



CONSERVATION STRATEGY FUND

ANNUAL REPORT 2019

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Scott Edwards,
Executive Director

As this report was being written, the COVID-19 pandemic was taking over the news, disrupting lives, and occupying the minds of millions of people around the world. The disease has already had a devastating impact in many countries, and the way forward will require commitment and creativity. It is becoming increasingly clear that the destruction of habitat, our increasing interaction with wildlife, and illicit wildlife trafficking has played a critical role not only in the spread of the novel coronavirus, but also in other zoonotic disease outbreaks, such as Ebola and SARS. This makes the work that we do, and your support of that work, even more urgent, and we are hopeful that we can chart a better path forward together.

In 2019, Conservation Strategy Fund (CSF) made significant headway in applying our economic skills to improve protected area financing in Latin America. Protected areas around the world receive insufficient funding for effective management and protection. In part, policy makers, particularly those in finance or tax ministries, often see protected areas as a drain on financial resources. But protected areas offer opportunities for economic growth, provide critical ecosystem services for our health and well-being, and safeguard our shared culture and ways of life. In 2018, our analysis of the economic impact of tourism to Peru's national parks demonstrated that resources allocated to protected areas are an investment, not an expense. This past year, our economic analysis of a proposed protected area in Peru showed that the benefits of protecting this area are three times greater than the combined costs of management and foregone development opportunities. Looking forward, we recently launched a project in Chile in partnership with the national park service to evaluate the protected area fee structure, similar to the project in Bolivia described in this report. Initiatives like these support long-term, reliable funding streams to support not only the parks, but the many economic and environmental benefits they provide now and for future generations.

One of the questions I frequently hear about any environmental or conservation finance program is: "How is it sustainable?" A lot of well-intentioned programs are successful to start, but when the money runs out and the experts leave, the same challenges often resurface. Systemic change must happen on the ground. Creating a shared understanding of the value of nature and the economic impact of development is critical for sustaining our work. That is why we integrate training and capacity building into our work as much as we can. Our Indonesian and Pacific fellows programs are prime examples of how empowering local talent to use economic tools can benefit both people and nature. I invite you to read more about these and other program highlights in this year's annual report. For more information about our innovative programs and new initiatives, please [visit our website](#).

A handwritten signature in black ink, appearing to read 'Scott Edwards'.

Our Mission

Conservation Strategy Fund 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 worldwide.

Brazil

Marcelo Araújo

Professor, Federal University of Recôncavo da Bahia (UFRB)

Scott Edwards

Executive Director, Conservation Strategy Fund

Leonardo Fleck, Chair

Program Officer, Conservation and Markets Initiatives, Gordon and Betty Moore Foundation

Maria José Gontijo

General Coordinator, International Institute for Education in Brazil (IEB)

Beto Mesquita

Director of Policies and Institutional Relationships, BVRio

Eric Stoner

Independent Environmental Consultant

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John Reid, Founder and Honorary Member

Senior Economist and Partnership Lead, Nia Tero

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Indonesia Director, Conservation Strategy Fund

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Executive Director, Conservation Strategy Fund

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Faculty of Economics and Management, Bogor Agricultural University

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David Makes, Advisory Board

Chairman, Sustainable Management Group and Association of Indonesia's Nature-based Tourism

John Reid, Advisory Board

Senior Economist and Partnership Lead, Nia Tero

Jatna Supriatna, Executive Board Secretary

Faculty of Mathematics and Natural Sciences and Director of Research, Center for Climate Change, University of Indonesia

Conservation Finance



Conservation finance has become a prominent theme across the conservation community with an emphasis on diversifying funding sources and bringing more private investment into the environmental sector. For more than 20 years, CSF has used economics to inform policy makers about smart investments in protected areas, infrastructure planning, and incentive programs. Our strategic analyses, technical input, and capacity building efforts have helped national parks agencies, governments, and communities generate critical funding for conservation around the world.



