

# Our World, Our Story

2017 ANNUAL REPORT



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On the cover: Vinicius Uchoa, a local tree planter, is helping reforest the Mantiqueira Range of Brazil's much-depleted Atlantic Forest. The restoration will contribute 10 percent of Brazil's national forest restoration commitment under the Paris climate agreement.

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## We Choose a Conservation Pathway to the Future

At The Nature Conservancy, our strength has always come from our ability to innovate and adapt. We got our start by protecting land threatened by development, and later moved into new areas, including marine and freshwater protection. As threats to our mission have changed, we've changed, too. Climate change, rapid population growth and growing pressure on natural resources have all contributed to a time of rapid and necessary evolution at TNC.

As we respond to a rapidly changing world, it's essential that our strategies remain grounded in solid science. So we recently asked our science team to step back and look at the big picture. We asked: Between now and 2050, can we really have it all—a future where people get the food, energy and economic growth they need without sacrificing nature?

Good news: The answer is yes. If—and it's a big “if”—we do things right.

### Two Paths

To do things right, we need to know what we're up against. So we asked our senior scientists to establish a set of base assumptions—realistic projections for expected growth in global population, gross domestic product, and demand for food and energy between now and 2050. Then they looked at two likely outcomes for nature and people. We'll call these “business as usual” and the “conservation pathway.”

The “business as usual” scenario assumes that humankind carries on as usual, taking insufficient measures to save the planet. This is a dire path. The world warms by 3 degrees Celsius—exceeding recommendations set forth in the Paris agreement; 5 billion people have trouble breathing because of polluted air; 84 percent of fisheries are wiped out; and only 8 percent of lands are protected.

Now let's look at the “conservation pathway.” Here, the science projects a much better scenario. The planet warms, but not as much. Bad air affects some 1 billion people—much fewer, but still too many. All global fisheries will be sustainable, and double the amount of land will be protected—a much better outcome for biodiversity.

At TNC we feel we are morally obligated to do everything we can to help the world shift from “business as usual” to the “conservation pathway.” It won't be easy. But we are confident that it can be done.

### The Nature Conservancy's Role

What can TNC do to help put the world on the path to sustainability? Where can we make the biggest difference? What challenges align with our experiences, resources and know-how?

These are the questions my colleagues across the organization have focused on over the past year. In the end, working with our scientists, program leaders and volunteers from across the organization, we settled on five priorities—the areas where TNC is best positioned to make a measurable and meaningful impact:

**Protect Lands and Waters** Protecting land and water at scale always has been—and always will be—our bread-and-butter work. It's what brought many of us, including me, to TNC. Now we're also using new tools, like impact capital, to unlock new sources of funding for this work. And we're using strategies like Development by Design to transform the way governments and businesses site, design and operate infrastructure in a way that minimizes environmental harm.

We're setting the bar higher than we ever have before. If we do this right, we'll protect more nature in the next five years than we have in the last 66. It's ambitious, but I think we can do it.

**Tackle Climate Change** From fieldwork to federal policy, TNC has long been a leader in tackling climate change. Take, for example, our work protecting forests, from Colorado to Brazil, to sequester more carbon from the atmosphere. We've also worked on restoring ecosystems, like coral reefs and sand dunes, to help people and nature adapt to extreme weather events. And we've been on the ground influencing international climate negotiations.

But several years ago, we decided we needed to do even more. That's why we're ramping up efforts to drive smart climate and energy policy. We're using innovative finance to drive large-scale investments in a wide range of nature-based climate solutions. And all 50 of our U.S. state chapters are pursuing bipartisan, practical solutions for a prosperous and cleaner future.

**Provide Food and Water Sustainably** By 2050, demand for food is expected to grow by 55 percent, as more people enter the middle class and transition to protein-rich diets. By working with farmers, ranchers, fishers and water managers, we think it's possible to meet that demand in a climate-smart and environmentally friendly way. In the Amazon, for instance, we're working throughout the production chain to demonstrate how farming and ranching can increase production without clearing more land. And in fisheries around the world, we are applying technology to track and ensure that catches are sustainable, while creating protected areas where fisheries can recover.

**Build Healthy Cities** Urban conservation work is critical to building a more sustainable future. Soon, three-quarters of the world's population will live in cities. And we want city residents to be on nature's side. That's why we're now working in 25 cities around the world to demonstrate how nature can address urban challenges—like stormwater runoff, air pollution and the heat island effect—in a cost-effective way. We want to show decision-makers, from city hall to local businesses, that nature is key to building sustainable, flourishing cities.

**Connect People and Nature** The Nature Conservancy has always been known for our pragmatic, inclusive style of conservation. We're proud of the partnerships we've built with businesses, governments, indigenous peoples and local communities. But we need even more people on our side. From expanding our work with the health and development sectors to engaging a greater diversity of people in

our work, we're ramping up our efforts to help more people understand the many ways nature improves our lives.

**One Conservancy** To achieve the goals associated with these priorities, we are aligning our globally dispersed organization behind them. The stakes are so high that we have no choice but to ask each operating unit to make its maximum contribution to these priorities. We're coming together as never before to move ahead as one team. This is what gives me great optimism as we face the challenges ahead.

What follows in these pages is a glimpse at actions we've proudly achieved in the past year toward these five priorities. It's just a sampling of the hundreds of ongoing projects in the 72 countries where we work. We're also giving you a look into the future at a handful of efforts that are just off the drawing board. We want you to see the continuity of what we're accomplishing now and how we want to push the envelope going forward.

As supporters of our work, you are at the vanguard of moving beyond “business as usual” to a transformative “conservation pathway,” where we can truly achieve our mission to protect the lands and waters on which all life depends.



*Mark R. Tercek*

**Mark R. Tercek**  
President and Chief Executive Officer





The boreal forest stretches 5,000 miles across North America from Alaska to Newfoundland and Labrador in Canada, shown here in the province of Manitoba. Conservation of the boreal with First Nations peoples represents an opportunity to conserve both wildlife and secure the equivalent of 26 years of global carbon emissions.



## 01 Protect Lands and Waters

By partnering with indigenous people, local communities, governments and corporations and by employing innovative financial strategies and applying smart infrastructure siting principles, we focus on large-scale opportunities with the potential to protect more nature in the next five years than we have during our entire history.





## CANADA

## Conserving a Vast Forest of Wildlife and Carbon

Stretching across northern Canada from the Yukon to Newfoundland and Labrador, the country's boreal forest is the largest intact forest remaining on Earth. This vast, interconnected landscape provides habitat for billions of birds every spring, gives room for moose and herds of woodland caribou to roam, and stores 208 billion metric tons of carbon dioxide—the equivalent of 26 years of global carbon emissions.

For thousands of years, First Nations communities thrived within the richness and sustenance of the boreal as the land's original stewards. But as demand for resources grew, their authority over their traditional territories was challenged, their economies were destabilized and their immemorial way of living was threatened.

**Chief Clarence Easter** leads the *Chemawawin Cree Nation* in Manitoba, Canada, which is partnering with *TNC Canada*: “We belong to the land; the land doesn't belong to us. I've always lived off the land. Growing up, the land was your provider, your mentor, your healer; the berries you pick, the medicines you get, everything you got from the land ... you didn't rely on anyone else.

“In 1964, the Chemawawin people were relocated by the government to make way for a dam. We had no say. That's what people don't like, and they'll resist it—all the way. They damaged our area with the flooding before; now they are going to desecrate it with cutting all the trees down. To me that's not right. I'm not anti-development, but we need to maintain a healthy forest as well. How do we do that? That's where we need some capacity.

“I need some science to be able to understand it, and be able to say yes or no—to government, to industry. That's what I want to bring to the table. I'm hoping we can change some minds. That's what I want from this agreement with TNC Canada, not just for our people, but for everybody else out there.

Left: The boreal forest at Little Limestone Lake northwest of Grand Rapids, Manitoba. Right: Chief Clarence Easter of the Chemawawin Cree Nation.





We need to turn over a new leaf. The caribou, the moose, the ducks, the muskrat, the rabbits—they provided for us a long time before; now we have to do something to provide for them. I want to be able to come back in my next life to a clean environment that our grandchildren can live in, that will help them make a living. That's what keeps me going; that's the whole essence of why I am here."

## "We belong to the land; the land doesn't belong to us."

### The Future

The Nature Conservancy envisions a future where indigenous rights form the root of community-led conservation and economies. We support the leadership of the Chemawawin Cree and 12 other First Nations of the region, and are working to strengthen their decision-making authority over management of 35 million acres within their territories.

This year, we held discussions to better understand the goals of each community. We brought representatives together at a workshop to discuss sustainable forestry, and offered training on natural resources planning.

Next year, we will continue to foster relationships with the First Nations and support them in realizing their goals. We will investigate sustainable economic development opportunities through adopting improved forest management practices, including forest carbon markets. We will help protect the habitat of moose, a cultural mainspring, by lending scientific expertise. And we'll facilitate community-based planning by sharing best practices among indigenous stewardship networks and assisting with financing.

Our hope is to create a new model of sustainable forest management, and ensure the boreal's original inhabitants remain its primary caretakers. | [nature.org/BorealForest](https://nature.org/BorealForest)

Right: Boreal wetlands near The Pas, Manitoba, harbor more than 230 bird species and are an important staging area during migration.







In Gabon a multinational team of scientists uses a traditional seine net to capture fish as part of a species survey on the Ngounié River near Fougamou. Data has been gathered from a series of such expeditions across the country's rivers, helping to inform where to site and how to design hydropower dams to avoid or reduce negative impact.





GABON

## Planning for a Sustainable Future in West Africa

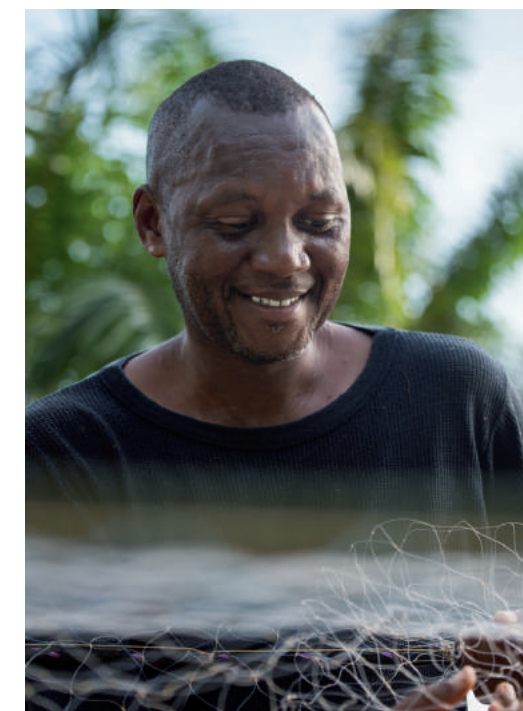
Straddling the equator and situated on the Atlantic coast of Africa, Gabon’s tropical rainforest—the kind that teems with elephants, gorillas and chimpanzees—covers more than three-quarters of the nation, and this landscape is bathed by a network of life-sustaining rivers, most of which remain untamed. Gabon finds itself at a crucial crossroad. This small country that is both wild and striving for modernity has all the elements to become a showcase of what “green growth” really is.

