

# Annual Report 2016



CONSERVATION STRATEGY FUND

Jamaican Iguana. Photo credit: Robin Moore





Photo credit: John Reid

# Scott Edwards

Executive Director

When I joined Conservation Strategy Fund in early 2016, I knew that it was a unique organization among environmental NGOs. In my first few months, I met our highly qualified international staff, and heard from our many partners and supporters about the long-lasting impact we have had on thousands of people working in conservation around the world. More than a year later, I remain impressed with the economic perspective and expertise we bring to environmental decision-making through our highly acclaimed trainings and our strategic on-the-ground analyses.

In 2016, we partnered with leading local, national and international environmental organizations to deliver decisive analyses of infrastructure development, including our study of the São Luiz do Tapajós dam in Brazil and our analysis of the shipping port on the Goat Islands in Jamaica, one of our most notable successes of the year. This project highlights the role CSF can have in influencing government decisions about development and natural resources. In the Andes, we estimated the significant economic benefits of the proposed Yaguas National Park in the remote Amazon for the government of Peru, and trained a cadre of environmentalists in the region to bring these critical economic analysis skills to their own institutions. In 2016, we also launched our Indonesia program and opened an office in Jakarta, building on several years of work on marine issues in the Pacific. We are excited to be playing an integral role in the provision of economic analyses and capacity building for Indonesia's national fisheries reform effort. In 2017, we are planning to expand our presence in Latin America, exploring new opportunities in Colombia, Chile and Mexico.

Environmental organizations use many different approaches to achieve conservation results, from raising public awareness and influencing policy to working directly with resource users to change behavior. The power of economics to help better understand the drivers of environmental degradation and offer practical solutions to the challenges we face is often overlooked. For nearly twenty years, CSF has been bringing these tools and know-how to bear on global environmental issues. We are working with our many partners and our deep network of experts to grow the next generation of leaders, and together we will improve conservation and development decisions around the world.

The successes you will read about in this annual report, including saving the critically endangered Jamaican iguana featured on the cover, would not have been possible without the support of people like you, our partners and the institutions that share our vision for a resilient environment, prosperous communities and smarter growth and development. I am thrilled to be a part of the CSF family and look forward to an outstanding 2017. Thank you for your support!

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**Felipe Vásquez Lavin • Senior Technical Advisor**

**Thaís Vilela • Post-Doctoral Research Fellow**

January



Visiting the Rock Islands near Palau.

Photo credit: Kim Bonine

## Palau Closes Fishery for Recovery Based on CSF Analysis

In January 2016, leaders in the western Pacific nation of Palau officially closed an important sea cucumber fishery for the next ten years to allow for stock replenishment. The move followed a CSF study showing the long-term economic gains from putting the previously overfished area in Ngardmau State on a sustainable management path.

## Conservation Strategy Fund Launches in Indonesia



Mimpi Resort, Bali.

Photo credit: Niki Gribi

CSF Indonesia proudly opened its doors in March of 2016. The launch event for Yayasan Strategi Konservasi Indonesia, as we are known in Bahasa Indonesia, took place in Bogor and hosted representatives from government agencies, NGOs, the academic community, and CSF's Indonesia Board and Advisory Council. Thank you to everyone who made this launch possible, especially our partners at the Bogor Agricultural University, the David and Lucile Packard Foundation, the John D. and Catherine T. MacArthur Foundation and the Margaret A. Cargill Foundation.

## CSF Analysis Sets the Stage For National Park Three Times the Size of Yosemite



Reticulated poison frog, Reserved Zone, Yaguas.