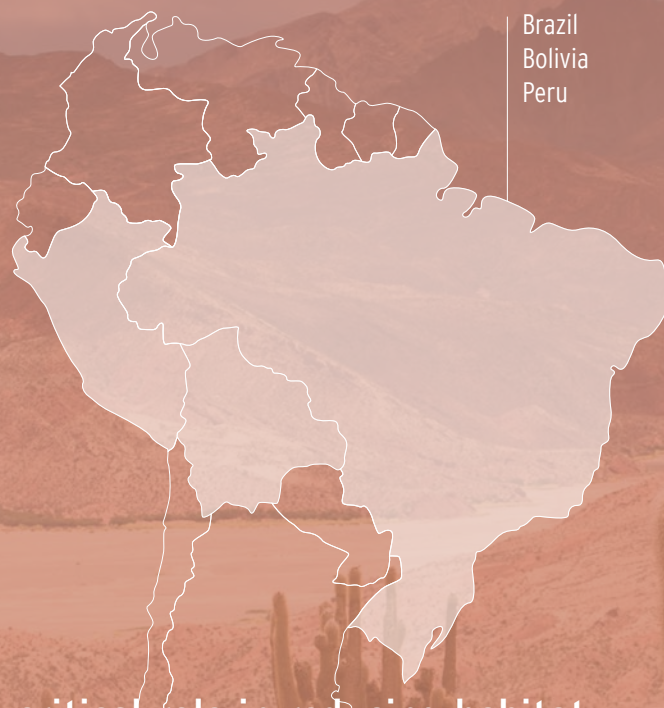
In 2019, we launched an innovative environmental financing mechanism in Bolivia called Piensa Verde. Piensa Verde is the country's first platform where people from all sectors of the economy can learn about and support various conservation projects. By using financial and in-kind support to fund new and existing initiatives, Piensa Verde helps care for Bolivia's natural spaces, protected areas, and wildlife. Major Bolivian corporations, environmental organizations, banks, and foundations have already joined Piensa Verde.

We also completed the first-ever comprehensive review of conservation agreement programs in the Amazon basin. These voluntary programs compensate landowners for meeting specific environmental goals. By directly linking sustainable practices with a stream of benefits, the programs incentivize landowners to conserve private lands. Our study identified 30 characteristics of successful conservation agreement programs and six best practices for implementation, which are now being used by the World Bank and its partners to improve outcomes for people and nature across Brazil, Colombia, and Peru.

Learn more about Piensa Verde and the initiatives it is supporting by [clicking here](#).

[Read our full report](#) on conservation agreement programs and best practices in the Amazon basin.

Protected Areas



Protected areas play a critical role in reducing habitat fragmentation and safeguarding our ecosystems and wildlife. From filtering the water we drink to defending us against natural disasters, protected lands provide the essential ecosystem services on which we rely. CSF was founded with the idea that evidence-based economic arguments could be a powerful way to demonstrate the value of protected areas. Since then, we have worked with hundreds of policy makers, resource management agencies, and communities to conserve more than 58 million acres around the world.



In 2019, we provided technical expertise and guidance on protected area financing to the highest levels of government in Bolivia, Brazil, and Peru. We worked with the Bolivian National Protected Area Service (SERNAP) to evaluate their nationwide park fee system. Through our visitor surveys, we analyzed demand and income curves and found that adjusting entrance fees could result in an annual revenue increase of 1.5 million USD. SERNAP is planning to use these results to adjust its park fees and help ensure the financial security of the park system for future generations.

In collaboration with the Brazilian Ministry of Environment, we also developed a guide to help local protected area managers find and apply for conservation funding. Our guide offers step-by-step information on how to identify funding sources, eligibility criteria, and potential uses for these funds. Our guidance is now being used to improve the fiscal health of Brazil's extensive system of local protected lands.

In Peru, we conducted a cost-benefit analysis for the addition of the Río Nieva Reserved Zone to the Alto Mayo Protection Forest. This 31,000-hectare area will help to conserve rare ecosystems and establish an important ecological corridor with other protected areas in the region. Our results found that the benefits of this designation, which include habitat and species protection, recreation, and non-timber forest products, are three times larger than the opportunity and management costs combined. This type of analysis is required by law for any proposed protected area in Peru, so our input will play an important role in the upcoming decision-making process.

In Bolivia, **our field research** found that adjusting entrance fees to protected areas could result in an annual revenue increase of 1.5 million USD.

In Brazil, **our conservation finance guidance** is supporting the fiscal health of local protected areas.

Our **cost-benefit analysis** is an integral part of the decision-making process for establishing a new protected area in Peru.

Fellowships

Indonesia &
Pacific Islands

Our unique fellowship programs support academics, practitioners, and community leaders in conducting economic research to support conservation. We provide training, funding, and technical mentoring to produce both policy-relevant studies and more importantly, deeper in-country capacity and expertise. Over the years, these programs have delivered tangible conservation results and a new generation of leaders, who are incorporating economics into their environmental work.



