
CSF

Conservation Strategy Fund Annual Report 2001



Year 3 – A web of good stuff

Two thousand and one saw a September that turned our world suddenly, frighteningly, small. It's a small world that we all share, for better or worse. Good ideas, bad movies, useless junk, gems of understanding, weapons, animals and words all cross borders as easily as the weather. There's no stopping it. Accordingly, in 2001, our work and network stretched across new borders, to people from Malaysia, Madagascar, Tanzania, Kenya, Mexico and Bosnia. These additions bring to two dozen the countries where we have partners in our work, which aims to instill economics and strategic thinking into conservation efforts. We find that we're now inextricably enmeshed in globalization, globalization of skills people can use to do good, and we're also aware that this positive web must keep up with economic globalization, unless we're content to leave nature to chance.

Since our launch in late 1998, Conservation Strategy Fund has filled a niche in providing economics and policy analysis skills to conservationists in countries rich in nature but short on the resources to protect it. The compass guiding our work has been the imperative for economic progress, conceived differently, but espoused equally by the poor and the powerful of the tropics. Tropical nature's advocates have to make the case for conservation in that context and, until the creation of CSF, there was no organization dedicated specifically to giving them the tools to make it.

The right people

When CSF announced our third annual international training in 2001, applications streamed in from 30 different countries and every continent. If ever we doubted the demand and need for our work, those doubts were laid to rest. The response also revealed the global nature of the conservation movement and the growing strength of environmental groups in every corner of the planet. Choosing was so difficult that we resolved to move the course to a bigger venue in 2002 so that we could take more people.

Two who came to that course were Francis Karanja and Rafael Tamashiro. Sheer aptitude had landed Francis, a Kenyan, a post as the World Conservation Union's public policy officer for all of East Africa. CSF brought Francis to California and provided him with a foundation of knowledge in natural resource economics and environmental cost-benefit analysis, which he had previously lacked. But when we came to the course module on policy strategy and communication, it was Francis who led, showing his colleagues how economic findings can be turned into policy influence.



Francis and Rafael

Now Francis is teaming with CSF to replicate our course in the Rufiji watershed of Tanzania. Francis' colleagues from throughout East Africa will attend the session this fall.

Rafael came to the course from Peru's national protected areas service, where he was in charge of monitoring several parks, including the celebrated Machu Picchu, and his personal favorite, the Paracas National Marine Reserve. Paracas teems with sea lions, dolphins, flamingoes, penguins, boobies, cormorants, Inca terns, and, at the base of this outlandish food chain, tremendous schools of anchovy. At the course, Rafael, a biologist, received his first introduction to methods that could be used to sort out the competing economic demands placed on Paracas. On his return, he was made director of the reserve and is now putting his new skills into action.

In our third year we gave a total of three courses, matching the number for the previous two years combined. In August we traveled to Bolivia's Madidi National Park where course participants included staff from four Bolivian and Peruvian protected areas covering millions of acres, as well as representatives from all the region's major conservation organizations, and even an economist from Bolivia's Treasury Ministry. After classroom sessions in the Amazonian town of Rurrenabaque, this experienced group dispersed into Madidi, the adjacent Pilon-Lajas Indigenous Territory and the nearby Pampas to do analyses of key local issues. They helped an indigenous group figure out price and occupation levels that would make a new jungle lodge pay, quantified economic losses that would result from penetrating the park with a road and developed policy solutions to structural problems in the ecotourism industry.



Boating on Brazil's Rio de Contas

Late in the fall we returned to Brazil, the world leader in biological diversity, for a second course there. This session was a resounding success and set the stage for our first advanced training, slated for late 2002 in Brazil's Pantanal wetlands, to which we will invite previous course graduates to take the next steps in turning good information into environmental influence.

Out of the woods. Into Africa.

Teaching is like cooking, only more so. Ingredients are known, but the results are often unpredictable. The ingredients in teaching include the diverse minds of the participants, so it's no surprise that we're now in waters unplanned and uncharted. Last year four new field projects grew out of our policy and economic trainings, three in Brazil and one in Tanzania. Of these only one is exclusively in a rainforest. The others range from wetlands to savannas. Brazil's Jalapão, for example, is an arid country of broad mesas, dunes, gallery forests

and big rivers. We teamed up with our training graduates Paulo Garcia and Wilson Cabral to analyze a massive water diversion scheme, and found that the project would visit environmental injury along with economic insult on the unique region. Hundreds of millions of dollars would be squandered in the process of draining the Jalapão. This study is part of a wider research effort that has led directly to the creation of a new state park and federal ecological station in the region, covering 1.8 million acres, and effectively thwarting the dams, pipes and pumps.