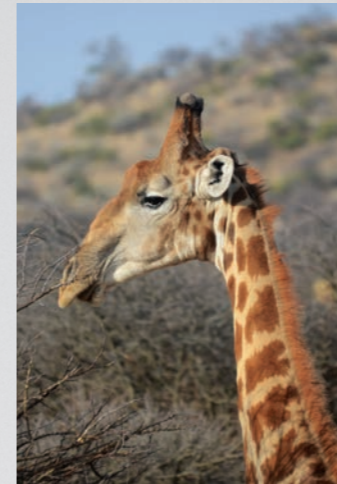
Photo credit: The Field Museum

In late March 2016, the proposed Yaguas National Park in a remote area of the Peruvian Amazon took a huge step forward, winning approval from a key commission in charge of new protected areas. CSF conducted the cost-benefit analysis to support the creation of the park, in partnership with Peru's National Protected Areas Service (SERNANP) and through the support of the Andes Amazon Fund. The park will be a huge win for biodiversity and indigenous communities in the Yaguas and Cotuhé river basins. CSF will continue to work with SERNANP to support the establishment of the park and create guidelines for future economic analyses of protected areas in Peru.

March



## CSF's Economic Tools Spans the Globe with Courses in India, Bolivia, Indonesia and Namibia



Giraffe in the Namib-Naukluft National Park in Namibia.

Photo credit: Kim Bonine

We delivered our first course in India in March 2016 at the Wildlife Institute of India in Dehradun as part of a series of global trainings CSF developed with the GIZ ValuES program focused on economic valuation of ecosystem services. The CSF Bolivia team also delivered three courses in 2016, two of them focused on sustainable business planning, and the third on economic incentives for conservation. In Indonesia, CSF delivered in May a second two-week course focused on fisheries management and marine ecosystem conservation. Participants represented 19 institutions including the Ministry of Marine Affairs and Fisheries, Department of Environment and Forestry, University of Indonesia, TNC and WWF. In October, CSF delivered a second ecosystem services valuation training in Namibia to 26 environmental professionals in partnership with GIZ ValuES and the Resource Mobilization Project of GIZ and Namibia's Ministry of Environment and Tourism.

June

## Key Stakeholders in Brazil and Peru Learn about Innovative Economic Instruments for Conservation

In June 2016, CSF Brazil presented the results of its study on environmental reserve quotas (a form of tradable conservation obligations) to the Brazilian Environmental Ministry in Brasília. The study, supported by the Good Energies Foundation, determined that the implementation of this system would save over a billion dollars in the state of Bahia alone and have greater potential environmental outcomes. CSF then participated in a roundtable discussion on the use of economic instruments, including the quotas, for achieving objectives under Brazil's new forest code. Across the continent in Lima, the CSF Peru team presented preliminary results of case studies, supported by the Gordon and Betty Moore Foundation, testing how Peru can implement effective biodiversity offsets for large-scale development projects. One case study relates to impacts associated with road and oil concessions in the Peruvian Amazon.

## Third Annual Economic Tools for Nature Conservation Course in Mexico



Course participants celebrate in Mexico.

Photo credit: Eduardo Ponce Guevara

In collaboration with Universidad Autónoma de México, Fondo Mexicano para la Conservación de la Naturaleza and Environmental Defense Fund de México, CSF led the third annual Economic Tools for Nature Conservation course in Mexico and the Mesoamerican Reef. Held in June 2016, in the "El Mangle" Ecology Center, located in La Paz, Baja California Sur, the course focused on economic valuation and conservation of coastal marine ecosystems, and was attended by twenty specialists in management and conservation of natural resources from Honduras, Belize, Guatemala, and Mexico.

June



Interview with fishermen in Pará state, Brazil. Photo credit: Fernanda Barbosa de Carvalho

## Artisanal Fishing Value Chain Mapping in Northern Brazil

Conserving fisheries depends on finding sustainable ways for local people to maintain or improve fishing income, and CSF is helping communities in Brazil identify opportunities to capture more of the value of their catch. CSF Brazil mapped the value chains of three artisanal shrimp and crab fisheries in the Brazilian states of Amapá, Maranhão and Pará,

all near the mouth of the Amazon. CSF worked with young researchers and local organizations to collect production, processing and distribution data through interviews with fishermen. In Amapá and Pará, our teams collected data on the regional shrimp value chain. In Maranhão, we collected data on the Piticaia shrimp value chain, and in Pará, we collected data on the Uçá crab value chain. These data complement those previously collected during three participatory workshops in the region at the end of 2015.

