



ANNUAL REPORT 2018

CONSERVATION STRATEGY FUND

Photo Credit: Daniel Jara/Stock.com | A critically endangered Bornean orangutan rests in the Indonesian forest. We are working to protect habitat for this iconic species in Simtang.



Scott Edwards
Executive Director

For the past 20 years, CSF has raised the economic literacy of conservation professionals around the world. We have worked with partners to address environmental threats and drive smart development, for the benefit of people and nature. Yet, our work is not finished. The effects of climate change are becoming alarmingly clear, but the economic impact of lost coastlines, depleted fish stocks, and stronger storms has not fully resonated with the public or government leaders. We will continue to work with our partners to raise that awareness, making a stronger economic case for conservation, and using our expertise to confront the greatest global challenge of our time.

In the pages of this report, you will read about our progress toward that goal. We have made a strong argument for large marine protected areas, ranked more than 70 proposed roads in the Amazon to find those that best balance economic and environmental impacts, and helped local governments plan for green development in Indonesia. The successes highlighted in this report would not be possible without the support of those who believe in the power of our work to influence better decisions. Thank you.



Jon Mellberg
Board Chair

CSF was founded on the principle that conservation needed economics, and that economic development and preservation of biodiversity were both necessary for human flourishing. Achieving balance, though, demanded acknowledging scarcity and assessing tradeoffs objectively.

Since 1998, CSF has done just that. It has helped protect millions of acres of forest and coastline around the world by influencing the siting of energy and transportation infrastructure. It has worked with governments on long-term strategies to sustain communities and preserve sensitive ecosystems. Thousands of professionals from around the world have taken advantage of its training and mentoring programs.

Yet we wonder if there's an even larger role to play. Climate change has mainstreamed environmentalism, but awareness has risen at the price of enmity. Sides have been taken: growth or the environment. It's a false choice, which our organization has spent two decades proving. Going forward, we hope to share CSF's tools, analysis, and experience more broadly, so that the 'growth vs. environment' debate might be respectfully resolved in favor of both.

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Our Mission

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

What makes CSF different?

We use **economics** to find solutions that work for both **people** and **nature**.

Economic Analysis



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

Trainings



We teach conservationists and decision makers how to use economics to be more effective in their work.

Using the results of our analysis, and working with our course alumni, we engage policy makers and communities to make **sound decisions for lasting conservation.**

2018 Highlights



Endangered green sea turtle

Photo credit: Shane Myers Photography/Shutterstock.com

Green Development Planning in the Heart of Borneo

The rapid expansion of the palm oil industry and other commodities in Indonesia has created challenges for sustainable growth throughout the country. Sintang Regency in West Kalimantan province is part of a broad national movement to proactively address these challenges through low-carbon development planning.

CSF is working collectively with the government and other stakeholders in the regency to design and implement a *Sintang Lestari* (Green Sintang) plan that includes improved land use practices and better governance. Using our expertise in economic analysis, capacity building, and scenario planning, we are helping to ensure the success of this plan through a series of tailored training and policy design activities, which will continue into 2019. We hope this collaborative process will serve as a model for other regencies aiming to achieve the lasting benefits of green growth.



Workshop participant Aurelia Septi Mariani of Pemuda Katolik (Catholic Youth), Sintang

Photo Credit: Sopian Hidayat

In 2018, we celebrated our 20th year using economics to support conservation around the world. We've chosen a selection of highlights from the past year and invite you to visit us at www.conservation-strategy.org for the full stories.

Marine Protected Areas: A Win-Win for Business and the Environment

Marine protected areas are an effective way to protect biodiversity, preserve healthy fish stocks, and support climate change adaptation and mitigation. But not everyone always agrees that establishing and expanding these areas is the right decision.

In 2006 and 2009, the United States established the Papahānaumokuākea and Pacific Remote Islands Marine National Monuments, respectively, providing pristine refuges for corals, fish, birds, sharks, whales, and other marine life. In 2016 and 2014, these areas were more than quadrupled in size, a decision that met stiff resistance from the fishing industry that claimed the expansion would cause millions of dollars in losses.

CSF set out to assess whether these claims were accurate. Our analysis showed that not only was there no evidence of losses, but that catch and revenue were higher after the expansion, and the distance traveled by the fishing fleet was unaffected.

Our results demonstrate both the importance of thorough data analysis when considering economic impacts of conservation initiatives, and that creating large, remote protected areas can be a remarkably cost-effective way to protect critical biodiversity and ecosystems.



Indigenous oca in Mato Grosso

Photo credit: Marion Le Faillier

Sustainable Tourism on Indigenous Lands in Brazil

Mato Grosso state in western Brazil is home to the world's largest wetland and dramatic landscapes of cliffs, canyons, and waterfalls. The state is also the country's biggest soybean producer, and the impacts of large-scale agricultural production are threatening the survival of both native people and habitats. Indigenous communities in the region have begun considering tourism as an alternative source of income and a way to promote sustainable land use, while maintaining and sharing their culture.

In partnership with *Operação Amazônia Nativa* (OPAN - Native Amazon Operation), CSF conducted a study of the demand for tourism on indigenous lands in Mato Grosso. The results led to qualitative changes in some communities' investment plans, enabling them to provide more customized and profitable services to tourists. Improving and mainstreaming this kind of alternative development pathway will be critical for the survival of these people, their way of life, and the ecosystems on which they rely.

