2020: A YEAR WE WOULD ALL LIKE TO PUT FAST BEHIND US

The global COVID-19 pandemic interrupted our conventional way of doing business and upended the way we approached our work and conducted our research in the field. In early March of 2020, we were unsure whether we would be able to continue work on many of our projects, and even more unsure of how we would continue to train and educate our partners and stakeholders on the ground. And yet, like many other organizations in 2020, we adapted.

Thanks to the flexibility of our generous donors, and the willingness of our partners and stakeholders to test new methods, we were able to transform our work and adapt to the new and rapidly changing landscape. As a result, while 2020 may have presented us with numerous challenges, it also offered us the opportunity to embrace change.

At Conservation Strategy Fund, embracing change has meant finding new ways to reach our diverse network and offer support and guidance. In response to travel restrictions imposed by COVID-19, we hosted our two-week international economics and finance course virtually for the first time. By making the course more accessible to participants working remotely from all over the world, we were able to lower the cost of tuition, extend more scholarships, and enroll more participants than ever before.

However, organizations were not the only ones adapting and changing. What struck me the most about 2020, and the response to the pandemic in general, was how quickly people from around the world reacted, and how swiftly individuals moved to change their behavior. I was astounded to see a great number of people wearing masks and standing six feet apart, and the significant decrease in traffic on the normally very congested roads of Washington, D.C.

As a society, we have struggled to catalyze similar behavioral changes with respect to climate change. But if the pandemic offers any glimpse of hope for our future, it is that the actions of the individual have the power to realize change in the larger population. At CSF, we use economics to direct human behavior and decision making toward positive outcomes for nature and people. We know that quantifying the value of natural capital and biodiversity has made and will continue to make a strong case for the environment. Yet, many people still struggle to understand how their individual actions contribute to the problem of climate change, and more importantly, how their individual behavior can help address the issue.

The global pandemic is unique in that the impact of the actions of individuals on others is significant, and possibly greater than the effect on themselves. But the collective action at the individual level gives me hope. Hope that we can address the most pressing existential crisis in history and ensure a healthy and verdant world for future generations. And hope that CSF can continue to use economics to raise awareness of the impact not just of big policy decisions, but of the individual actions we need to affect large-scale change.

Scott Edwards
Executive Director
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OUR MISSION IS TO USE ECONOMICS TO BENEFIT PEOPLE AND NATURE.

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About Conservation Strategy Fund

Conservation Strategy Fund (CSF) is a global conservation organization that brings economics to professionals working at the forefront of conservation and development so they can make better decisions for people and nature.

CSF has conducted work in more than **30 countries**, and influenced more than **$21 billion** in development investments, resulting in the conservation of **50 million** acres worldwide.

Our training programs have reached more than **3,200 people** from **90 countries** with **75 fellows** across Latin America, Indonesia, and the Pacific.

**OUR VISION**
We envision a world where policy and human behavior incorporate the understanding that economic development and the conservation of our limited natural resources are possible together.

**WHAT MAKES CSF UNIQUE?**
Our country teams provide strategic advice to our partners through economic analysis, capacity building, and technical assistance to identify and catalyze solutions to environmental challenges.

**ANALYSIS**
We deliver robust, timely analysis that balances conservation and development outcomes.

**TRAINING**
We educate conservationists and decision makers on how to use economics to be more effective in their work.

**COMMUNICATING RESULTS AND RECOMMENDATIONS**
In consultation with our partners and stakeholders, we help communicate results and recommendations to key decision makers and resource-users, with the intent to achieve better conservation and development outcomes.
TRANSFORMING OUR WORK IN RESPONSE TO COVID-19

A YEAR OF OUTREACH ONLINE

In 2020, our staff in Bolivia, Brazil, Peru, and Indonesia found different ways to communicate the insights of our economic analyses to key decision makers, while also continuing to implement training programs in the field. By identifying new platforms to connect with local and global networks, we were able to make our work and recommendations accessible during the pandemic.

After completing our landmark analysis — A Better Amazon Road Network — on the impact of 75 planned road projects in the Amazon, CSF and its partners found that roughly half of these projects would cost more to build and maintain than the benefits they would generate. To communicate these important findings during the pandemic, our staff in Bolivia and Brazil organized a webinar series tailored to diverse audiences across the Amazon region. By hosting our webinars in Spanish, Portuguese, and English, we were able to share our results and recommendations with key stakeholders, as well as with non-governmental organizations and financial institutions, including the World Bank’s Amazon Sustainable Landscapes Program and the Inter-American Development Bank. To learn more about our analysis and results, please read the full story on page 7.