## Mangrove Conservation Gets a Boost in Northeastern Brazil

Brazil is home to the third largest area of mangroves in the world. In July 2016, CSF delivered a course on Economic Tools for Conservation of Mangroves in Protected Areas in northeastern Brazil. The course was attended by 25 professionals from the Chico Mendes Institute for Conservation of Biodiversity (ICMBio), responsible for managing protected areas with mangroves in 10 Brazilian states. The training consisted of lectures, plenary discussions, group exercises and fieldwork. Basic concepts of microeconomics and economics of natural resources were presented, followed by discussions and lectures on market failures and valuation of ecosystem services. Participants had the chance to put their new knowledge into practice via an exercise in the field, valuing the ecosystem

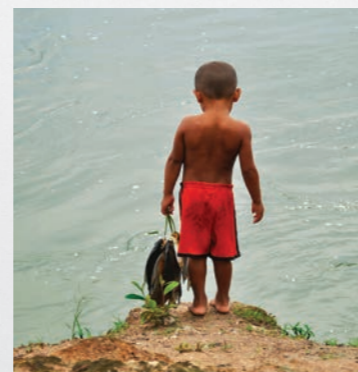


Brazilian mangroves. Photo credit: Camila Jericó-Daminello

services of mangroves at the famous beach of "Praia dos Carneiros". The course went on to cover financial sustainability of protected areas with mangroves, and concluded by addressing issues such as payments for environmental services and economic instruments for the conservation of mangroves.

## São Luiz do Tapajós Dam Suspended

On August 4, 2016, Brazil's federal environmental agency, IBAMA, formally suspended the environmental licensing process for a proposed dam on the Tapajós River, a blue water tributary of the Amazon. Together with a coalition of environmental and indigenous rights advocates, CSF provided extensive technical information on the project's total costs and impacts on local and indigenous communities to the federal public prosecutor's office, which made the official recommendation that IBAMA cancel the project. Later in 2016, government officials, indigenous people and other guests packed into an auditorium in Brasília to attend the presentation of CSF's study results on the impacts of the São Luiz do Tapajós dam project.



Child on the bank of the Tapajós river, Brazil. Photo credit: Camila Jericó-Daminello

## Flagship International Course Moves to UC Berkeley



Participants in the 18th annual Economic Tools course enjoy San Francisco. Photo credit: Niki Gribi

In August 2016, we held our 18th annual International Economic Tools for Conservation course at UC Berkeley. Together with the College of Natural Resources' International and Executive Programs (IEP), CSF hosted 20 dedicated conservation professionals from 15 countries around the world. This incredible, bright group of people came from 18 different organizations including GEF, the World Bank, The Nature Conservancy, WWF, Rare, and UNEP to learn how economics can contribute to more effective conservation strategies. *The economic tools for conservation course has been one of the most productive courses I have ever taken because of the applicable knowledge gained and the excellent opportunity to share experiences and lessons learned with international people.* – Gerson Morales, Guatemala, USAID.

## CSF Alumni Fernando León Named Vice Minister of Environment in Peru



Vice Minister of Environment of Peru. Photo credit: ©MINAM

We would like to extend our congratulations to CSF course graduate and friend Fernando León, who was named Vice Minister for Strategic Development in the Ministry of the Environment of Peru on August 8, 2016. Fernando is a long-time environmental leader in his country, with two previous stints in government. CSF has worked with Fernando and his colleagues for over a decade to build environmental economics capacity in the Ministry and develop innovative national environmental policies.

## Bolivia Scales Up Incentives Program for Sustainable Forest Use



Manuripi-Heath Amazonian Wildlife National Reserve, Bolivia. Photo credit: Andres V.