*Jean-Hervé Mve Beh is a research associate with Gabon’s national research center, working with The Nature Conservancy to do key research on Gabon’s rivers:*

“Rivers are special to me because that is where it becomes clear that water is life. Now there is greater awareness of the need to understand the impact of human activities on natural habitats. That recognition is global, but also local here in our small country of Gabon—heavily forested, but also with lots of freshwater and marine habitats.

“Why do this? Let me tell you about a place that is emblematic of what can go wrong. Our rivers are a major food source for our people. There is a manganese mine in the southeast of the country that was very poorly managed for 40 years. There, the river near it is completely dead. People realized the connection and said clearly this is not something we want in our country. That’s what can happen if you just cruise ahead, if you don’t have an understanding of what might happen.

“We are working now to establish a baseline of the sites proposed for hydropower. We know there is richness of habitat, but the knowledge of it is relatively poor. Gabon is trying to make the case for conservation to show the world this face of caring for nature and being more environmentally minded. People are watching what we do. We have to say it but show it, too.”



Top left: Augustin Nzoghe, community leader of Achouka Island, fishes on lake Oguemoué with his wife, Ophélie Efire. Below left: The fish are prepared to feed Nzoghe’s family, which includes five wives, 29 children and 10 grandchildren. Right: Jean-Hervé Mve Beh.



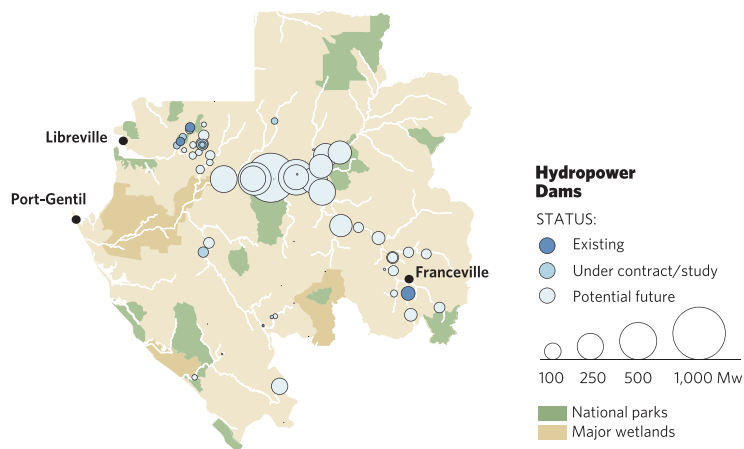
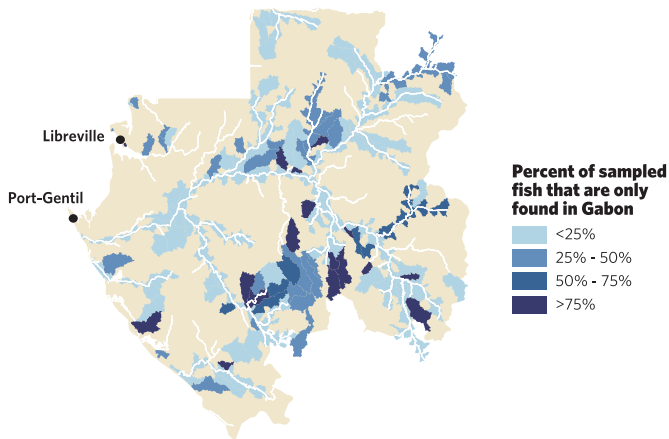
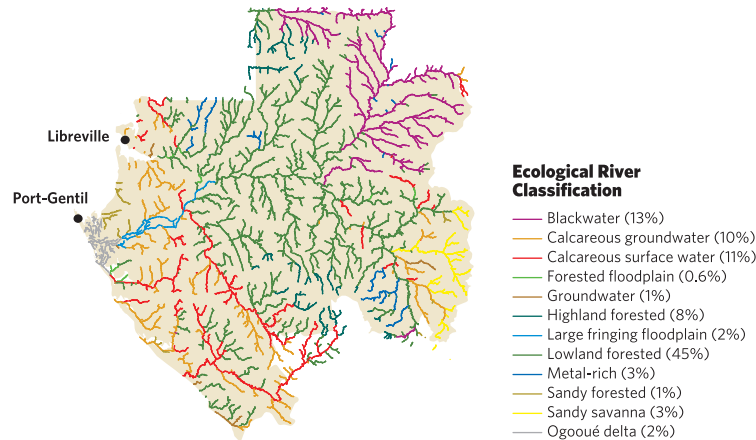
### Mapping Research and Resources to Inform Decision-Makers

Scientific expeditions, led by The Nature Conservancy with Gabon's National Research Center from 2014 forward, gathered data from rivers that crisscross the nation's rainforest to ascertain aquatic diversity and how hydropower dams and other development might impact those species.

The government of Gabon is eager to tap the potential of hydropower for industrialization and economic diversification and to lessen dependence on fossil fuels. Wisely, the government wants to develop as sustainably as possible, and welcomes scientific information to help it make the best decisions.

The maps here represent just three examples of how the consolidation of existing data augmented by field-work from these expeditions can be presented visually to make it easily understood. The top map illustrates the river ecosystem types that exist across the nation. The middle map shows how known populations of fish species that are unique to Gabon are distributed, but many areas still remain uncharted.

The bottom map indicates current dams, sites being assessed and potential sites in the future with proximity to national parks, major wetlands and other areas of concern. Data sets can overlay in various ways to also help inform forestry, extractive industries and other interests with potential to affect Gabon's natural diversity and the welfare of its people.



### The Future

Gabon's conservation commitment is clearly demonstrated by the designation of over 10 percent of the country as national parks, and a similar proportion as Ramsar sites, a designation for wetlands of international importance. But Ramsar sites in the country have lacked the needed support to see them valued and effectively managed.

Together with government agencies, TNC brings its expertise to strengthen protected-area stewardship, promote best management practices that reduce impacts on water quality stemming from industrial development within critical areas of the river basins, and promote community stewardship of the valued resources.

Under the "Emerging Gabon" vision, Gabon's future economic development is based in large part on harnessing its hydropower potential. With this in mind, TNC is proposing the application of a pragmatic approach called Hydropower by Design, which plans for appropriate location and design of future dams in order to secure desired energy output with the least environmental impact possible. This approach is complemented by an ecosys-

tem services valuation framework to ensure that future development accounts for the benefits provided to people and economic activities by healthy, functional ecosystems. | [nature.org/Gabon](https://www.nature.org/Gabon)

**"Now there is greater awareness of the need to understand the impact of human activities on natural habitats."**

Above: Gabon's network of rivers also supports a diversity of wildlife, including gorillas, hippopotamuses and forest elephants.



MYANMAR

## Guiding the Conservation of an Emerging Nation's Forests and Rivers



Above: Children walk across a bridge on a duck farm at Phyar Pone Township off the Irrawaddy River, where the new government is considering ways to balance electricity generation with a healthy river system.



After decades of seclusion, Myanmar (previously known as Burma) is experiencing a dramatic shift from military rule to democracy and from a centrally controlled economy to a market-oriented one. Although ethnic conflicts are occurring amid this change, Myanmar's long period of isolation has left the nation relatively undeveloped compared with its neighbors and many of its natural resources remain intact. There is much at stake.

With extensive forests and three economically, ecologically and culturally important rivers (Irrawaddy, Mekong and Myintnge), Myanmar is one of the most biologically diverse countries in Southeast Asia. Seventy percent of Myanmar's citizens are dependent on its forests for their livelihoods, and river fish are the primary source of protein for its people. The country is also one of the most vulnerable countries to climate change in the world.

Through our leadership of the Responsible Asia Forestry and Trade (RAFT) program, TNC has been working to reduce tropical deforestation and forest degradation in Myanmar and the Asia Pacific region. Building on this foundation, we will expand our work in central Myanmar to focus on:

- **Strengthening** the management of forests to conserve the country's rich biological and cultural assets while ensuring that the forests continue to make a valuable contribution to the country's economic development.
- **Protecting** the health and productivity of free-flowing rivers to maximize benefits for communities and nature.

[nature.org/Myanmar](https://www.nature.org/Myanmar)

"We're an organization of ideas. Ideas that we've tested on the ground and know will work. The really hard part is scale. Today, we're positioned to work at a scale that truly matters. We're poised to make history. I can't think of a better place to do that than Africa. There are still huge areas of wilderness but change is coming so quickly. We have very limited time to scale up the solutions that we know will work."

**Wendy Bennett**

Africa Council member  
and former TNC state trustee



2017 ACHIEVEMENTS

**A sampling of accomplishments for the year** demonstrates how traditional techniques of acquisition, easements and protected-area designation can achieve conservation at a scale that matters.



TEXAS

**The Conservancy acquired 2,129 acres along the Bahia Grande coastal corridor**, marking the first land protection deal in the state funded by the RESTORE Act, which was passed to help regional communities along the Gulf of Mexico recover from the 2010 Deepwater Horizon oil spill. These newly protected tracts are critical to restoring the Bahia Grande's extensive tidal bay system; they anchor a 7,000-acre wildlife corridor linking two large national wildlife refuges, the Lower Rio Grande Valley and the Laguna Atascosa, and enhance the protection of the Laguna Madre, the largest hypersaline lagoon system in North America. | [nature.org/BahiaGrande](http://nature.org/BahiaGrande)



Far left: The Bahia Grande coastal corridor near the southern Gulf Coast of Texas. Upper left: Sage grouse are being protected in Wyoming's Thunder Basin. Below: The view over Turtle bay on the island of St. Kitts, St. Kitts and Nevis in the Caribbean.



WYOMING

The Nature Conservancy and a broad coalition of partners finalized **one of the largest voluntary conservation agreements in recent history**. More than 15 years in the making, the agreement implements a conservation strategy across 13.2 million acres in Wyoming's Thunder Basin and northward into Montana. | [nature.org/ThunderBasin](http://nature.org/ThunderBasin)

CARIBBEAN

The dual-island nation of St. Kitts and Nevis declared a new marine managed area that protects a two-mile radius around the entire island nation, **protecting 60 percent of its nearshore marine shelf**. The Conservancy has been involved for years in the community and stakeholder discussions, sharing knowledge and creating the first marine zoning map that informed the protected area boundaries. | [nature.org/StKitts](http://nature.org/StKitts)

ARGENTINA

After four years of negotiations, the Conservancy helped close the nation's second conservation easement, a precedent-setting legal agreement that **will ensure the conservation of 99,000 acres in the Somuncura Plateau**, a conservation priority nestled in Patagonia's iconic grasslands. Easements are a particularly good fit for Patagonia, where nearly 80 percent of the land is privately owned. The Conservancy estimates that with appropriate incentives, conservation easements could help protect 1.5 million acres there over the next five years. | [nature.org/Patagonia](http://nature.org/Patagonia)





02

# Tackle Climate Change

Efforts to implement cost-effective natural climate solutions, including reforestation and avoided deforestation, can deliver more than one-third of the needed reductions in greenhouse gas emissions required by 2030. And by driving policy changes, we can accelerate our transition to a clean energy future.