In Indonesia, strict stay-at-home orders meant that our staff had to suspend all fieldwork and cancel our in-person workshops and trainings. As a result, the team used virtual platforms, such as Youtube Live, Skype, and Zoom, to convene with our partners in the field and continue diverse training initiatives, including the Green Sintang Initiative, the National Seminar on Research and Policy in Fisheries and Socio-Economics, and the Marine Fellowship Program. In total, CSF Indonesia hosted 15 webinars, interactive panelist discussions, and training sessions, building broader support for sustainable initiatives and policies all across Indonesia.

COVID-19 presented an unprecedented challenge to all of us, personally and professionally. At CSF, responding to the pandemic meant temporarily pausing field work and suspending our in-person trainings and fellowships to ensure the safety of our staff and partners. Fortunately, with the hard work and ingenuity of our staff and all of our collaborators, we were able to find creative ways to continue our critical work amidst the backdrop of the global pandemic. One way we adapted to these challenges was to increase our digital outreach through virtual training courses, workshops, and webinars. By meeting people wherever they were, we were able to extend our reach and continue to equip conservation leaders with the information and tools they need to be successful.
OUR ANNUAL INTERNATIONAL COURSE GOES VIRTUAL

For more than 20 years, our annual international course has been regarded as the premier training event in economics for environmental professionals from all over the world. Our two-week in-person course in economics and finance educates participants on how to use economic concepts and tools in their work to make a lasting difference in their home countries. In response to COVID-19, our training team worked tirelessly to transition our 2020 course, *Economics and Finance for Environmental Leadership*, into a virtual and online format across 18 different time zones. With 57 participants from 29 countries and 38 organizations, the 2020 course was our largest cohort yet. Not only were we able to enroll more professionals from more places, but we were also able to extend even more scholarships to course participants.

“I’ve already received requests from six countries to support their assessment of forest landscape restoration opportunities. One of the key deliverables is financial and economic analysis for restoration options. Because of this course, I will be able to help perform this task better.”

— Charles Karangwa  
Regional Technical Coordinator  
International Union for Conservation of Nature (East and Southern Africa)  
Based in Rwanda

ADAPTING AN ANALYSIS IN RESPONSE TO COVID-19

COVID-19 not only changed how we communicated the results of our analyses, but also how we conducted our analyses in the field. In coordination with the United Nations Development Programme (UNDP), CSF was in the process of developing economic tools and incentives to reduce the ecological impacts of artisanal and small-scale gold mining (ASM) in Ecuador when the pandemic prevented us from making in-person site visits. In response, our team worked with local networks to contact more than 70 ASM gold miners. As many of these miners were working illegally, our team had to make more than 400 phone calls, many of which went unanswered. Although it was hard to gain the trust of many of these miners, we were still able to collect essential data and create a database of contacts that will serve as a valuable reference for future research. Despite these setbacks, we were able to estimate the economic effects of changing key processes in the supply chain to reduce mercury emissions, while still focusing on the costs and benefits for the gold miners, the processing plants, and the national government.

To learn more, read our 2020 course report here.
Providing Smart Analysis for Environmental Solutions

Conducting smart, timely analysis is just one way CSF continues to demonstrate that conservation and development can beneficially coexist. By revealing the true tradeoffs of development, demonstrating the inherent value of nature, and generating financially viable and environmentally friendly solutions, we use our economic analysis to identify alternatives and inform others of the best possible development outcomes. In 2020, this meant working on a broad set of policy issues, including the valuation of ecosystem services, incentives for sustainable land use, the beneficial relationship between protected areas and local economies, and tourism fees as a potential funding mechanism for future conservation projects. In 2020, CSF conducted 22 different analyses, providing essential information on how to make better-informed decisions surrounding the conservation of our limited natural resources.
A LANDMARK ANALYSIS ON AMAZON ROADS

In partnership with the Amazon Environmental Research Institute (IPAM) and the Foundation for Conservation and Sustainable Development (FCSD), CSF completed the study, *A Better Amazon Road Network*, analyzing the economic, environmental, and social impact of 75 planned road projects in the Amazon. Published in the journal *Proceedings of the National Academy of Sciences of the United States of America* (PNAS), our study found that roughly half of the planned road projects would cost more to build and maintain than the benefits they would generate. If completed, these roads would require a total investment of 27 billion USD and result in the deforestation of 2.4 million hectares over the next 20 years. Our analysis found that selecting a smaller subset of carefully chosen roads could deliver 77% of the economic benefits at 10% of the socio-environmental cost. By cancelling the economically unjustifiable road projects, the national governments could prevent 1.1 million hectares of deforestation, and avoid 7.6 billion USD in wasted funding for ill-planned development projects.