Bolivia's COMSERBO program provides economic incentives to landowners for forest conservation. To go from being a pilot program to becoming a legally registered part of the portfolio of the Regional Government of Pando, COMSERBO needed to justify the importance of funding the program into the future, as a mechanism to promote sustainable forest use in the Bolivian Amazon. CSF carried out a cost-benefit analysis that provided the needed justification, and put COMSERBO on a path towards both greater sustainability and impact.

# Goat Islands, Jamaica

September



Goat Island, Jamaica.

Photo credit: Robin Moore

The Goat Islands are located just a few kilometers off the coast of Jamaica's Portland Bight Protected Area, a world class conservation site that contains the country's largest remnants of both limestone forest and contiguous mangrove systems. Portland Bight is also home to at least seven animal species found nowhere else on earth, including the critically endangered Jamaican iguana, which was considered extinct between 1948 and 1990.

When Jamaican Prime Minister Andrew Holness announced in September 2016 that a massive transshipment port proposed in the heart of this protected area would instead be built elsewhere, the decision was considered a historic victory for Jamaicans and conservationists worldwide. For more than three years, the fate of the Goat Islands had engendered vigorous debate, much of it along

classic "development versus environment" lines, and generated more news coverage in Jamaica than any other recent event of its kind.

The proposed port was initially promoted as a major opportunity for Jamaica to establish itself as a key player in the dynamic global shipping chain. Proponents stated that it would create an estimated 10,000 jobs and stimulate economic activity. But, as local NGOs, communities and the press turned their attention to the proposal, it became evident that building on the Goat Islands would be a major conservation disaster.

In 2014, Conservation Strategy Fund conducted a study that demonstrated that the proposed port would not only be harmful for the environment, but it was also bad business. Researchers compared the proposed development on and around the Goat Islands with

similar port designs in alternative, less environmentally sensitive locations. The central conclusion of this research was that a highly functional port layout at nearby Macarry Bay would cost at least \$200 million less to build than the proposed port on the Goat Islands. This cost difference is due primarily to the need to dynamite and bulldoze a massive amount of bedrock to level the Goat Islands, and accounts for the need to dredge a longer channel to the open ocean and build bigger seawalls at Macarry Bay. Furthermore, the environmental costs of building on Goat Islands would be more than three times higher than those caused by building in Macarry Bay.

This finding showed that Jamaica did not need to make a tradeoff to promote development; instead, it suggested that Jamaica could both build a world-class port and continue to protect a world-class conservation site.

This successful study of alternative port locations led by CSF was commissioned by Critical Ecosystems Partnership Fund, as well as the Caribbean Coastal Area Management Foundation (C-CAM), the Jamaican NGO responsible for management of the Portland Bight. CSF also worked closely with Niras Fraenkel Ltd., a leading global port and marine engineering firm. According to C-CAM's Ann Sutton, a visit to the proposed site by Prime Minister Andrew Holness may have also contributed to his final decision, which was announced shortly thereafter. She states, "We were not beating him up with negative talk. It just happened to be a beautiful day and we were being constructive and suggested real alternatives. Showering him with huge amount of information including the CSF report and management plans was our main focus".



Violet-crowned Woodnymph. Photo credit: The National Audubon Society

## Colombia Launches New Bird Tourism Strategy, with Help From CSF

In September 2016, CSF's analysis of the economic potential of birding tourism in Colombia received international media coverage and played an important role in convincing Colombia's government to launch its bird tourism strategy. The study, conducted with the National Audubon Society and the University of the Andes, also suggested that protection of important bird areas and local capacity building be part of the approach. Colombia has the greatest bird diversity in the world with approximately 1,900 registered species. The recent historic peace agreement with FARC gives Colombia an opportunity to develop birding tourism in remote regions of the country formerly off limits due to the decades-long conflict.