Far left: A native tree sapling is prepared for planting in the Mantiqueira range of Brazil's Atlantic Forest. This page: Arlindo Cortez, manager of Extrema's Water Producer Program, walks along a hill that has been prepared for reforestation.





## BRAZIL

## Seeing the Atlantic Forest for the Carbon

Rising above Brazil's two largest cities, São Paulo and Rio de Janeiro, the iconic Mantiqueira mountain range represents a battered remnant of the nation's endangered Atlantic Forest. Its restoration, however, holds the potential to help secure fresh water for city dwellers, transform rural economies and contribute 10 percent of Brazil's national forest restoration commitment under the Paris climate agreement, sequestering 260 million tons of carbon dioxide over 30 years.

**Paulo Pereira** is the environmental secretary for the municipality of Extrema: "One of the main objectives of the Mantiqueira Conservation Plan is to transform rural properties into producers of environmental services. Areas that have been reforested sequester carbon, maintain soil fertility, promote and nurture biodiversity, and produce water.

"The Mantiqueira range is the land of water ['mountains that weep' in the Tupi-Guarani indigenous language, due to the many springs found in the range], which is the most essential environmental service on the planet. Transforming rural properties into water producers is essential to ensuring supply to the large cities, which in the case of Extrema happens to be São Paulo, Brazil's largest metropolitan region.

Environmental Secretary Paulo Pereira hugs a tree where reforestation has commenced in the Mantiqueira mountain range.



The Jaguari River, here at the Salto Waterfall, helps form the Cantareira reservoir system, providing water to more than 9 million people in greater São Paulo.

“I have been working in Extrema for 22 years, focusing on building the knowledge that made it possible to implement this project. So this is a summary of all my professional life, of my dedication and of everything I believe in regarding forest restoration. This will guarantee the future of our region to the next generations, by ensuring that the name of the mountains where we live, Mantiqueira, continues to mean ‘the mountains which produce water.’”

## The Future

Addressing climate change is the defining challenge of modern environmentalism. Reforestation in tropical countries, where opportunity costs are low and tree growth rates are high, is a relatively inexpensive and scalable carbon sequestration opportunity. But even “inexpensive” solutions require outside funding, which has proven impossible to find at scale.

Brazil’s Mantiqueira Mountains offer millions of underutilized hectares to be restored, the beginnings of favorable market and policy frameworks, and easy access to Latin America’s largest markets. Together, these factors mean that restoring native forests could become more financially attractive to landowners than the low-productivity cattle grazing that currently dominates the landscape.



The Nature Conservancy intends to create the enabling conditions that make forest restoration a land use of choice in the Mantiqueira. This project brings together two of the Conservancy’s long-standing strategies: first, water funds. We will use the network and trust built through 10 years of the São Paulo Water Fund (which conducts forest restoration in a portion of the Mantiqueira to improve water security for downstream residents) to quickly establish 20 restoration hubs. They will create local networks, disseminate best practices and channel public funding to restoration projects.

Second, forest restoration. We will build on TNC’s expertise in tropical forest restoration and our efforts to make the financial case for “economic restoration”—forest restoration that produces timber and fruit, as well as ecological benefits. By creating tangible financial benefits for landowners, we can establish a new restoration economy and drive a virtuous cycle capable of changing land use across millions of hectares. | [nature.org/BrazilForest](https://www.nature.org/BrazilForest)

**“Areas that have been reforested sequester carbon, maintain soil fertility, promote and nurture biodiversity, and produce water.”**





## WEST VIRGINIA

## Imagining a Brighter Future in Coal Country

In West Virginia, the decline of the coal industry and the need to reinvent the state's energy economy represented to many, both in and out of the state, an intractable problem. But our West Virginia chapter saw an opportunity for TNC to play a significant role in bringing focus to the value of nature in a changing economy. The chapter initiated a wide-ranging conversation with stakeholders across the state and across the political spectrum. These discussions ultimately led to two *Nature and Economy Summit* events, in November 2016 and June 2017.

**Beth Wheatley** is TNC's director of external affairs and strategic initiative for West Virginia, and has been the driving force behind building this strategy:

"The issues we face here in West Virginia exist at that very complicated intersection between nature, economics and people. There's a lot to unpack before we can even start to talk about solutions. People aren't just grappling with economic hardship. We are watching a way of life transform before our eyes.

Beth Wheatley hiking the Tomblin Wildlife Management Area in her native West Virginia.





**“We needed time for deep listening and learning—about the changes and about hopes for the future—to be able to work together to find solutions.”**

“The Nature Conservancy usually digs right into solutions when we host a meeting. What we heard in prior conversations with stakeholders, though, was that the complexity of the changes that many West Virginians are experiencing requires a different approach. We needed time for deep listening and learning—about the changes and about hopes for the future—to be able to work together to find solutions. So we created a space for more open-ended conversation and for exploration of possible answers. This was a bit of a risk, as we were not sure where the discussion would go.

“It turns out people were hungry for an opportunity to have this kind of conversation. People who live and work here love this state for its natural beauty, and believe in the resiliency of its people. The open framework to our meetings allowed us to explore that, contributing some much-needed optimism about West Virginia and its future.”

Top: Despite maintaining some scars, reclaimed land from surface mining was recently acquired to become the Tomblin Wildlife Management Area. Bottom: A commercial agroforestry project has been developed at a former mountaintop mine by the Coalfield Development Corporation, demonstrating potential reuse options.

### The Future

The meetings in West Virginia featured frank and moving discussions between local economic development authority leaders, state leaders, congressional staff, nonprofits, and clean energy, forest carbon, tourism and workforce development experts. Many of the attendees had never met one another before. The diverse participants in these meetings looked for the common ground on which they could move forward. They agreed to continue the conversation, bringing more stakeholders to the table, and to explore the role of nature-based solutions, including forest carbon projects and renewable energy.

One of the first projects that has emerged has TNC working with the Coalfield Development Corporation to develop a business plan that will help repurpose lands that have been degraded from mining activity, including potentially developing renewable energy projects that create new jobs.

Sometimes it feels as though the United States’ response to climate change is stuck in neutral, but it’s actually moving forward at the state level. That is why TNC has launched its 50-State Climate Change Strategy initiative. Right now, TNC is working in every state—engaging business leaders, scientists and government leaders—to develop and implement steps toward clean energy and sustainable land use.

[| nature.org/CoalCountry](https://www.nature.org/CoalCountry)





## INDIA

## Advancing Renewable Energy for a Growing Middle Class



Workers inspect wind turbines at a wind farm in central India. By 2050, India's energy needs are projected to increase by 170 percent.



India's landmass supports one-sixth of the world's human population and one-eighth of the world's biodiversity. It has the highest population of the three globally iconic and threatened species—the Bengal tiger, Asian elephant and Indian rhino. India recognizes that a low-carbon economy is fundamental to advancing human development while conserving the environment.

By 2050, India's energy needs are projected to increase by 170 percent to meet the demands of its growing middle class and 200 million Indians who currently lack access to electricity. It has thus committed to achieve 40 percent cumulative electric power capacity from renewable energy sources by 2030, and simultaneously create an additional carbon sink of 2.5 billion to 3 billion tons of carbon dioxide equivalent through large-scale reforestation.

However, solar and wind power projects require 30 to 40 times more land per unit of energy generated than conventional energy sources like coal. In such a context, how can India ensure that its two goals do not undermine each other?

The Nature Conservancy has partnered with a research organization, the Center for Study of Science, Technology and Policy, to bring forward a solution to this challenge. We are using TNC's Development by Design approach to create a decision-support tool that uses landscape-level conservation planning for advancing renewable energy development while avoiding impacts to sensitive natural areas. We are helping the government's renewable energy agencies in the central Indian states of Madhya Pradesh and Maharashtra to locate ideal sites for renewable energy projects that have low ecological and social values.

Much is at stake in this region, which is the heart of India's wildlife. The two states alone support 22 percent of India's tiger population and have the highest diversity and population of indigenous communities. By demonstrating success here, we can scale up landscape-level planning for infrastructure development across the country, as it experiences the most rapid infrastructure expansion in human history.

[| nature.org/IndiaQA](https://www.nature.org/IndiaQA)

"As someone who deeply appreciates the beauty and biological diversity of our planet, I came to TNC because there was no one better at identifying and preserving our most critical and unique ecosystems. But I have stayed with TNC through the years because they have become the leader in tackling our greatest environmental threat: the challenges of climate change. This, while remaining true to their roots of science-based initiatives, long-term thinking and nimble pragmatism."

### David Leathers

Business Executive and Trustee of the Conservancy's Massachusetts chapter



## 2017 ACHIEVEMENTS

**A sampling of accomplishments for the year focuses on work with indigenous communities, governments and businesses to develop and expand innovative financial mechanisms that support climate-change mitigation.**



## INDONESIA

In East Kalimantan—a province nearly the size of Greece—the government of Indonesia and TNC are partners in a forest carbon program. Through Communities Inspiring Actions for Change (SIGAP in Indonesian), **TNC is helping East Kalimantan communities gain rights to access and manage their forests, formulate green development plans, develop forest-friendly livelihoods and secure additional financial support.** Most recently the NetHope 2017 Device Challenge (funded by Google.org) is delivering 1,700 smartphones to 100 villages in East Kalimantan and training villagers to use our SIGAP app to help them protect their forests and improve their lives through the power of technology.

| [nature.org/IndonesiaForests](http://nature.org/IndonesiaForests)

Forest guards in the Wehea forest, where TNC is working with local village leaders, the Indonesian government, industry and other conservation organizations in East Kalimantan to develop a road map for creating direct economic incentives to maintain the forests.



## MEXICO

The Nature Conservancy has joined with Swiss Re, a leading global reinsurance company, and hotel owners on Mexico's Mayan Riviera to **launch a first-of-its-kind pilot to insure the coral reefs that protect the tourism-dependent coast between Cancún and Tulum.** The pilot demonstrates how to insure coastal natural ecosystems and offers an associated source of funding for ongoing reef protection and repair. A large hurricane would trigger near-immediate payouts. By having the money arrive quickly, reef repairs could begin sooner.

| [nature.org/ReefInsurance](http://nature.org/ReefInsurance)

## ALASKA

**The Conservancy secured the sale and permanent retirement of the 62,000-acre Bering River coal field** in a groundbreaking transaction that also ensures forest protections and long-term income for an Alaska Native community. The transaction illustrates how land can be managed in a way that yields both financial and environmental benefits.

| [nature.org/AlaskaCoalField](http://nature.org/AlaskaCoalField)

Below: As climate change threatens coastal reefs with increased storm damage, an innovative pilot project to insure reefs would enable recovery efforts to begin sooner.

