

3829107438290478329047823907481932748902178493274892371894023 CONSERVATION STRATION FUND 7438102

2015

ANNUAL REPORT



One fine day in April 2015 a young man, tall, blond and sporting the crimson robes of a Masai tribesman, strode through the entrance of the Tarangire national park in Tanzania. He sat at a plastic table opposite a park employee and proceeded to answer a detailed questionnaire about his willingness to pay for entry to the park.

CSF-trained personnel from Tanzania National Parks, known as TANAPA, conducted more than 3,000 such interviews in the country's 16 national parks. Their goal: decide on new entry fees that would generate enough money to pay for the protection of the parks' wildlife, but not be so high as to discourage visitors from coming. To truly answer that kind of question, they needed to understand their customers, in all their glorious variety, from costumed Europeans to Tanzanian families from Dar es Salaam.

Led by TANAPA's Beatrice Kessy, a graduate of one of CSF's conservation economics courses in 2014, and our own economist Aaron Bruner, the study has given the park system's Director General the numbers he needs to introduce new fees. Our projections suggest that the system can generate an additional \$15 million every year for the protection of lions, elephants and a variety of other iconic and unique wildlife throughout the country. A decision on the new fee structure is imminent as of this writing.

Eight time zones away, CSF analysts Irene Burgués and David Campoverde were helping Panama's Environment Minister, Mirei Endara, safeguard the famous Darien Gap wilderness. This array of forests, mountains, wetlands and indigenous territories is the only roadless area stretching from the Atlantic to the Pacific. It was threatened by a powerline proposed to bring power from Colombia to Panama. We examined three alternative powerline routes and found one that is affordable and detours the Darien by running a stretch of the cable on the seafloor. In late 2015, Panama's President Juan Carlos Varela endorsed this route, putting world-class ecosystems out of harm's way.

Around the time of President Varela's decision, CSF was assembling a team with the Mexican federal park service and the German technical

cooperation agency (known by its German acronym, GiZ) to study the value of nature in four parks. The project is the first of its kind in Mexico. It will equip park managers with compelling evidence on the economic benefits of parks, giving them a new way to make the case for greater government investments in the natural gems that make up Mexico's park system. The research is being done on the unique Cabo Pulmo reefs in Baja California Sur, coral reefs and mangroves on the Caribbean island of Cozumel and the two great volcanoes that loom over Mexico City - Popocatepetl and Iztaccíhuatl.

Further north, CSF's California team launched a project to help the California Department of Fish and Wildlife ramp up their use of economic analysis. Our training team delivered a marine-focused course for agency staff and our analysts performed the first-ever study of the value of the state's red abalone fishery, with the surprising finding that it is one of the top three most valuable in the state. We found that this recreational fishery generates \$44 million in benefits annually for nearly 30,000 fishers and delivers an infusion of over \$25 million to coastal economies.



Background image right: Cabo Pulmo, Baja California Sur Mexico © Leonardo Gonzalez. Image above: Darien jungle, Colombia © Rafal Cichawa. Image above right: Masai warrior in Mikumi, Tanzania © Magdalena Paluchowska.



Economics video series reaches 156,000 views

We completed our four full video series. In 2016, they will be released in Spanish and Portuguese.

Our world-class training program once again conducted a dizzying array of courses, in California, Indonesia, Mexico, Micronesia, Namibia and Peru. And we completed four economics video series, which now have more than 156,000 views and are on their way to appearing in Spanish and Portuguese, with Indonesian, Russian and Chinese on our wish list!

On the training front, we especially want to congratulate a group of Mexican course graduates on delivering their second successful conservation economics training with mentoring from CSF. This consortium, representing the National Autonomous University of Mexico, the Mexican Fund for the Conservation of Nature, Environmental Defense Fund - Mexico, and several individual graduates, now has a five-year vision to roll out a package of CSF-guided economics training and analysis work.

In Brazil, CSF pressed forward with an innovative effort to deploy the new system of tradable “environmental reserve quotas.” It’s a sort of cap-and-trade system for habitat, part of the national forest law requiring that a certain amount of land be conserved in every major type of ecosystem. The law gives state governments the leeway to set up exchanges so that landowners with a habitat deficit can finance conservation on other properties. The idea can benefit

nature by: allowing states to prioritize ecologically important areas; saving more swaths of contiguous habitat; and saving conservation funds by protecting lower-cost areas. CSF found that in the coastal state of Bahia the trading system has tremendous potential to reduce the cost of protecting habitat, which we believe will improve compliance with the policy. And, we found that in most cases, the state can target important high-priority habitat for plants and wildlife without unduly raising the price tag. This year we will be working with the state to implement their system.

