grouper and the Caribbean reef shark, and may be a critical source of coral spawn that could allow staghorn coral to repopulate other reef communities in the region.

"Here there are signs and reasons for hope," says renowned oceanographer Dr. Sylvia Earle. "Cordelia Banks is one of the best places I have seen, even counting fifty years ago: an amazing stand—acres—of staghorn coral that is essentially gone from most of the Caribbean."

Now, CORAL is striving to protect this ecological treasure by demonstrating Cordelia's importance as an "area of special concern" to influential individuals and advancing key conservation initiatives so that protection of this endangered reef ecosystem is fully realized.

Well-managed marine protected areas (MPAs) offer the best line of defense against the intense fishing and increased ship traffic threatening Cordelia, so our goal is to ensure that the entirety of Cordelia Banks is included within the Bay Islands MPA Network.



Staghorn coral colony at Cordelia Banks  
Photo courtesy of Ian Drysdale

### Other examples of CORAL's effective management efforts

+ The formation of the Kubulau Business Development Committee to act as an advisory council for deciding how best to acquire and invest funds in support of Fiji's Namena Marine Reserve

+ Our Caribbean reef resilience training for marine recreation providers who are assisting resource managers in supervising and protecting key marine areas

## SUSTAINABLE BUSINESS PRACTICES

Ensuring that guests are educated about proper reef etiquette and safety is a priority for Captain Nick Craig. Nick's company specializes in snorkel, scuba, and wildlife cruises on the Kohala Coast of Hawaii Island and is thankful to have CORAL's educational flip books to teach clients about the importance of reef stewardship.

"We try hard to give our guests an appreciation for the reef environment and the CORAL flip books are a great introduction for doing this," said Nick. "When we use them on our boat trips, we can really convey the wonders of our Hawaiian water world."

Nick's company is one of several local marine recreation providers committed

to following the West Hawaii Voluntary Standards for Marine Tourism, a collaborative initiative spearheaded by CORAL and the local community to establish guidelines for business practices that minimize impacts to the reefs of West Hawaii. CORAL helps these businesses implement the standards by developing and disseminating educational tools, such as our flip books, and offering specialized training to help companies communicate the importance of good environmental behavior to their clients.

Nick and his team have found multiple uses for the flip books. "All of our crew love using the books for their story-telling presentations and the pictures are superb,"

he said. "The kids especially love to go through the booklets with us to find their favorite fish."



Crew member Delilah Peters uses CORAL's flip book with guests  
Photo courtesy of Nick Craig

### Other examples of CORAL's sustainable business practice efforts

+ CORAL's "Secret Shopper" program of anonymous divers who volunteer to collect third-party verification of sustainable business operations of marine tourism businesses in our project sites

+ CORAL's Environmental Walk-Through program, which provides companies in Mesoamerica with comprehensive environmental performance assessments

## BENEFIT SHARING

From the world's largest beetles to the elusive Fiji petrel and the newly-discovered Nai'a pipefish, the Kubulau District and the broader Vatu-i-Ra Seascape region of Fiji host some of the world's most extraordinary species. This area's many ecosystems hold an exceptional amount of biodiversity and a high number of rare and endemic species. These animals are not only ecologically important, but also culturally significant, as the people of Kubulau have deep ties to their natural environment.

Concerned that his people were losing some of their traditional stories and knowledge, Kubulau's high chief, Ratu Apenisa Vuki, sought a way to record and showcase this information. CORAL partnered with the Wildlife Conservation Society (WCS) to make his vision

a reality and ensure that the project would bring valuable benefits back to the community. "This project is vital right now," states Ratu Apenisa Vuki. "It is important to document the existing traditional narratives of our people and our ancestors before they are gone forever."

CORAL and WCS interviewed community elders to gather their stories about the area's species and how they have traditionally been used for medicine, decorative arts, building materials, food, and totem spirits. We also researched scientific and conservation information about many of the region's most fascinating plants and animals.

This extensive project culminated in the production of a beautiful guidebook, *Ecotales from Kubulau: A Guide to the Cultural and Natural Heritage of the Vatu-i-Ra Seascape*.

Not only does the guidebook preserve traditional information for the community and encourage younger generations to continue future conservation practices, but it also shares the richness of Kubulau's traditions and ecology with the world. Plus, funds generated from book sales will support ongoing conservation and management of the Namena Marine Reserve.

"I would like express my deepest gratitude to two organizations, the Coral Reef Alliance and the Wildlife Conservation Society, for the work they carried out in documenting some of the traditional stories of Kubulau," writes Ratu Apenisa Vuki in the forward to the guide. "In this way, our knowledge and stories will persist, even when my generation has passed from this earth."

### Other examples of CORAL's benefit sharing efforts

+ A reef resilience replication training in the Red Sea region that afforded an underserved population of women the chance to have more of a leadership role in their community

+ A mangrove planting event for students in San Pedro to educate youth about the importance of mangroves and the tangible benefits of restoration