## NEW YORK

**The Conservancy entered into a precedent-setting agreement with the city of Albany**

to participate in the Working Woodlands carbon market program, which provides carbon credits, in the form of cash payments, for landowners to take steps to protect and manage their forests in order to store carbon and reduce greenhouse gas emissions. By committing to formal protections for its watershed, the city will keep the landscape intact, improve forest health and protect its drinking water supply for future generations. This transaction helps mitigate climate change, as well as achieve land and water protection goals, and is replicable throughout New York and other states.

| [nature.org/NYWoodlands](http://nature.org/NYWoodlands)





### 03

# Provide Food and Water Sustainably

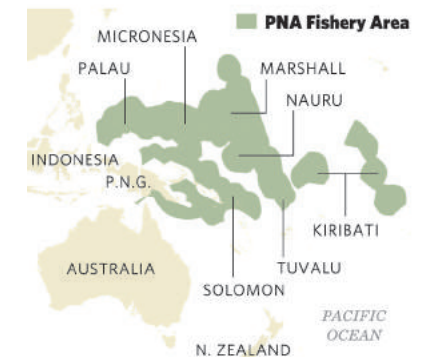
To provide the food and water people need without sacrificing the environment, we are working with farmers, ranchers, fishers and water managers to create sustainable supplies, reduce negative environmental impacts, promote economic growth and green supply chains, and create policies that enable sustainability.

Fishermen anchor their boats in North Sulawesi, Indonesia, where TNC is equipping boats with technology, including facial recognition, to enable better identification and tracking of species caught, a crucial step in establishing sustainable fishing practices.





Left: Thomas Kraft holds an "ono" (or wahoo) at his processing facility in Honolulu.



PACIFIC OCEAN

## Tapping Technology to Transform Fisheries

Nearly 60 percent of all fisheries around the world are being overfished or are in decline. Marine wildlife—particularly vulnerable animals like sharks, rays, seabirds, turtles and marine mammals—and the habitats on which they depend are also in steep decline.

In addition, fish and other seafood are a vital source of key nutrients for more than 3.1 billion people and provide direct or indirect livelihoods for 10 to 12 percent of the world's population. Despite our dependence on the oceans for food, we know very little about how many fish remain in the sea.

**Thomas Kraft** is a founder of *Norpac Fisheries Export*, a successful processing and distribution business dedicated to accountability, responsibility, traceability and sustainability. He is a partner with *The Nature Conservancy* in its efforts to employ traceability methods in Pacific fisheries: "My background is as a CPA. I didn't initially plan to work in the seafood industry. I got into it because I grew up in the Pacific Northwest and was always interested in marine resources, and I had a client in the seafood industry. I began by developing a swordfish export operation in Hawaii back when there were few regulations. I witnessed the depletion of several local fisheries and the threats to cetaceans and sea turtles and came to realize that I was part of the problem but hadn't even realized it.



**“Our system can tell you where any given fish came from, who has handled it, how long it’s been in our facility and where it’s going.”**

“That led me to develop a fish-traceability system in 2004. Our system can tell you where any given fish came from, who has handled it, how long it’s been in our facility and where it’s going. When I was looking to expand my work, I wanted to avoid what I had experienced in Hawaii, and I ended up talking with TNC’s Chuck Cook and Peter Maus.

“We were able to apply our traceability system to begin a fisheries improvement project in Indonesia. This is the first time a fisheries improvement project has taken a multispecies approach to collect data and involve local fishers, managers, processors, distributors, local hotels and customers abroad to create an end-to-end stakeholder chain of interested parties, who are willing to work together to drive the economics so that everybody’s aware and can make rational decisions for the benefit of the fishery. It links the economics to the biologic and environmental in a cost-effective way.”

**The Future**

The Nature Conservancy is driving innovative solutions with communities, fishers, managers and policymakers. TNC and partners from the U.S. National Oceanic and Atmospheric Administration (NOAA), the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and the Science for Nature and People Partnership (SNAPP) have been working together with leading stock assessment scientists to develop a user-friendly application, called FishPath. The FishPath decision-support platform combines all the lessons learned from past fisheries management efforts across the globe—the first time all this information has been synthesized in one place and turned into practical advice for managers. Specifically it guides the user in identifying the appropriate monitoring, assessment and management options for a specific fishery, given its socio-economic and governance context, goals and needs.

But 90 percent of global fisheries operate with no scientific assessment of their health. Current methods of

collecting data are cumbersome and expensive. Specific to Pacific tuna fisheries, TNC is rolling out electronic monitoring technology to improve oversight. Using motion sensors and GPS systems with cameras, government and industry players can see what species are being brought on board. These investments not only provide a lifeline to an ailing ecosystem but also help regional leaders create more informed—and more sustainable—fishery policies. This multifaceted approach will help stabilize regional ecosystems, protect the world’s tuna supply and preserve local cultural traditions.

Putting that electronic monitoring on board boats solves one problem (lack of data) but creates a new one (too much data). Reviewing thousands of hours of footage is cumbersome and expensive. The Nature Conservancy’s California program, long a pioneer in coastal fisheries innovation, engaged the technology industry to bring the same expertise that helps Facebook tag your friends to solve the data overload.

By holding a first-ever Artificial Intelligence competition for top data scientists, TNC spurred thousands of teams to develop algorithms designed to identify when a fish is caught and what type of fish it is. The Conservancy then worked with software and electronic monitoring vendors to get the winning solution into the fishery. As these algorithms are exposed to more data, the accuracy will continually improve. The Nature Conservancy is making the algorithm code available under an open-source license that will enable anyone to use the algorithms freely.

[| nature.org/PacificFisheries](http://nature.org/PacificFisheries)



Top right: TNC’s fish-tracking program uses a measuring board and facial-recognition technology (FishFace) to collect data organized by species. Below right: Women sort fish as they come off the boat in East Java, Indonesia.





HEARTLAND U.S.A.

## Boosting Food Production, Securing Water and Carbon

The U.S. is losing 10 billion tons of fertile soil every year through erosion and degradation. And yet, we will need a substantial increase in agricultural production if we are to feed the planet's growing population. Improving soil health on U.S. agricultural land holds the potential for achieving meaningful conservation and economic benefits, as well as mitigating the growing threat of climate change. Healthy soil is the cornerstone of life on Earth, facilitating ecosystem biodiversity, ample food production, effective water filtration and storage, and carbon sequestration.

**Lee Kinnard** runs a family farm on Wisconsin's Door Peninsula that won a U.S. Dairy Sustainability Award:

"Our parents' goal was to build a business that would last for generations, and it has. Dad was a conservationist and taught us well. He was using sustainable methods like no-till when very few others were. He'd say, 'This is not our land, and these are not our resources. It's simply our responsibility to be the next generation of caretakers.'

"We are fortunate to live in an area with very rich soil, perfectly suited for farming, but I worry that fewer people here want to remain in farming. The alternative is to convert the farmland to housing development. So I began buying

area farms as they came on the market, both to expand my business and to keep this land in production. I was surprised by the bitter opposition I faced, some from those claiming to be 'environmentalists.'

"So I was leery when I first met Steve Richter of The Nature Conservancy. But he came along at just the right time and turned out to be the voice of sanity. He brought science to the discussion, and I believe science always wins. The Conservancy's been part of the process of bringing in speakers, establishing demonstration projects and encouraging farmers to talk to other farmers. Soil health is the focus. A generational change is happening, and those remaining do make the tie between doing the right thing and profitability."

### The Future

The soil health road map, prepared by an interdisciplinary team of TNC scientists, environmental economists and agriculture experts, outlines how adopting soil health practices on all U.S. corn, soy and wheat croplands could deliver nearly \$50 billion in social and environmental impacts annually.

As global food demand grows, U.S. agriculture needs to increase production to meet both domestic and international food requirements. Managing for soil health serves as one tool for achieving increased production while reducing the societal and environmental impacts of the current U.S. row crop production system. Farming practices such as cover crops, reduced tillage, crop rotation and nutrient management can nourish soil and keep nutrients on fields and out of waterways, benefiting both farmers and the environment.

TNC also has joined forces with the Soil Health Institute and the Soil Health Partnership on a collaborative effort to advance soil health on America's farms and ranches, paving the way for measurable economic and environmental gains for farmers, businesses and communities for generations to come. The lessons learned here will also inform agricultural reforms around the world. | [nature.org/Soil](https://www.nature.org/Soil)

Left: Lee Kinnard at his family dairy farm. Above: The Soil Health Partnership has created a network of 111 farms in 12 states to test and promote soil health practices—the largest farmer-led research effort of its kind. The Conservancy is a partner, providing science-based guidance for soil health solutions.



COLOMBIA

## Transforming Livestock Production to Benefit People and Wildlife



A cattle ranch in Colombia's Cauca Valley, where ranchers are instituting practices to become more sustainable and wildlife-friendly.

With 1,900-plus bird species—more than any other country in the world—Colombia is a bird-watcher's paradise and one of the most biodiverse countries on Earth. Recently, Colombia has emerged from years of turmoil to become a vibrant, democratic country, charting a path toward greater peace and prosperity for its people. Colombia's rich natural resources are helping to drive its growing economy.

Here, the demand to increase production serves as a microcosm of pressures faced all over Latin America. Conventionally grazed pastures consume a third of Colombia's territory and have contributed to severe soil degradation and deforestation. Transforming this destructive cycle into sustainable livestock production is essential to preserving Colombia's magnificent biodiversity. The solution lies in changing the dynamic from farming *versus* habitat to an alliance of farming *and* habitat.

The Nature Conservancy and partners are promoting sustainable ranching at the largest scale ever done in Colombia. More than 2,600 ranchers—mainly owners of small-size plots in areas of high biodiversity and low income levels—are adopting sustainable practices that protect critical habitats while increasing production, profits and climate resilience.

These well-tested practices, known as silvopastoral systems, incorporate trees, forage banks and living fences made up of native species, which provide shelter and food for wildlife and in many cases help connect forest patches with protected areas serving as wildlife corridors. These arrangements provide cattle with vertical layers of grazing, leading to twice the milk and meat production per acre while reducing the amount of land needed to raise them.

Results have been impressive. Colombian ranchers have already transformed 105,000 acres to environmentally friendly practices and protected 37,000 acres through conservation agreements with landowners. Nearly a million native trees have been planted. Meanwhile, participating ranchers report a reduction in the need for fertilizers and pesticides, more productive soils, increased loads (animal per hectare), and an average 10 percent increase in their milk and/or meat production.