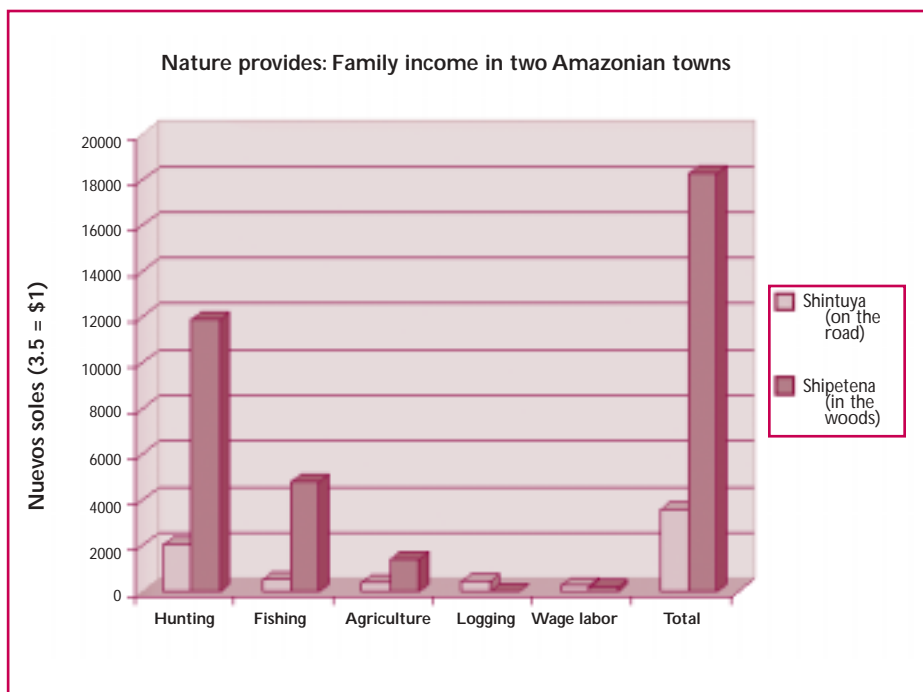
Bahia coast, site of CSF's Second Brazil Course

2001 also saw the beginning of CSF's first project in Africa. The Tanzania National Park Service sent Ezekiel Dembe to our international training, where he cooked up an idea aimed at increasing revenues, and ultimately adding more land to his country's park system. The project aims to spread visitors more evenly around the park system, reducing crowding and raising revenues that will, in turn, justify creating new protected areas. The project is a unique opportunity to put policies in place that bolster Tanzania's famous but only precariously profitable parks. A team including CSF, Tanzania Parks, researchers from University of Southern California and interns from Stanford Business School starts fieldwork this spring.

Several other projects delivered results last year. Among them was our investigation of multibillion-dollar expansion plans for the Panama Canal. This project would clear the way for more and larger vessels to traverse the Central American isthmus by damming three rivers and piping water to the "big ditch," whose locks require fresh water to operate. Street protests by *campesinos*, who would lose their land to the new dams, raised the stakes, and we have worked over the last two years with a local nonprofit law firm to assess the project's costs and benefits. In June we presented findings at a public forum at the University of Panama, showing that the likely human and environmental costs of the project were underestimated and that shippers would have to

pay exorbitant transit fees to finance the project, even if Panama can secure below-market financing. In other words, all Panamanians would be stuck with a sizable debt incurred by a project displacing thousands of people and wreaking environmental havoc. In the aftermath of our presentation the Canal Authority has begun listening to dissenting views on the expansion scheme.

Interesting results also issued from our research with Peruvian course graduate Carmela Landeo, who studied the economic effects of a road on Amazonian indigenous people. The graph below shows that people in a village far from the road are around five times better off than their counterparts on the road, who have access to commerce and all the trappings of progress. The former, in a community called Shipeteari, have incomes still based on healthy populations of game, fish and forest products, as well as intact farming traditions. Carmela conducted the study aiming to boost the chances for establishment of the Amarakaeri Communal Reserve. The reserve has now been declared and her data is being used to guide planning for the area. Toward the end of the year, Carmela was asked to assume the reins of the vast Bahuaja-Sonene National Park in Peru's Amazon, giving her new opportunities to counter heedless road building. Further, she is now providing her findings to Brazilian and Bolivian counterparts managing neighboring protected areas in the border region where she works.



2002

This year we plan to teach in California, Tanzania, the Andes and Brazil, continue with projects in the Americas and East Africa, and explore opportunities to extend our model of training and field work to the Pacific. Over the last few months we've devised a strategic plan which calls for putting more staff, teachers and field mentors behind CSF's ideas, in order to make a good run at globalizing them. That may seem a tall order for a tiny outfit, but, if well conveyed, ideas can move easily to faraway places.

Thanks!

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The Numbers

Balance Sheet

	12/31/2001	12/31/2000
ASSETS		
Current Assets		
Cash or Cash Equivalents	181,008.51	139,359.45
Investment Account	500.00	500.00
Accounts Receivable	36,875.00	118,590.00
Total Current Assets	218,383.51	258,449.45
Property and Equipment		
Furniture & Fixtures	4,503.48	4,503.48
Equipment	4,078.69	994.99
Less Acc Depreciation	(1,563.00)	
Total Property & Equipment	7,019.17	5,498.47
Total Assets	225,402.68	263,947.92
LIABILITIES AND CAPITAL		
Current Liabilities		
Accounts Payable	5,632.47	2,213.16
Payroll Taxes Payable	5,727.87	4,237.37
Total Current Liabilities	11,360.34	6,450.53
Total Liabilities	11,360.34	6,450.53
Capital		
Future Grants	20,000.00	90,000.00
Allocated Reserves	147,273.74	
Retained Earnings	19,223.65	18,118.16
Net Income	27,544.95	149,379.23
Total Capital	214,042.34	257,497.39
Total Liabilities & Capital	225,402.68	263,947.92

Statement of Revenue and Expenses

	2001	2000
REVENUE		
Individual Donations	6,551.43	16,435.00
Foundation Grants	166,300.00	274,733.00
Public Charity Grants	86,486.80	37,015.00
Contract Income	2,000.00	54,989.00
Training Fees	1,500.00	
Interest Income	4,963.45	5,723.00
Total Revenue	267,801.68	388,895.00
EXPENSES		
Administration/Fundraising	48,303.18	35,266.31
Field Projects	77,003.39	100,358.60
Training Program	100,567.68	101,142.86
General Program	14,382.48	2,748.00
Total Expenses	240,256.73	239,515.77
Net Income	27,544.95	149,379.23





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