Safeguarding Water for Three Mexican Cities

In partnership with the German Corporation for International Cooperation GmbH (GIZ), CSF provided technical support on how to integrate ecosystem service values into urban planning for three Mexican cities: Morelia, León and Mérida. Currently, all three cities are facing environmental challenges related to water scarcity, soil erosion, flooding, unplanned urban expansion, and land-use change. To address these issues, CSF worked with the municipalities and provided critical information on the economic value of the surrounding protected areas and their essential ecosystem services.

In Morelia, CSF looked at introducing a fee for water use. Using this model, city residents will pay a voluntary fee for water use that will contribute to conservation and restoration efforts in nearby watersheds.

In León, CSF developed both a fee for water use and a fee for vehicle emissions. Both the water fee and the vehicle-emissions fee will go towards measures to conserve nearby forest coverage that can help reduce air pollution.

In Mérida, CSF helped design a financial mechanism for forest compensation. Using this model, the city will charge developers a fee based on the potential site’s environmental value, and the impact of development.
Improving Community Livelihoods Through Conservation Finance

CSF’s theory of change starts by identifying, training, or partnering with leaders and change agents to influence conservation initiatives from the community level to broad national scales. By collaborating with professionals already working at the forefront of conservation and sustainability issues and equipping them with the right economic research, training, or technical assistance, we believe that we can increase economic literacy and create a global network of changemakers. In 2020, CSF reached out to our global network to bolster conservation projects that focus on community. With the identification of funding models for conservation that are sustainable and community-based, we believe we can help achieve lasting conservation and improve community livelihoods.
Community-led sustainable livelihood initiatives can be a means for Indigenous and local communities to invest in natural resource management and the stewardship of lands for future generations. As part of our growing work in this area, CSF prepared a report for The Nature Conservancy on community-focused enterprises and investments that support economic livelihoods, human wellbeing, and environmental outcomes. The report, “Evaluation of Community-Focused Enterprises that Support Sustainable Livelihoods in Partnership with Indigenous Peoples and Local Communities,” provided guidance on designing and financing new sustainable community livelihood models and strengthening existing models.

In March 2020, CSF launched Bolivia’s first environmental financing platform: Piensa Verde. Since its launch, Piensa Verde has elevated critical conservation issues nationwide through its targeted education and outreach efforts. By connecting private and corporate donors to causes they care about, Piensa Verde has already seen huge success in financing and supporting a diverse set of conservation projects. For example, to support national park rangers affected by the COVID-19 pandemic, Piensa Verde launched a national campaign that raised 83,000 Bs (12,000 USD) to support 223 park rangers in 22 national protected areas. The fundraising campaign helped cover the costs of medicine, disinfectant products, and biosecurity supplies for the park rangers. In addition, resources from the campaign allowed Piensa Verde to provide meals and equipment for 80 volunteer firefighters in the Santa Cruz region. Thanks to innovative ideas like these, Piensa Verde has been able to more effectively support community needs and conservation efforts at the same time.

Supporting Community-Focused Conservation

Community-led sustainable livelihood initiatives can be a means for Indigenous and local communities to invest in natural resource management and the stewardship of lands for future generations. As part of our growing work in this area, CSF prepared a report for The Nature Conservancy on community-focused enterprises and investments that support economic livelihoods, human wellbeing, and environmental outcomes. The report, “Evaluation of Community-Focused Enterprises that Support Sustainable Livelihoods in Partnership with Indigenous Peoples and Local Communities,” provided guidance on designing and financing new sustainable community livelihood models and strengthening existing models. Focusing on 12 enterprises from nine different countries, our study identified several key factors for the implementation of successful models, including: access to financial capital early on, supply-chain partnerships and access to buyers and markets, and continuous and comprehensive capacity building programs. These lessons and insights can help support communities in developing sustainable livelihood opportunities that provide income, protect their natural resources and allow them to thrive in place.
OUR SUPPORTERS