Monitoring studies have confirmed increased biodiversity, improved carbon stocks and reduced contamination of water sources. Training and outreach have resulted in widespread understanding of the value of nature in healthy soils and resilience to extreme weather events. To date, ranchers have lowered greenhouse gas by more than 2 million tons.

[| nature.org/ColombiaRanches](http://nature.org/ColombiaRanches)

“In these sometimes daunting times, it's easy to be an enthusiastic supporter of The Nature Conservancy, whose science-based conservation explores solutions to complex, interconnected challenges by focusing both locally and globally. The availability of clean, safe water and sustainable food sources directly affects every human on the planet. TNC's multifaceted approach and partnerships with people, especially those most directly engaged in food production—farmers and ranchers—and those impacted by environmental changes that threaten water supplies in places like Africa, Latin America and Pacific island nations, will help ensure that the actions we take now will have positive outcomes long into the future.”

**Amy Batchelor**

Colorado-based Entrepreneur and Philanthropist



2017 ACHIEVEMENTS

**A sampling of accomplishments for the year includes productive partnerships to safeguard the lands and waters crucial to the production of food and to habitat for biodiversity.**



WASHINGTON

**A new agreement with the Hoh River Trust gives TNC ownership of more than 10,000 acres of vital habitat** for restoration and renewal in the Hoh River Valley in the Olympic rainforest. Connecting the mountains of Olympic National Park to the sea, the mossy Hoh River is among Washington's most iconic places. Clear and undammed, the river hosts one of the healthiest wild salmon runs in the lower 48 states.

[| nature.org/HohRiver](http://nature.org/HohRiver)

Above: Glacial waters of the Hoh River on the Olympic Peninsula. Upper right: An irrigated farm using water from the Colorado River. Lower right: The Guatemala City water fund includes efforts to clear the watershed of garbage.



COLORADO

The Nature Conservancy is contracting with the Grand Valley Water Users Association to keep 3,200 acre-feet of water (about a billion gallons) in the Colorado River. The association is contracting, in turn, with individual farmers and ranchers to forgo irrigation in return for financial compensation. **The project's participants are following approximately 1,250 acres for up to two years**, allowing much-needed flows to remain in the river to provide system-wide benefits, including environmental flow improvements for two endangered fish species.

[| nature.org/ColoradoWater](http://nature.org/ColoradoWater)

LATIN AMERICA

The Nature Conservancy and partners created three new water funds, in Cartagena, Colombia; Santa Marta and Ciénaga, Colombia; and Guatemala City. Water funds are mechanisms that incentivize urban water users to fund conservation actions upstream in the watershed to ensure reliable flows of clean water downstream. Thus far, TNC, as part of the Latin America Water Funds Partnership, has **helped create 23 water funds, conserving nearly 300,000 hectares**, with improved environmental management on an additional 1.6 million hectares, that included more than 200 private and public partners.

[| nature.org/NewWaterFunds](http://nature.org/NewWaterFunds)



HAWAII

Capping a 17-year effort, TNC provided scientific data and other critical support to help the community **secure a 10-year marine reserve at Ka'ūpūlehu**, on the North Kona Coast of Hawaii, to restore abundance to a once-thriving fishery, the first such community-created marine reserve in the state. [| nature.org/HawaiiReserve](http://nature.org/HawaiiReserve)





The new Tencent Binhai headquarters in Shenzhen, China, aims to be a model for the sponge city concept, where urban development incorporates gardens, green roofs and other technologies to manage stormwater runoff and make cities more liveable.

04  
**Build Healthy  
Cities**

We are demonstrating how green infrastructure, such as planting trees in cities, can address urban challenges, including stormwater runoff, air pollution and heat islands, and also generate benefits for communities, for people's health and for the economy.





CHINA

## Demonstrating How Cities Can Manage Stormwater

The city of Shenzhen barely existed 30 years ago in the Pearl River Delta just north of Hong Kong. What was a small fishing village in the 1970s is now a megalopolis of more than 15 million people, part of the world's largest continuously urbanized area with a total population of 70 million. Such unfathomable growth has had a tremendous impact on the region's environment, with water and air pollution chief among the outcomes. Such rapid urbanization also has exacerbated flooding, when vast concrete cities are unable to absorb and hold stormwater.

China is already experiencing the mass migration of people to urban centers that will affect nations around the world in the coming decades. And with the severe weather patterns that come with climate change, cities are increasingly vulnerable to flooding. Since 2008, the number of Chinese cities affected by floods has more than doubled.



**Chao (Ivan) Wan** is an engineer and executive manager of planning and design for Tencent, the Chinese tech giant known for its social media businesses. Tencent's new headquarters complex in Shenzhen has been developed with environmental sustainability in mind and with The Nature Conservancy as a partner: "I grew up in Nanchang, the capital of Jiangxi Province, an overwhelmingly crowded city, where I also attended university. I had lead roles in both state design institutes and private design firms before joining Tencent.

"As an internet corporation, Tencent was created within Shenzhen's innovative culture. Creating a sustainable environment is a foundation to corporate development and a prerequisite to retaining talent. Talent and a culture of sustainability are essential to Tencent's rapid growth. We aimed to establish the Tencent Binhai headquarters as an exemplary green, intelligent and user-friendly building from the very start. Green architecture and 'sponge city' theories are identical.

"The new complex consists of two interconnected towers, connected by three sky platforms. The plaza that contains these buildings is covered in permeable ceramic bricks, made from recycled materials and fired at a high temperature to withstand great pressure. The concrete beneath the

**"Stormwater retention rates have increased from 30 percent to 66 percent after these additions."**

Chao Wan at one of the rooftop gardens of the Tencent Binhai headquarters.





Left: Newly installed plants and permeable surfaces designed to filter and slow the flow of rainwater into waterways at the Tencent headquarters. Right: The Sinolink Primary School in Shenzhen has implemented a number of sponge city features, including rain barrels and permeable surfaces in their sports grounds. They have also started a “young naturalists” class to teach students about rainwater management and gardening.



ceramic bricks is also permeable, so the whole structure serves as a sponge, allowing large amounts of rainwater to seep through the ground, filtering out dirt and pollutants.

Gardens on the rooftops and sky platforms with permeable ceramic layers also allow rainwater absorption and purification. Adjacent to the plaza, Tencent is adding bioswales and gardens, expanded green areas with improved rainwater retention ability. Following these additions, stormwater retention rates have increased from 30 percent to 66 percent. In typhoon season, there was no flooding during heavy precipitation.

Tencent is integrating a large interactive visual screen at its headquarters to present monitoring data and demonstrate how green infrastructure can improve the environment. This will be an effective way to engage and introduce the sponge city concept to the public.”

### The Future

Three years ago, China launched its Sponge City Initiative, an effort across 30 Chinese cities, including Shenzhen, to tackle the runoff pollution and flooding problem by making cities more capable of filtering and holding water—by incorporating permeable road surfaces, planting trees and creating gardens, and instituting innovative development guidelines. The Sponge City Initiative has an ambitious

goal: By 2030, 80 percent of built-up urban areas should manage at least 70 percent of rainwater. It is encouraging cities to develop innovative solutions that can then be shared.

In December 2016, The Nature Conservancy, Paradise Foundation and the Sponge City Office of the Shenzhen municipal government signed a collaboration framework agreement that marked the start of a long-term partnership to jointly establish and promote Shenzhen as China’s pioneer sponge city.

The Nature Conservancy’s efforts in Shenzhen include four integrated directions:

- Policy research and recommendations.
- Implementation of six voluntary demonstration sites: a commercial skyscraper (Tencent headquarters), a school (Sinolink Primary School), a factory (Pingshan Binhai Medication Factory), an urban town building (Gangxia 1980), and a residential neighborhood and park to be determined.
- Public engagement and advocacy.
- Comprehensive technology application.

Shenzhen will benefit from knowledge gained at other global projects, and techniques pioneered at Shenzhen will inform green infrastructure applications in other cities in China and around the world. | [nature.org/Shenzhen](http://nature.org/Shenzhen)





A lone tree beneath "Spaghetti Junction" in Louisville, Kentucky, represents both the plight of trees in many urban landscapes and a glimmer of hope for what expanded tree cover can bring to cities.





KENTUCKY

## Strengthening Louisville's Green Heart

The people of Louisville, Kentucky, are proud of its identity as a city of parks. Verdant nature, courtesy of Frederick Law Olmsted, weaves through its graceful old neighborhoods.

Because of the confluence of geography and industry, it's also a city where the air quality is considered dangerous at least 10 days every year. It's a city where those who live in wealthier, greener neighborhoods live a decade longer than those in heavily paved neighborhoods only a few miles away. And it's a city where rates of asthma, cardiac disease and diabetes exceed national averages—so much so that the region has earned the nickname “The Coronary Valley.”



*Jennifer Nunn is a native of Louisville and is the community liaison with the Institute for Healthy Air, Water and Soil, a key partner with The Nature Conservancy and others in the Green Heart Project.* “I was born in Louisville and grew up here. I live in Oakdale, one of the neighborhoods affected by the Green Heart Project. It's an older, working class, racially mixed neighborhood built after World War II. The houses are close together, and there aren't many trees, except some in people's backyards. We were hard hit by the recession, and recovery has been slow, with lots of foreclosures and abandoned houses.

“I have a blended family; between my partner and me we have three girls, a boy and two cats. I was hired for this role because I'm part of the community. People here know me, they know my voice—they trust me. People have not been engaged like this before; they may be skeptical, so my presence can open doors. I feel fortunate that I can now align my work with my values.

“We hope to demonstrate that trees can have a positive impact on people's health, but we may not see that right away. People aren't necessarily aware of the environmental problems, but they all want to see a safer, healthier neighborhood.

“Planting trees creates an opportunity for the community to come together. Our neighborhood will look nicer. People will spend more time outside. It will likely improve the value of our homes. My biggest hope is that people get to know one another better and the connections among people grow stronger.”

**“We hope to demonstrate that trees can have a positive impact on people's health.”**

Left: Jennifer Nunn, community liaison for the Green Heart Project, walks beneath a tree canopy that she hopes to see replicated elsewhere in her Oakdale neighborhood.