An account of 2015 would be incomplete without noting the conclusion of two highly successful partnerships with the US Agency for International Development (USAID). Through the Biodiversity Understanding in Infrastructure and Landscape Development program, CSF and USAID helped protect mountain gorillas, avoid impacts on Amazon indigenous territories, and create Peru’s policy for environmental compensation, among other accomplishments. We also trained dozens of key advocates for sustainable infrastructure and improved the environmental community’s overall ability to influence big development investments like roads and dams.

The second program was the Initiative for Conservation in the Andean Amazon, in which CSF, USAID and partners provided economics training for leading advocates from throughout the region, supported a portfolio of conservation research projects and deployed our Andes-Amazon Conservation Economics Research Fellows program. The Fellows program mentors the brightest young analysts in the region and produces policy-relevant research. The network of former Fellows now reaches into every corner of the tropical Andes.

This quick tour of our recent work exemplifies our sharpened focus on CSF’s four core environmental goals: strengthening protected areas; steering investment toward smarter infrastructure with larger benefits and lower impacts; conserving coastal marine ecosystems; and shifting economic incentives to encourage economically and ecologically thriving landscapes.

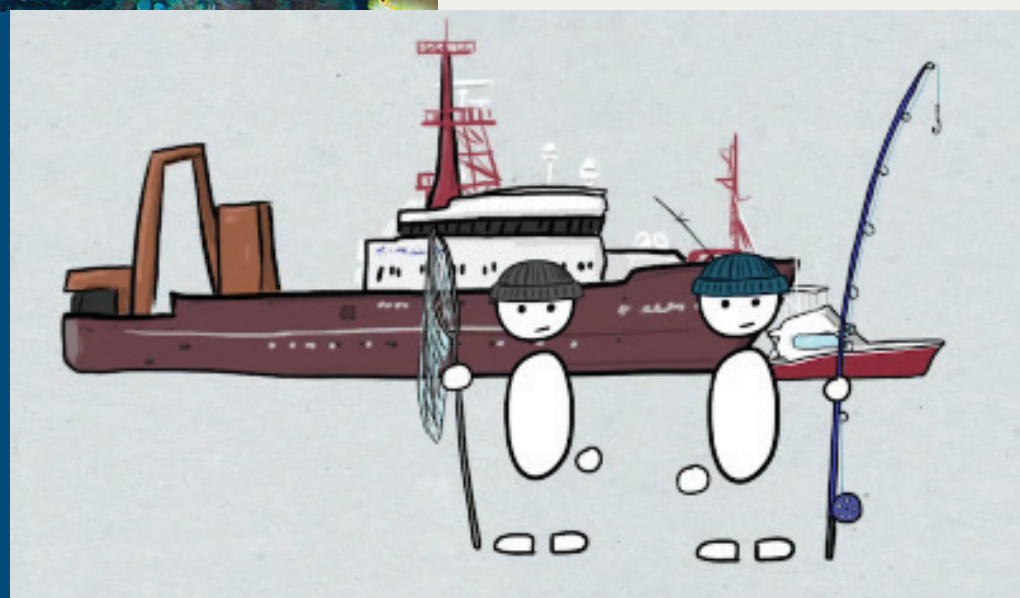


Image left: Coral reef in North Sulawesi, Indonesia © Ethan Daniels. Image above: Economics video still © CSF.

WHAT'S COMING IN 2016

As 2015 closed and the new year approached, CSF was asked to perform an emergency procedure - a three-week cost-benefit analysis of the proposed 1-million-hectare (2.5-million-acre) Yaguas National Park, an uninhabited river basin in Peru's Amazon. Proof that the park makes economic sense is required by Peruvian law. Long hours and excellent work by our analysts produced a robust case for the park, which has now been greenlighted by the national committee charged with recommending new protected areas. CSF will continue to actively support the park proposal as it still must be approved by the president's cabinet.

CSF is growing, and growing up. In early 2016 long-time conservationist Scott Edwards assumed the role of Executive Director, joining CSF Founder John Reid on CSF's leadership team. Scott will be opening CSF's first office in Washington, DC. We are also launching our first Indonesia office, where Dr. Mubariq Ahmad will be leading CSF's work. A deeply experienced economist and conservationist, Dr. Ahmad will spearhead a multi-year effort to conserve Indonesia's unparalleled reefs, rainforests and other ecosystems with the strategic application of economic knowledge. And, finally, we look forward to our first year delivering our flagship international Economic Tools for Conservation course with the University of California at Berkeley.