Better Road Planning in the Amazon Basin

The Amazon basin is critically important for sequestering global carbon and mitigating climate change, and is home to hundreds of indigenous communities and incomparable biodiversity. At the same time, improved transportation infrastructure in the region is seen as important for human and economic development. But thus far, road construction has suffered from poor planning and insufficient analysis of tradeoffs, resulting in significant direct and induced deforestation due to extensive logging and agricultural expansion.

With these competing needs in mind, and based on our past work showing that roads differ dramatically in their impacts, CSF is helping move governments and investors towards better road planning that carefully considers the balance of economic growth, social concerns, and conservation of natural resources.

Working closely with *Instituto de Pesquisa Ambiental da Amazônia* (IPAM - Amazon Environmental Research Institute) and *Fundación para la Conservación y el Desarrollo Sostenible* (FCDS - Foundation for Conservation and Sustainable Development), we assessed the relative riskiness of 75 planned road segments, totalling more than 12,000 kilometers, in Bolivia, Brazil, Colombia, Ecuador, and Peru by systematically analyzing their expected environmental, economic, social, and cultural impacts.

Our results indicated that approximately half of the planned roads are not economically viable, and that canceling these would avoid both environmental and financial losses. We also found that there is broad scope for better outcomes by identifying the roads that offer the greatest economic benefits relative to the negative impacts they cause. In 2019, we will continue to disseminate our results to help support informed, deliberate decisions about road development in the Amazon.



Brazilian Amazon rainforest

Photo credit: streetflash/Shutterstock.com

20 Years of Training

More than **3,000** people trained in **90+** countries

What are alumni saying about CSF's training?



CSF alumni are transforming conservation around the world

Alumni Spotlight: Sangeeta Mangubhai

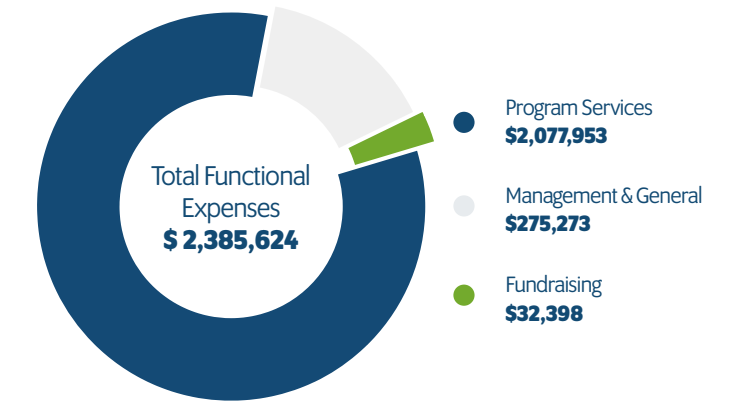
Sangeeta Mangubhai, Director of Wildlife Conservation Society (WCS) Fiji, attended CSF's Economic Tools for Marine Conservation course in Palau in 2014. Six months later, Sangeeta used what she learned at the course to design and implement a national assessment of conservation mechanisms. The report provides recommendations for effective natural resource management that are instrumental as Fiji strives to reach its Aichi Biodiversity Targets under the Convention on Biological Diversity.

Sangeeta has also been involved in establishing two conservation areas to protect the biodiversity of Fiji. The Vatu-i-Ra Island Conservation Park protects 110 square kilometers of marine ecosystems as well as the island, a popular seabird breeding ground. The Kilaka Forest Conservation Area has a 99-year conservation lease on more than 400 hectares of pristine tropical forest, and provides an alternative source of income to logging and mining, preventing destruction of the forest.

In 2018, Sangeeta was recognized with a Pew Marine Fellowship Award. She credits CSF with, "giving me with the knowledge and background on PES and other economic tools to apply them in marine and terrestrial ecosystems across Fiji. I think these will prove to be durable conservation approaches in the long term."

Photo Credit:
Dr. Dean Miller

Financial Report



Statement of Activities

REVENUE & SUPPORT	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Donations	103,770	-	103,770
Grants & Awards	-	2,236,539	2,236,539
Tuition Fees & Other Income	119,582	-	119,582
Contracts	245,590	-	245,590
Net Assets Released from Restrictions	1,612,629	(1,612,629)	-
Field Office Awards	330,068	-	330,068
Total Revenue & Support	\$2,411,639	\$623,910	\$3,035,549
EXPENSES			
Program Services	2,077,953	-	2,077,953
Management & General	275,273	-	275,273
Fundraising	32,398	-	32,398
Total Functional Expenses	\$2,385,624	\$0	\$2,385,624
CHANGE IN NET ASSETS			
Net Assets at Beginning of Year	781,355	1,365,765	2,147,120
Net Assets at End of Year	\$807,370	\$1,989,675	\$2,797,045

Statement of Financial Position

ASSETS		LIABILITIES		NET ASSETS	
Cash & Cash Equivalents	2,282,791	Accrued Expenses	112,924	Unrestricted	807,370
Grants Receivable	737,500	Payables	23,274	Temporarily Restricted	1,989,675
Contracts Receivable	303,362	Deferred Revenue	439,244	TOTAL NET ASSETS	\$2,797,045
Accounts Receivable	-	Total Current Liabilities	\$575,442		
Pre-paid Expenses	88,729	Long Term Liabilities	45,545		
Total Current Assets	\$3,412,382	TOTAL LIABILITIES	\$620,987		
Deposits	5,650			TOTAL LIABILITIES & NET ASSETS	\$3,418,032
TOTAL ASSETS	\$3,418,032				

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