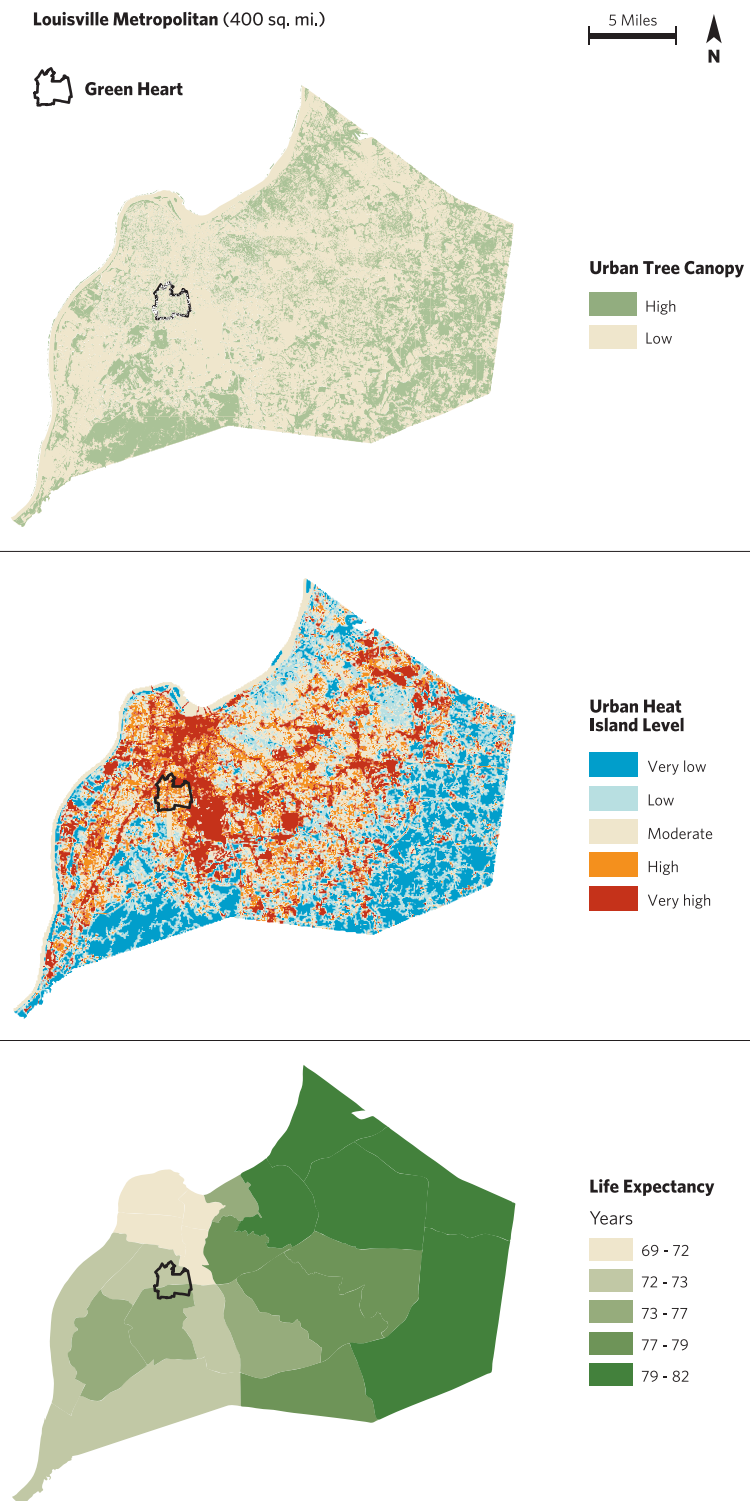
### Establishing Benchmarks for a Landmark Study

It has long been suspected that urban trees are good for people in cities. We know scientifically that trees do indeed produce oxygen, remove harmful particulate matter pollution from the air and reduce “heat islands” from mineral-based building materials.

We also know that there is an observable correlation between urban tree cover and the health and longevity of city dwellers. The maps here demonstrate what we already know. The top map shows where the urban tree canopy is flourishing in Louisville, Kentucky, and where it is sporadic. The middle map indicates where “heat islands” are most intense. And the bottom map demonstrates the life expectancy range across the city.

The Green Heart Project area represents neighborhoods of relatively limited tree canopy, high to moderate heat island effect and a lower life expectancy than much of Louisville. We now want to test the hypothesis that the rapid addition of trees will not only improve the local environs, but also reduce particulate matter air pollution to improve the health of those who live in the project area.

By testing the health of 700 residents regularly over five years, we will know empirically if the reforestation of cities can have a measurable, positive impact on human health and well-being.



### The Future

Over the coming year, TNC, with the University of Louisville and several local partners, will plant as many as 8,000 trees and shrubs in the city, all located in places where science indicates they will have the most benefit for human health. Medical researchers with the Green Heart Project will follow 700 people for five years, testing the impact that living near nature has had on their health. That data will help TNC shape urban planning around the world, transforming city trees from a luxury item to critical public health infrastructure.

Trees can serve as physical barriers to pollution, but they also filter fine particulate matter pollution from auto exhaust and industrial sources with their leaves, trapping particles that are so tiny that they can pass directly into the

bloodstream and exacerbate cardiac disease. The Institute for Healthy Air, Water and Soil, a Green Heart partner, often compares the project to vaccination: It's preventative care, ensuring that a person's neighborhood isn't working against their heart medication or asthma inhaler.

[nature.org/GreenHeart](https://www.nature.org/GreenHeart)

Above: Robert Wilson and his daughter, Alaina, remove the remains of an ash tree felled by a utility company because it interfered with power lines. It's an example of why community outreach will be needed to convince some that trees are not a nuisance and may have a positive influence on health and well-being.



INDIA

## Supporting Green Urbanization in a Biodiversity Hot Spot



India has emerged as one of the fastest-growing economies in the world today and is experiencing the most rapid urbanization in history. By 2030, more than 600 million people will be living in Indian cities, and the country is gearing up to build infrastructure to support this migration. Many ecologically sensitive regions stand to be adversely affected by an unplanned piecemeal approach to urbanization. India ranks among the top 10 countries in the world with the highest forest cover, and supports globally important biological hot spots such as the Himalayas and Western Ghats. Therefore, India’s efforts to develop without destruction will have significant and lasting impacts on global biodiversity, as well as on the livability of future cities and human health.

The Nature Conservancy is advancing the model of urban greenprinting in several cities around the world, which will demonstrate how nature-based solutions can improve living conditions and provide ecological benefits to citizens. We are collaborating with key stakeholders to produce an urban greenprint for the south Indian city of Coimbatore, which lies amid a global biodiversity hot spot—the Western Ghats. Coimbatore’s development will set a precedent for the 25-plus small towns surrounding it, thus affecting a biologically rich region of global significance. The urban greenprint will focus on:

- Reviving Coimbatore’s lakes to improve groundwater recharge, water quality and sanitation, as well as improving biodiversity habitats for birds and aquatic species, aquifer recharge and positively affecting the region’s hydrology.
- Increasing green cover through strategic tree plantations to improve air quality, control temperatures and reduce carbon emissions.
- Build natural infrastructure to improve connectivity between forests and facilitate safe movement of wildlife, particularly elephants, thereby reducing conflict.

In the coming years, India will invest heavily in chasing an ambitious development agenda. Our aim is to demonstrate success and work toward integrating such solutions in the government’s urban-planning initiatives to help build healthy, safe, resilient and sustainable cities for people and nature. | [nature.org/IndiaQA](https://www.nature.org/IndiaQA)

Above: Coimbatore’s “greenprint” has the potential to inform green urban planning for burgeoning cities across India.

“Our environment has a direct and deep influence on all aspects of our well-being. We must have the scientific data on how to build an urban environment that supports human health. It’s really exciting to bring science together with our citizens, politicians, not-for-profits and corporate leadership. Partnerships are the key to life, and having The Nature Conservancy as Green Heart’s leading environmental partner is an extraordinary good fortune and an incredible opportunity for us all to learn together.”

**Christy Brown**

Philanthropist and Founder of the Institute for Healthy Air, Water, and Soil





2017 ACHIEVEMENTS

**A sampling of accomplishments for the year showcases diverse efforts to improve health and quality of life by bolstering the role of trees in our urban landscapes.**

CONNECTICUT

In collaboration with local partners, TNC has embarked on a community **greening effort in Bridgeport's East Side neighborhood** that includes developing green stormwater infrastructure, planting trees, and engaging volunteers in stewardship of parks and other natural areas. The Eco-Urban Assessment model, which informed TNC's decision to work in the East Side, is now being replicated in other cities in Connecticut and is guiding the chapter to other neighborhoods in Bridgeport. | [nature.org/GreenBridgeport](http://nature.org/GreenBridgeport)

AUSTRALIA

Melbourne regularly ranks as one of the world's most livable cities, but industrial, commercial and residential development accompany such popularity. That's why retention and growth of bushland and other green areas in Melbourne are so important, along with **trees' ability to provide cooling summer shade and healthy, breathable air.**

The Conservancy's partnership with Resilient Melbourne includes developing the Melbourne Metropolitan Urban Forest Strategy to help plan for a greener Melbourne. | [nature.org/GreenMelbourne](http://nature.org/GreenMelbourne)

Left: Jayden Louis holds on to a red maple he planted in his backyard as part of the greening effort in Bridgeport, Connecticut. Right: Workers removing invasive plants as part of the Cape Town, South Africa, water fund. These thirsty, non-native plants have exacerbated the impact of the city's current drought.

ALABAMA

The Nature Conservancy has teamed up with public school programs and other partners in Birmingham to **provide urban youth with hands-on experience in environmental science careers that also benefit the environmental health of their cities.** In Birmingham's Woodlawn neighborhood, students are engaged in restoring vacant lots into green oases that inspire community pride while helping cool the city, clean its air and accommodate recreation. | [nature.org/AlabamaDreams](http://nature.org/AlabamaDreams)



SOUTH AFRICA

**As our first project in this African nation, TNC is working with others to establish a water fund in Cape Town,** a city in the grip of drought. A primary culprit is thirsty, non-native, ornamental plants that are sucking the watershed dry. Removal of these invasive species also can be a job creator for underserved urban communities.

| [nature.org/CapeTown](http://nature.org/CapeTown)





05

## Connect People and Nature

To create a world where people and nature thrive will require paradigm-shifting strategies that change how people value nature. We need more people to understand the critical role nature plays in our lives and, in response, more people will be inspired to step up and do what they can to save nature.

GulfCorps employees work to maintain trails and habitat at St. Joseph Bay State Buffer Preserve on Florida's Gulf Coast. Outreach to underserved youth in the states that line the Gulf of Mexico reconnects them to the natural world and prepares them for careers in the region's restoration economy.





GULF OF MEXICO

# Restoring Nature and Hope on the Gulf Coast

The Deepwater Horizon oil spill in 2010 was the nadir of a long decline in the health of the Gulf of Mexico and its bays, estuaries and tributary rivers, jeopardizing the many benefits the Gulf provides to coastal communities and to the country as a whole. The resulting RESTORE Act directs fines from the oil spill to a trust fund for ongoing environmental restoration of the area. Ultimately, this tragedy presented an opportunity for a comprehensive Gulf of Mexico restoration that would address some of the Gulf’s long-term problems in a way that would make the region, its communities and its economy more resilient to ongoing stresses, such as storms and sea-level rise, as well as future natural disasters.