## Plans for a Conservation Province in West Papua Move Forward



Working to secure an equitable future in West Papua. Photo credit: Niki Gribi

To support sustainable development and long-term planning in West Papua, CSF Indonesia worked with local partners to facilitate a scenario planning workshop with government representatives, academics, and members of the NGO community. The process of scenario planning is one way to understand possible future conditions in West Papua and establish a shared vision that can be used as a reference in determining the sustainable development strategy for the province. Participants designed a desired future forecast of West Papua's condition in 2030, which included economic development, education and human resources, ecosystem-based enterprises, a reduction in extractive industrial activity and investment, and good governance.

## Building Leadership for a Blue Economy in the Mesoamerican Reef



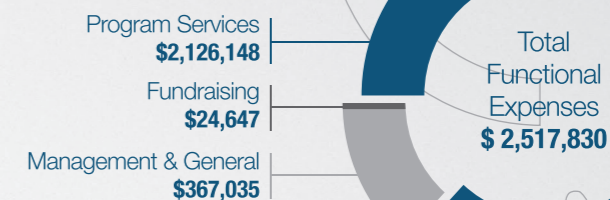
Pacific white shrimp aquaculture in Honduras. Photo credit: Phensri Ngamsommitr

CSF has been working with Fondo Mexicano para la Conservación de la Naturaleza to design and deliver an economic expertise and training to the Mesoamerican Reef Leadership Program 2016-17 fellows cohort over 18 months. This important program provides early-career conservationists with knowledge, tools, and networking opportunities in line with the current theme: Promoting a Blue Economy Approach to Sustainable Development.



Photo credit: Niki Gribi

# The Numbers 2016



## STATEMENT OF ACTIVITIES

REVENUE & SUPPORT	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Donations	65,744	-	65,744
Grants & Awards	29,000	1,173,890	1,202,890
Tuition Fees & Other Income	84,500	-	84,500
Contracts	565,445	-	565,445
Net Assets Released From Restrictions	1,453,509	(1,453,509)	-
Field Office Awards	179,073	-	179,073
<b>Total Revenue &amp; Support</b>	<b>\$2,377,271</b>	<b>(\$279,619)</b>	<b>\$2,097,652</b>
EXPENSES			
Program Services	2,126,148	-	2,126,148
Management & General	367,035	-	367,035
Fundraising	24,647	-	24,647
<b>Total Functional Expenses</b>	<b>\$2,517,830</b>	<b>-</b>	<b>\$2,517,830</b>
EXPENSES			
	(\$140,559)	(279,619)	(420,178)
Net Assets at Beginning of Year	1,156,877	1,514,405	2,671,282
<b>Net Assets at End of Year</b>	<b>\$1,016,318</b>	<b>\$1,234,786</b>	<b>\$2,251,104</b>

## STATEMENT OF FINANCIAL POSITION

ASSETS		LIABILITIES		NET ASSETS	
Cash & Cash Equivalents	1,560,226	Accrued Expenses	80,380	Unrestricted	1,039,320
Grants Receivable	624,320	Payables	43,145	Temporarily Restricted	1,211,784
Contracts Receivable	184,488	Deferred Revenue	152,146	<b>TOTAL NET ASSETS</b>	<b>2,251,104</b>
Accounts Receivable	4,914	<b>Total Current Liabilities</b>	<b>275,671</b>		
Pre-paid Expenses	178,639	Long Term Liabilities	31,462		
<b>Total Current Assets</b>	<b>2,552,587</b>	<b>TOTAL LIABILITIES</b>	<b>\$307,133</b>		
Deposits	5,650			<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$2,558,237</b>
<b>TOTAL ASSETS</b>	<b>\$2,558,237</b>				

Conservation Strategy Fund is a public charitable organization under the 501(c)(3) tax code.

This document reflects unaudited 2016 figures for activities undertaken by Conservation Strategy Fund, Conservação Estratégica and Yayasan Strategi Konservasi.

# Supporters



## 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.



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[leotrujillo.com.br](http://leotrujillo.com.br)