SUPPORTERS

Abacot Fund at the Community Foundation Sonoma County
Adam Diamant and Melissa Eizenberg
Andre Carothers
Anne Corcos and Mary Weinmann
Anonymous
Autoridad Nacional Del Ambiente (ANAM) de Panamá
Barbara Boylan
Bill and Shirley Andrews
Bob and Susan Leberman
Bob and Elissa Hambrecht
Brian Mellstrom
California Environmental Associates
Caribbean Coastal Area Management
Charles Knowles
Christopher McCaslin
Cornelia von Rittberg
David and Lucile Packard Foundation
Dawson Family Fund
Deb Schimmel
Deborah Moore and Adam Dawson
Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ)
Devaa Mitchell
Donald and Maureen Green Foundation
Donna De Santis
Buoymaster Fund
Edward Strohbehn
Ehud Dor
Elizabeth Schleichert
Ellen and Ronald Saxe-Karish
Fred Cannon and Jean Mitchell
Fundación Avina
Fundo Brasileiro para a Biodiversidade (FUNBIO)
Fundo Vale
George Ford and Karen Cook

Global Environment Fund (GEF)
Good Energies Foundation
Gordon and Betty Moore Foundation
Hansel Foundation
Harry and Dela Richardson
Institute of International Education
Inter-American Development Bank
International Resources Group (IRG)/Engility
Jacquelyn Humphrey
Jared Hardner
Jeffrey and Jacqueline Miller
Jeneva Craig
Jennifer Morris
John and Katherine Ewel
John D. and Catherine T. MacArthur Foundation
John Dawson
Jon Mellberg
Ken Noble
Kevin Bonine
Kinnie and Frederick Foote
Kirk and Peggy Davenport
Kris Hulvey
Lafcadio Cortesi and Jo Anne Welsch
Larry L. Hillblom Foundation
Lauren Jacobson
Lew and Mary Reid
Linda and Jim Colloran
Linwood Pendleton
Madeline Furey
Mandel Communications
Marc Stuart and Sheryl Gorchow-Stuart
Margaret A. Cargill Foundation
Marin Agricultural Land Trust
Maurice Zolkower
Mei Yin Wu
Michael Hayes
Mike and Sharon Marron
New Venture Fund

Organisation for Economic Cooperation and Development (OECD)
Phillip and Molly Neal
Phyllis Faber
Porticus Latin America
Quincey Tompkins-Imhoff and Dan Imhoff
Raja Kamal
Ralph Benson
Rare
Rebecca Patton
Resources Legacy Fund
Richard Caplin, MD
Rickshaw Bagworks
Ron and Nina Gilson
Ronald Karish
Rosa Brandt
Sam and Kim Jones-Scheibley
San Francisco Zoo Education and Conservation Program
Sergio Bobka
SNV - The Netherlands
Development Organisation - Bhutan
Sonoma County Agricultural Preservation and Open Space District
Mandel Communications
Susan Reid
Terry and Mary Vogt
The Knowles Fund
The Nature Conservancy
Tom Birdsall
Tom Maloney
Tricia Greaves Nelson
United States Agency for International Development
Wildlife Conservation Network

& MANY OTHERS!

BOARD OF DIRECTORS

Bob Hambrecht | BOARD CHAIR | US
Partner, *Allotrope Partners*

Terry Vogt | TREASURER | US-Brazil
Managing Director, *Terra Global Capital*

John Reid | SECRETARY | US
Founder and President

Jennifer Morris | US
Chief Operating Officer,
Conservation International

Linwood Pendleton | US
International Chair of Excellence,
AMURE/LABEX/IUEM

Marc Stuart | US
Founding Partner and CEO,
Allotrope Partners

Marcelo Araújo | BOARD CHAIR | Brazil
Research Director, Bahia State
Environmental Secretariat

Maria José Gontijo | Brazil
Executive Director, *International Institute for Education in Brazil*

Carlos Alberto Mesquita | Brazil
Atlantic Forest Director,
Conservation International

Eric Stoner | Brazil
Independent Environmental Services
Professional

Dr. Rusdian Lubis
ADVISORY BOARD CHAIR | **Indonesia**
Senior Lecturer, School of Business and Management, *Bandung Institute of Technology*

Dr. David Makes | Indonesia
Chairman, *Sustainable Management Group*
Chairman, *Association of Indonesia's Nature-based Tourism*

Prof. Dr. Tridoyo Kusumastanto | Indonesia
Faculty of Economics and Management,
Bogor Agricultural University

Prof. Dr. Hariadi Kartodihardjo
SUPERVISORY BOARD CHAIR | **Indonesia**
Faculty of Forestry, *Bogor Agricultural University*

Scott Edwards
EXECUTIVE BOARD MEMBER | **Indonesia**
Executive Director, *CSF*

Dr. Mubariq Ahmad
EXECUTIVE BOARD CHAIR | **Indonesia**
Indonesia Director, *CSF*

Prof. Dr. Jatna Supriatna
EXECUTIVE BOARD SECRETARY | **Indonesia**
Faculty of Mathematics and Natural Sciences,
Director, *Research Center for Climate Change, University of Indonesia*

Dr. Ario Damar
EXECUTIVE BOARD TREASURER | **Indonesia**
Faculty of Fisheries and Marine Sciences
Director, *Research for Coastal, Fishery and Marine Resources, Bogor Agricultural University*