Conservation corps have been used to accomplish conservation objectives around the country since 1933, when President Franklin Roosevelt created the Civilian Conservation Corps. Until recently, conservation corps have not been widely used around the Gulf of Mexico, even though communities along the Gulf stand to gain the most—both economically and environmentally—from the conservation corps model. This model involves engaging young people in completing projects that address local conservation and community needs. Through a structured term of service, corps participants earn a stipend and develop job skills.

**Myesha Campbell** is an early GulfCorps recruit being employed to undertake restoration efforts along the Gulf Coast: “I’m an Apalachicola girl. I’d swim and go fishing and crabbing in the Gulf when I was a kid. But I left high school and was working in a minimum-wage fast-food job for two years. I thought that was my future and I’d never leave.

“This experience has had a major impact on my future in so many ways. When I started I did not have any self-confidence. I was afraid at first, but there was so much support from this corps team. We just kept the faith and pushed one another. I can see improvement in myself every day. I develop new skills every day working on the trails. I can do what men can do. And I’m learning that I can help make the world a better place.



Left, clockwise from top left: GulfCorps employees Ronald Henderson, Jonathan James, Madison Cooper and Marcus Lattimore. Above: Myesha Campbell.





## “I see how important the Gulf is to me and my community.”

“Working with others who grew up here, too, has made me realize I’m not alone. Now I see how important the Gulf is to me and my community. I am working to get my diploma and go to college. I love listening to people and helping them, and I want to become a psychologist. Now I know that I can do anything if I put my mind to it.”

### The Future

The Nature Conservancy has been active along the Gulf Coast for more than 40 years and lent its scientific expertise to inform the RESTORE Act guidelines, recommending that restoration of the Gulf of Mexico should include a significant focus on three critical issues:

- Restoring healthy shorelines.
- Protecting freshwater resources.
- Ensuring participation of Gulf communities in the economic benefits of the restoration activities.

With the help of a National Oceanic and Atmospheric Administration award of \$7 million through the RESTORE Act, and the collaboration of critical partners at The Corps Network and the Student Conservation Association, TNC has launched a new Gulf restoration project that aims to create 300 jobs over three years along the Gulf of Mexico.

The project, GulfCorps, will protect and restore critical habitat along the Gulf while creating jobs through conservation corps, teams of young adults who do hands-on work to restore natural features and natural habitat on conservation lands, including planting native vegetation, removing invasive species, and restoring banks and shorelines. The project will be distributed equally among all five Gulf states: Florida, Alabama, Mississippi, Louisiana and Texas. Crew members and crew leaders will become thoroughly trained and experienced, providing them with marketable skills in the restoration economy taking shape in the Gulf of Mexico.

[| nature.org/GulfCoast](http://nature.org/GulfCoast)

Left: Myesha Campbell and Marcus Lattimore explore the St. Joseph Bay State Buffer Preserve as part of the GulfCorps experience.





## TANZANIA

## Reaching Out to the Women of Lake Tanganyika

Lake Tanganyika holds 17 percent of our planet's fresh water and boasts more than 300 fish species. For tens of thousands of people who live along it, the lake is their water fountain, highway and grocery store. Rising eastward from the shoreline, the Greater Mahale Ecosystem encompasses 4.8 million acres of mostly forested landscape. This ecosystem is home to approximately 93 percent of Tanzania's 2,800 endangered chimpanzees. The health of this diverse natural environment and the well-being of its people are threatened by extreme poverty compounded by a rapidly growing human population. The birth rate in this region is 7.1 births per woman—one of the highest in the world.



*Farida Katunka is a volunteer community health worker for Tanzanian villages that line Lake Tanganyika: “It’s not easy to have 10 kids! When people learn about family planning, it can help them in so many ways. By doing this, I’m helping a lot of families. I knew this wouldn’t be a paid job, but I wanted to help other women.*

*“Before we visit a house, we assess the birth trend at that house. Once we realize that someone needs help, we pay a call. I discovered one woman who had six children all in a row, so I held a village meeting with the help of the chairman and made sure she could attend. We invited couples of reproductive age, and presented on family planning. After the meeting, I held a Q&A, and referred those with questions I could not answer to the health center. The following Saturday, this woman appeared at the health center and asked for an IUD. A few years later, she still just has six kids and her health has improved.”*

Community health volunteers Farida Katunka (in black) and Sikitu Mustafa ride bikes door to door offering family-planning information in the village of Mgambo near Lake Tanganyika.

### The Future

Tuungane (Kiswahili for “Let’s Unite”) is a collaboration between The Nature Conservancy and Pathfinder International, a global reproductive health organization, and other local and international stakeholders. Tuungane is expressly designed to create integrated solutions to create healthier families, fisheries and forests.

Key to the project is outreach to women, who have historically lacked access to health care. More than 17,000 women of reproductive age have already received family-planning counseling and access to modern contraception at upgraded health clinics. Volunteers like Farida Katunka have been recruited and trained through the Tuungane Project.

Since Tuungane’s inception, the project also has seen more than 1,700 people receive microfinance loans to start sustainable small businesses and diversify their incomes. Eight new Village Land Use Plans earmark 228,000 acres as village land forest reserves to protect key chimp habitat, and 57 forest scouts have been trained and deployed. Tuungane is providing training on climate-smart agriculture practices, which not only reduce sedimentation caused by runoff into the lake, but produce higher yields for the farmers. And 15 of the 17 coastal villages have established beach management units to enforce their own sustainable fishing regulations.

[| nature.org/LakeTanganyika](https://www.nature.org/LakeTanganyika)



Tatu Habibu lays dagaa, a type of sardine, on drying racks along the shores of Lake Tanganyika, the world's second-largest lake by volume. It is home to 250 endemic species of fish, which provide 40 percent of all protein for lakeshore villages.





## UNITED KINGDOM

## Expanding Youth Engagement Across the Pond



A 2016 British survey found that U.K. kids spend less time outdoors than prison inmates, with one in nine saying they hadn't set foot in a natural landscape in more than a year. Today's youth are growing up more diverse and more disconnected from nature than any previous generation. More than half of all U.K. wildlife species are in decline, yet the amount of time people spent volunteering for conservation has dropped by 23 percent in recent years. If young people are not exposed early to nature, they will be less likely to see themselves as stewards of the planet as they reach voting age and make decisions about the future of our natural resources.

In Europe, TNC has formed a partnership with British nonprofit Action for Conservation to jointly pursue their shared goal of engaging and inspiring young people to become the next generation of conservationists. In addition to more than 20 years of working with young people in the U.S. through its Leaders in Environmental Action for the Future program, TNC is now developing a youth-engagement program in mainland China and has established programs in Canada and Hong Kong.

The Nature Conservancy's youth engagement effort has three primary components:

**LEARN**—Harness the power of technology to reach millions of youth and build knowledge of nature's benefits.

**ACT**—Increase volunteer opportunities for youth to develop natural infrastructure solutions in their communities.

**LEAD**—Provide a comprehensive leadership development career pathway to empower the next generation of leaders.

A recent Action for Conservation summer camp in Pembrokeshire, Wales, for youth between 12 and 16 years of age employed education materials from TNC's online resource for schools, Nature Works Everywhere, in sessions throughout the week. | [nature.org/UKYouth](https://www.nature.org/UKYouth)



Above: Young people from across the U.K. participated in a weeklong summer camp at Pembrokeshire Coast National Park, packed with conservation activities, career advice and adventure guided by young conservation professionals.

“To me, effective conservation means not only protecting the future of natural land and water, but also engaging a diversity of people in that work. In the Gulf of Mexico, my wife, Linda, and I saw great opportunities to engage disadvantaged and under-represented young people in helping to restore the Gulf, and to do so in a way that ensures they have marketable skills to contribute to the economy of the Gulf region and the conservation knowledge to be stewards of the Gulf's resources in the years to come.”

### Keith Monda

Florida-based Philanthropist and Longtime  
Supporter of The Nature Conservancy



2017 ACHIEVEMENTS

**A sampling of accomplishments for the year illustrates the expanding ways we seek to build a constituency for conservation—from education, volunteerism and social media outreach to convening decision-makers.**



USA

**Corporate engagement provided expanded outreach opportunities**, including with Lowe’s to catalyze school garden builds and revitalizations in more than 50 schools in underserved communities across the country; with PepsiCo’s Recycle for Nature campaign to protect drinking water through recycling and save at least 1.2 billion gallons of water over five years; and with some 80 brewers in 25 states, from Deschutes to Dogfish Head, through OktoberForest, a campaign to raise awareness and support healthy forests and clean water. | [nature.org/BrewersForests](http://nature.org/BrewersForests) | [nature.org/CorporatePartners](http://nature.org/CorporatePartners)

Above left: The Langille-Hoppe family volunteer during a Recycle for Nature cleanup event at Oka’ Yanahli Preserve along the Blue River in Oklahoma. Upper right: TNC China and WildAid distributed a Saving Pangolins PSA on social media featuring Jackie Chan. Lower right: Volunteers learn about nesting houses for purple martins at Montrose Harbor in Chicago.

CHINA

The Nature Conservancy in China is leading the organization in its digital outreach to raise public awareness and education in support of nature. Among its successful campaigns has been the joint outreach with United Nations Environment and the International Fund for Animal Welfare for World Wildlife Day 2017, where **TNC collaborated with more than 30 celebrities** to reach at least half a billion people in China. | [nature.org/ChinaDigital](http://nature.org/ChinaDigital)



ILLINOIS

The Conservancy is connecting people to nature in Chicago’s diverse communities through volunteerism. **TNC partnered with the Chicago Park District to expand volunteer opportunities** by hosting 400-plus workdays last year. More than 8,500 volunteers contributed over 20,000 hours to this effort. | [nature.org/IllinoisVolunteers](http://nature.org/IllinoisVolunteers)

AFRICA

**Africa’s Great Lakes hold one-third of the world’s surface fresh water.** The Nature Conservancy spearheaded the African Great Lakes Conference, an unprecedented gathering on the Ugandan shores of Lake Victoria, bringing together those who best understand the challenges these seven major lakes face and those who can put into practice activities to lessen those threats. Critical to the conference’s success was a collaboration with TNC’s North American Great Lakes team. | [nature.org/AfricaLakes](http://nature.org/AfricaLakes)



## Consider the Power of “And”

It’s a funny little word, “and.” But it’s our secret sauce. It’s the core capability that makes TNC so distinguished and effective at delivering impact.

Local *and* global. The ability to straddle the grass-roots and global dimensions, to strategically integrate those two, at scale, is unprecedented. With all humility, it is a simple fact that no other environmental organization in the world does this as well as The Nature Conservancy.

People *and* place. We have a science-based approach driving a shared conservation agenda around the world, which asserts that we can simultaneously meet the needs of humanity and the needs of nature. Our strategy is not to simply protect nature from people; it is to enhance nature for people. Once again, unprecedented.