INSTITUTIONS

Alexander Foundation Inc.
AmazonSmile
Andes Amazon Fund
Asian Development Bank
BVRio
Conservation International Brazil
The Costa Rican Fisheries Federation
The David and Lucile Packard Foundation
Dry Creek Foundation
Environmental Defense Fund
German Corporation for International Cooperation GmbH
The John D. and Catherine T. MacArthur Foundation
JP Morgan Chase Workplace Giving Program
Margaret A. Cargill Philanthropies
Marvel S. Platoff Foundation
Namibia Nature Foundation
Natural Resources Defense Council
The Nature Conservancy
Network for Good
Pacific Islands Forum Fisheries Agency (FFA)
The Pew Charitable Trusts
Porticus
Resources Legacy Fund
The Robert W. Wilson Charitable Trust
The Swedish International Development Cooperation Agency
United Nations Development Programme
La Universidad Privada Boliviana Fundación Educativa
Wildlife Conservation Society
World Resources Institute
World Wildlife Fund

INDIVIDUALS

Lisa Anderson
Carol Andrews & John Reid
Keira Armstrong
Larry Band
Juliane Baron & Scott Edwards
Wendy Benchley
Frederick Cannon
Richard Caplin
Bryna Chang & Adolfo Chou
Barry Cogbill
Jeneva Craig
Kirk & Peggy Davenport
Donna De Santis
Adam Diamant
Amy Dickie
Katherine Ewel
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Nancy Martin
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Jennifer Morris
Helen & Ken Noble
Stephen Polasky
Susan Reid
Rodrigo Samayoa
Luis Sanchez
Dan Silaghi
Timothy Snowber
Mary & Terry Vogt
Dr. Mildford Waldroup
Statement of Activities

REVENUE AND SUPPORT

All values in USD

<table>
<thead>
<tr>
<th>Source</th>
<th>UNRESTRICTED</th>
<th>TEMPORARILY RESTRICTED</th>
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<td>Donations</td>
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<td>177,034</td>
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<td>Grants and awards</td>
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<td>893,380</td>
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<td>Tuition fees and other income</td>
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<td>Contracts</td>
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<td>795,276</td>
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<tr>
<td>Net assets released from restrictions</td>
<td>771,890</td>
<td>(771,890)</td>
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<tr>
<td>Field office awards</td>
<td>318,224</td>
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<td>318,224</td>
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<tr>
<td><strong>Total Revenue and Support</strong></td>
<td><strong>2,253,162</strong></td>
<td><strong>111,490</strong></td>
<td><strong>2,364,652</strong></td>
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EXPENSES

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<tr>
<td>Program services</td>
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<td>1,705,513</td>
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<tr>
<td>Management &amp; general</td>
<td>189,560</td>
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<td>189,560</td>
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<tr>
<td>Fundraising</td>
<td>23,570</td>
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<td><strong>Total Functional Expenses</strong></td>
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CHANGE IN NET ASSETS

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<th>TEMPORARILY RESTRICTED</th>
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<tbody>
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<td>Net Assets at beginning of year</td>
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<td>111,490</td>
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<td>Net Assets at End of Year</td>
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<td>1,481,860</td>
<td>2,341,224</td>
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<td><strong>Total Change in Net Assets</strong></td>
<td><strong>1,193,883</strong></td>
<td><strong>1,593,350</strong></td>
<td><strong>2,787,233</strong></td>
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</tbody>
</table>

Statement of Financial Position

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<thead>
<tr>
<th>Assets</th>
<th>Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; cash equivalents</td>
<td>Accrued expenses</td>
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<tr>
<td>2,259,589</td>
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<tr>
<td>Grants receivable</td>
<td>Payables</td>
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<td>450,280</td>
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<td>Contracts receivable</td>
<td>Deferred revenue</td>
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<td>335,540</td>
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<td>Pre-paid expenses</td>
<td>Total current liabilities</td>
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<tr>
<td>365,138</td>
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<tr>
<td>Total current assets</td>
<td>Long term liabilities</td>
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<td>3,410,547</td>
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<tr>
<td>Deposits</td>
<td></td>
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<tr>
<td>1,050</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>TOTAL LIABILITIES</strong></td>
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<td>3,411,597</td>
<td>624,364</td>
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</table>

Net Assets

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<th>Value</th>
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<tbody>
<tr>
<td>Unrestricted</td>
<td>1,193,883</td>
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<tr>
<td>Temporarily restricted</td>
<td>1,593,350</td>
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<td><strong>Total net assets</strong></td>
<td><strong>2,787,233</strong></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES &amp; NET ASSETS</strong></td>
<td><strong>3,411,597</strong></td>
</tr>
</tbody>
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Conservation Strategy Fund is a public charitable organization under the 501(c)(3) tax code.

This document reflects unaudited 2020 figures for activities undertaken by Conservation Strategy Fund, Conservacao Estrategica and Yayasan Strategi Konservasi.