In 2019, we supported 16 research fellows in Indonesia. Our 10 Marine Fellows are currently conducting research on a range of vital topics, including dolphin and whale shark tourism, small-scale fisheries, and the economic and environmental impacts of tsunamis and plastic pollution. The other six fellows are researchers from Fisheries Management Area (FMA) 711. This FMA is a strategic fishing ground in Indonesia and faces a complex set of issues including territorial disputes, illegal foreign fishing vessels, and lack of effective management. Through coordinated dissemination efforts, research by our fellows is already influencing the way regional fisheries policies balance economic growth and environmental sustainability in Indonesia.

We also began a nine-month Pacific Ocean Finance Fellowship Program that provided 12 environmental professionals from the North and South Pacific with training, project support, and mentorship. Through our program, our fellows are exploring sustainable finance initiatives to improve ocean governance and health both within institutions and across sectors. The result will be a core network of people in the region who are knowledgeable in conservation finance and can influence investment decisions, business models, and policies in favor of healthier communities and environments.

In Indonesia, our fellowship programs are producing key research insights to help policy makers balance economic growth and environmental stewardship.

“Useful, insightful, innovative, memorable! A few words that come to mind when reflecting on the Pacific Ocean Finance Fellowship and I am proud to be a fellow.”

Danita Strickland, Pacific Ocean Finance Fellow, Samoa

Carol Andrews & John Reid
Keira Armstrong
Nisa Ayunda
Larry Band
Guillermo Daniel Barroso Montull
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Sustainable Development Solutions Network
United Nations Development Program
The Walton Family Foundation
The World Bank
World Wildlife Fund
YourCause

THE NUMBERS FOR 2019



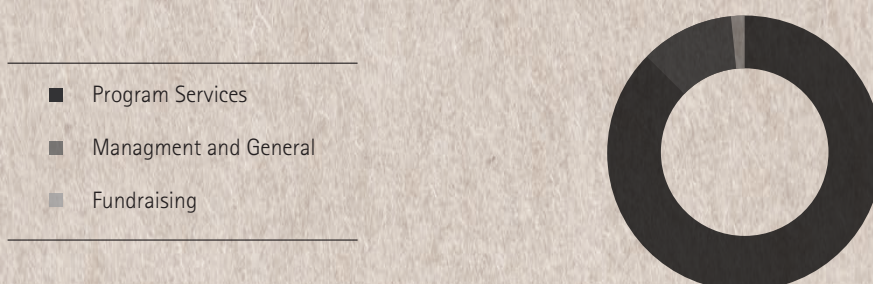
Your Support Matters

For more than 20 years, CSF has advanced practical conservation solutions through our strategic analyses, courses, and fellowship programs. Through your generous support, we can continue to effect real change by providing conservation leaders with the knowledge, strategies, and tools they need to be successful. To learn more about how you can support our work, please [visit our website](#).

Statement of Activities

REVENUE AND SUPPORT	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Donations	113,180	-	113,180
Grants and awards	-	687,003	687,003
Tuition fees and other income	65,526	-	65,526
Contracts	655,932	-	655,932
Net assets released from restrictions	1,186,836	(1,186,836)	-
Field Office Awards	100,035	-	100,035
TOTAL REVENUE AND SUPPORT	2,121,509	(499,833)	1,621,676

EXPENSES	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Program services	1,826,961	-	1,826,961
Management and general	235,967	-	235,967
Fundraising	31,037	-	31,037
TOTAL FUNCTIONAL EXPENSES	2,093,965	0	2,093,965



CHANGE IN NET ASSETS	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
Change in net assets	27,544	(499,833)	(472,289)
Net assets at the beginning of the year	823,242	1,981,693	2,804,935
NET ASSETS AT THE END OF THE YEAR	850,786	1,481,860	2,331,646

Statement of Financial Position

ASSETS	
Cash and cash equivalents	2,418,180
Grants receivable	180,000
Contracts receivable	513,181
Pre-paid expenses	12,063
Total current assets	3,123,424
Deposits	1,050
TOTAL ASSETS	3,124,474
LIABILITIES	
Accrued expenses	89,399
Payables	92,054
Deferred revenue	550,778
Total current liabilities	732,231
Long term liabilities	59,598
TOTAL LIABILITIES	791,829
NET ASSETS	
Unrestricted	850,786
Temporarily restricted	1,481,860
Total net assets	2,332,646
TOTAL LIABILITIES AND NET ASSETS	3,124,475

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

This document reflects unaudited 2019 figures for activities undertaken by Conservation Strategy Fund, Conservação Estratégica and Yayasan Strategi Konservasi.

All values in U.S. Dollars



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