The organization *and* its volunteers. We are very fortunate to have outstanding people working for The Nature Conservancy: the chapters, the staff and the executive team—all extraordinary professionals deeply committed to our mission. But TNC would not be TNC without its extensive network of dedicated volunteers. We simply could not deliver results without their tireless efforts. With more than 1,300 volunteer trustees in the countries where we work, including all 50 of the United States, volunteers open doors, raise money and bridge the political gap that too often divides us these days.

Last fall I experienced TNC in action. I joined a group of trustees on Capitol Hill, first at the office of Sen. Mitch McConnell of Kentucky. The Republican majority leader appeared and explained that he had a very busy day ahead of him. I said, “Senator, we have a gift for you.” “A gift?” he responded. “Your work on the Green River in Kentucky saved that river,” I explained as we presented him with a framed photograph of the Green River flowing free after a dam and lock were removed. He just looked at that photograph and smiled. He’s been working with us on this project for 15 years. And our work together isn’t finished—there are two more dams he wants out and a refuge he hopes we can help create. He sincerely cares.

An hour later we were sitting in the office of Sen. Angus King from Maine, an independent who was once a trustee in the Maine chapter. He perked up when someone said that we had just come from Senator McConnell’s office, and he said, “Really?” He could see that we were straddling these two apparently different worlds, finding and nurturing common ground. Yet both these gentlemen, both these senators, both these leaders are—at their core—conservationists. They both care about place, their constituents care about place, and they are doing what they can do in their own ways to lend a hand.

The Nature Conservancy brought the power of “and” into these relationships. We bridged that gap because we represent the big tent. Join us, find common ground, and collaborate for the good of our communities and planet. Together, let’s embrace nature and share the soulful experiences that unite us all at our core. We witnessed the impact of common ground in action during that day in Washington, D.C., last year. This is classic TNC: bringing people together in service of our planet.

Several months ago, our first grandchild was born—Grant Christopher Tierney. This life milestone has prompted both boundless joy and deep reflection. How do we respond to the generations that follow when they ask us questions like, “What are you doing to help protect our environment? To ensure we have clean water and healthy green cities? To combat climate change?” Here is my answer: We can say that we actively support the world’s most significant environmental organization. That our dedication will not waver and we will not fail. Because at the end of the day, what matters most are the people we love and whether or not in some way we helped leave the world better off than we found it. Indeed, future and family may be the biggest “and” of all.



**Thomas J. Tierney**  
Chairman of the Board

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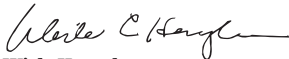
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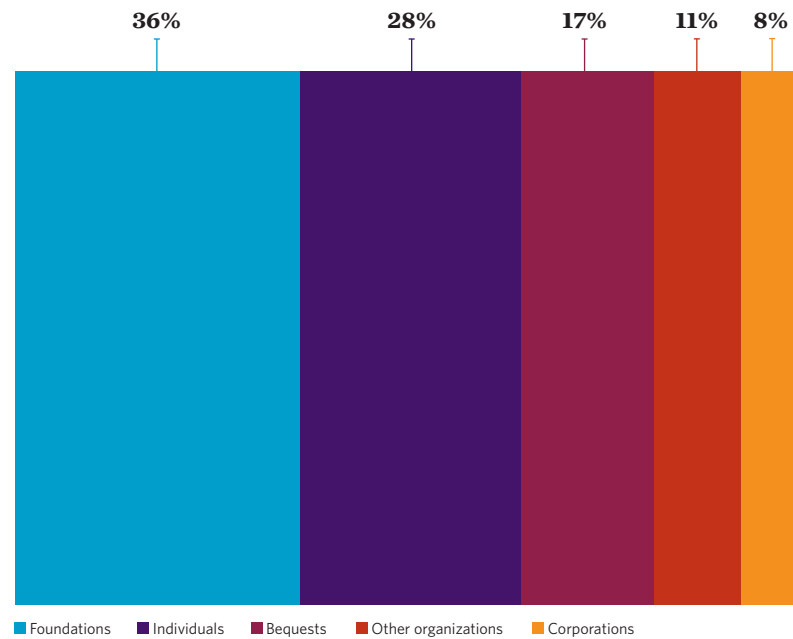
The Nature Conservancy raised a record amount of private funding in fiscal year 2017, its second year in a row doing so. Continued, yet modest, growth in fundraising, coupled with strong long-term investment results of 11.1 percent for FY17, enabled 6 percent growth in operations and continued investment in capital project work around the globe. These strong operating results, combined with a rebound in conservation land gifts resulted in an increase in total net assets and a balance at June 30, 2017, of \$6.2 billion, slightly above the balance of the prior fiscal year end.

Programmatic efficiency (66.8 percent) was somewhat below the prior fiscal year (69.9 percent) because of lower conservation land purchase opportunities, and because the Conservancy continued to make needed investments in growing its membership. Land purchases are opportunistic and may not occur with consistent timing year to year, adding volatility to the programmatic efficiency percentage. For instance, midway through the Conservancy's next fiscal year, purchases of conservation land have already outpaced each of the prior two fiscal years, foretelling an upward swing in programmatic efficiency for FY18.

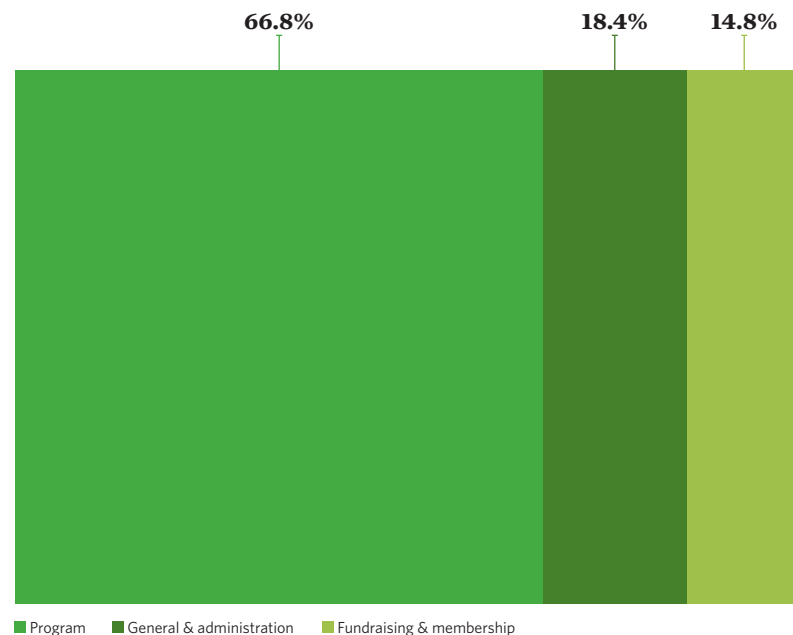
The financial results depicted here are derived from the Conservancy's audited June 30, 2017 consolidated financial statements, which contain an unqualified audit opinion. The Conservancy's complete, audited financial statements can be obtained online at [nature.org/annualreport](http://nature.org/annualreport) or by calling (800) 628-6860.

  
**Wisla Heneghan**  
 Chief Operating Office and General Counsel

**PERCENTAGE OF DUES & CONTRIBUTIONS BY DONOR TYPE**



**PERCENTAGE OF TOTAL PROGRAMMATIC EFFICIENCY**



For the fiscal years ending on June 30, 2017 & 2016 (in thousands)

**SUPPORT & REVENUE**

	2017	2016
Dues & contributions	627,059	602,854
Government grants	117,218	109,744
Investment income (loss)	200,300	(59,345)
Other income (loss)	86,344	45,601
Land sales & gifts	112,844	105,096
<b>Total Support &amp; Revenue</b>	<b>1,143,765</b>	<b>803,950</b>

% of each dollar spent

**EXPENSES & PURCHASES OF CONSERVATION LAND & EASEMENTS**

	2017	2016	2017	2016
Conservation activities & actions	472,790	449,722	56.0%	52.0%
Purchases of conservation land & easements	91,625	155,555	10.8%	18.0%
<b>Total Conservation Program Expenses &amp; Purchases of Conservation Land &amp; Easements</b>	<b>564,415</b>	<b>605,277</b>	<b>66.8%</b>	<b>69.9%</b>
General & administrative	155,430	146,862	18.4%	17.0%
Fundraising	78,485	77,214	14.8%	13.1%
Membership	46,650	35,969		
<b>Total Administration &amp; Fundraising</b>	<b>280,565</b>	<b>260,045</b>		
<b>Total Expenses &amp; Purchases of Conservation Land &amp; Easements</b>	<b>844,980</b>	<b>865,322</b>		
<b>Net Result: Support &amp; Revenue Over Expenses &amp; Purchases of Conservation Land &amp; Easements <sup>1</sup></b>	<b>298,785</b>	<b>(61,372)</b>		

**FUNDRAISING SUMMARY**

Fundraising expenses as a percentage of total expenses & purchases of conservation land & easements	9.3%	8.9%
-----------------------------------------------------------------------------------------------------	------	------

**ASSET, LIABILITY & NET ASSET SUMMARY**

Conservation land	1,834,243	1,832,270
Conservation easements	2,159,042	2,089,865
Investments held for conservation projects	801,558	794,938
Endowment investments	1,199,828	1,115,398
Planned giving investments	320,946	284,344
Property & equipment (net of depreciation)	121,800	129,166
Other assets <sup>2</sup>	554,330	451,498
<b>Total Assets</b>	<b>6,991,747</b>	<b>6,697,479</b>
Accounts payable & accrued liabilities	117,114	129,769
Notes payable	303,313	361,219
Other liabilities <sup>3</sup>	349,560	291,249
Total net assets	6,221,760	5,915,242
<b>Total Liabilities &amp; Net Assets</b>	<b>6,991,747</b>	<b>6,697,479</b>

<sup>1</sup> Not intended to represent increase in net assets.

<sup>2</sup> Primarily includes cash, pledges of future gifts, collateral received under securities lending agreement, notes receivable, and deposits on land and other assets.

<sup>3</sup> Primarily includes deferred revenue, payable under securities lending agreement, planned giving liability, and other liabilities.

**Note:** The figures that appear in the financial summary shown are derived from the 2017 and 2016 consolidated financial statements that have been audited and have received an unqualified opinion.

The complete, audited 2017 and 2016 financial statements for The Nature Conservancy can be seen at [nature.org/annualreport](http://nature.org/annualreport), or can be ordered from The Nature Conservancy at (800) 628-6860.



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A Spanish-language edition is available at [nature.org/annualreport](https://www.nature.org/annualreport)

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A final offer of gratitude goes to those who so cherished nature and valued The Nature Conservancy's work during their lives that they remembered us in their estate plans and ensured continuing support after their lifetimes. In the past year alone, planned gifts to the Conservancy totaled \$104 million—a lasting legacy that will continue to protect, transform and inspire for generations to come.

[nature.org/legacy](https://www.nature.org/legacy) | [legacy@tnc.org](mailto:legacy@tnc.org) | (877) 812-3698





## Conserving the lands and waters on which all life depends

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