STAFF

John Reid
Founder and President

Scott Edwards
Executive Director

Holly Busse
Chief Financial Officer

Alfonso Malky
Program Director

Cristian Vallejos
Latin America Director

Susan Edda Seehusen
Brazil Director

Mubariq Ahmad
Indonesia Director

Kim Bonine
Training Director

Aaron Bruner
Senior Economist

Felipe Vásquez Lavin
Senior Technical Advisor

Jorge Maldonado
Senior Technical Advisor

Rocío del Pilar Moreno Sánchez
Senior Economist

Rhona Barr
Economist

José Carlos Rubio Ayllón
Analyst

Annie Escobedo
Analyst

Sophia Espinoza Antezana
Analyst

Camila Jericó-Daminello
Analyst

Fernanda Alvarenga
Consulting Analyst

Pedro Gasparinetti
Consulting Analyst

Daniel Kieling
Consulting Analyst

Aja Heisler
Program Development Associate

Jesse Agar
Animator

Natalia Sanin
Program Coordinator

Niki Gribi
Training Program Coordinator

Desta Pratama
Indonesia Program Coordinator

Kathy Hunter
Staff Accountant

Marion Le Failler
Administrative and Program Assistant

Ana Gabriela Gomez Arancibia
Administrative and Program Assistant

Cíntia Andrade
Financial Manager

Kathy Hunter
Staff Accountant

Claudia Duran
Administrative Accountant

Thaís Vilela
Post-Doctoral Research Fellow

Sergio Bobka
Research Intern

OUR MISSION

CSF sustains natural ecosystems and human communities through strategies powered by conservation economics. Our trainings, analyses and timely expertise make development smarter, quantify the benefits of nature, and create enduring incentives for conservation.

*Cover image credit:
A lioness lies in the long grass of the Masai Mara © Robin Moore.*

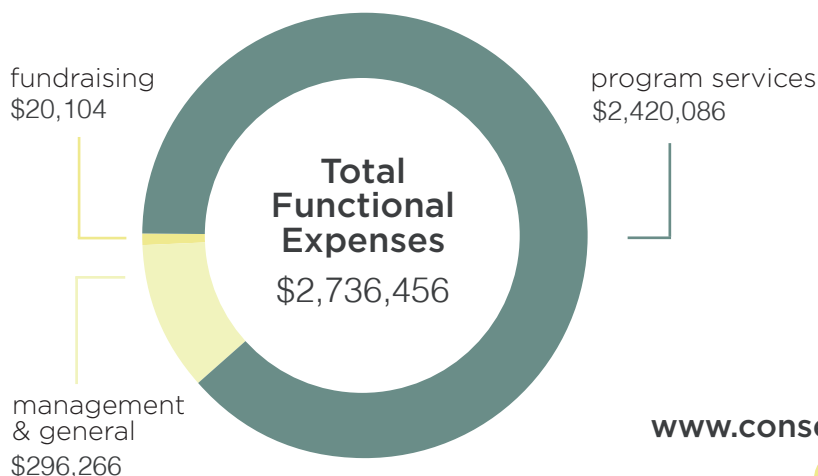
Design by Courtney Lewis Cheng

THANK YOU

THE NUMBERS 2015

STATEMENT OF ACTIVITIES

REVENUE AND SUPPORT	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
donations	76,825	0	76,825
grants & awards	42,750	1,110,605	1,153,355
tuition fees & other income	83,206	0	83,206
contracts	770,899	0	770,899
net assets released from restrictions	1,764,411	(1,764,411)	0
total revenue & support	\$2,738,091	(\$653,806)	\$2,084,285
CHANGE IN NET ASSETS	\$1,635	(\$653,806)	(\$652,171)
net assets at beginning of year	1,177,481	2,181,621	3,359,102
net assets at end of year	\$1,179,116	\$1,527,815	\$2,706,931



Please visit us at:

www.conservation-strategy.org



STATEMENT OF FINANCIAL POSITION



Conservation Strategy Fund is a non-profit public benefit corporation organized under section 501(c)(3) of the Internal Revenue Code.

This document reflects unaudited 2015 figures for activities undertaken by Conservation Strategy Fund and Conservação Estratégica.

ASSETS	
cash & cash equivalents	2,049,911
grants receivable	767,503
contracts receivable	595,283
total current assets	3,412,697
deposits	8,050
TOTAL ASSETS	\$3,420,747
LIABILITIES	
accrued expenses	118,322
payables	226,647
deferred revenue	348,146
total current liabilities	693,115
long term liabilities	20,701
TOTAL LIABILITIES	\$713,816
NET ASSETS	
unrestricted	1,179,116
temporarily restricted	1,527,815
total net assets	2,706,931
TOTAL LIABILITIES & NET ASSETS	\$3,420,747