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WHERE WE WORK

2016 was truly the year nature's voice was heard. From the commitments to combat climate change by the 92 nations that ratified the UN climate agreement in Paris to industry embracing the Sustainable Coffee Challenge, we saw global leaders acknowledge that people need nature.

We are proud to share with you some highlights from the work you've made possible over the past 12 months. These examples illustrate the challenges and successes of global conservation.

Through your support of our world-class science, innovative solutions and global reach, we made advances that protect nature, safeguard sources of food and water, and foster vibrant economies.

Trusted collaboration with communities and governments, as well as a feet-in-the-mud understanding of local needs and conditions, enabled CI to achieve impact far beyond our size. At the same time, we continued to champion the pivotal role of industry in acting responsibly toward the resources we depend on. And our scientists delivered new tools and technology to safeguard precious resources for people everywhere.

Taken alone, each of the following highlights is impressive; together they represent a testimonial to the lasting impact you make by supporting Conservation International.

Thank you.

Building a Resilient Climate

Responding to the causes and effects of climate change is the greatest challenge of our time. In December 2015, the world community took action. The UN climate conference in Paris **resulted in a landmark agreement to limit rising temperatures caused by greenhouse gas emissions.** The pact, based on national commitments, went into effect in November 2016, having been ratified and signed by 92 countries including the U.S. and China.

The UN climate conference in Paris — where CI staff served on 11 national delegations — resulted in a landmark agreement. © Yann Caradec/Flickr Creative Commons

CI played an expansive role in the Paris negotiations, serving on 11 national delegations. The result of our efforts was monumental: **We secured formal recognition of the importance of nature-based solutions** — in particular, the protection of oceans and forests, which can lead at least one-third of the way to meeting agreed-upon climate goals. While past agreements have focused solely on limiting emissions and building new technology, the Paris agreement provides new impetus to fund nature-based solutions to their fullest potential. We are moving quickly and purposefully to capitalize on this momentum.

We directly support indigenous peoples and local communities, who control more than 20 percent of the forests and coastal areas that absorb greenhouse gas emissions. We give them the tools, data and technical knowledge to design and implement projects that protect their lands. This year, we led multi-national workshops, convened indigenous advisory groups and sponsored fellowships for indigenous leaders, all designed to help them secure their rights to natural resources and strengthen territorial management. A grant from the U.S. Department of State will further assist our work to improve indigenous groups' participation in forest protection in Costa Rica, Kenya, Peru, Suriname and Vanuatu.

For nearly 30 years, CI has directly supported indigenous peoples and local communities, who steward the planet's last great remaining reservoirs of nature. © Cristina Mittermeier

CI was an early and ardent proponent of creating financial incentives for forest protection and climate mitigation through REDD+ (Reduced Emissions from Deforestation and forest Degradation). **The potential for REDD+ is enormous: it could drive more than US$ 1 billion to protect forests.** CI-Africa is providing hands-on technical and financial support for the verification of the Chyulu Hills REDD+ project in Kenya expected to launch next year. To date, CI's REDD+ projects have protected 373,832 hectares (924,000 acres) of forest in places such as Madagascar and Peru.

CI advocated for REDD+ as a viable offset mechanism to the aviation industry to help airlines cap emissions at projected 2020 levels. To demonstrate the reasoning behind our stance, we issued a white paper, *Linking Flights and Forests,* a collaborative effort with partners including The Nature Conservancy, the Environmental Defense Fund, IUCN and the Wildlife Conservation Society. **The International Civil Aviation Organization subsequently agreed** on a measure allowing airlines to purchase emission reductions to offset carbon emissions.

CI is working to increase funding for nature-based solutions by mapping the places with the greatest potential for impact. We are also proposing standards to monitor and evaluate effectiveness, making it possible for funders to measure the return on their investments.

We've long known that forests are a critical part of the climate equation, but **CI is pioneering the science behind "blue carbon"** that shows that coastal ecosystems are just as essential. Mangrove forests, for example, store as much as 10 times the carbon found in a comparable area of terrestrial forests, so we are testing new ways to maximize their contribution to mitigate climate change.

CI is advancing the science behind blue carbon — the carbon stored in coastal and marine ecosystems — as yet another natural solution to climate change. © Arun Roisri

CI was chosen to be the lead technical adviser to the International Partnership for Blue Carbon, a coalition initiated by the Australian government to support countries to protect their blue carbon ecosystems and reduce their greenhouse gas emissions. In the field, we launched a US$1 million initiative aimed at conserving key areas of mangrove and coastal forests in Liberia, and to advance the science we invited experts to the Philippines to a forum on mangrove protection to share information on effective programs and strategies.

Saving Essential Nature

In South America, a vision for **a continental initiative to protect a wide swath of Amazonia,** championed by Colombian President Juan Manuel Santos, continues to gain traction. A keystone of the proposed plan is the "Guiana Shield," covering parts of Brazil, French Guiana, Guyana, Suriname and Venezuela, and home to **one of the largest tracts of pristine forest remaining in the world.**

Building on a 20-year partnership with the indigenous communities in the region, CI supported the **formation of the 7.2 million-hectare Southern Suriname Conservation Corridor.** We are also partnering with the Norwegian Agency for Development Cooperation on a four-year, US$ 6 million Amazonian project to limit forest losses in Guyana and Peru. **These sucesses help advance CI's goal to achieve zero net deforestation in Amazonia by 2020.**

In 2016, in close collaboration with CI, the government of Cambodia established five new protected areas in Cambodia. The new areas, together with forest already secured, now **protect more than 30 percent of the country and provide food, water and livelihoods for millions of people.** The sweeping action reflects our long relationship as a trusted adviser to the Cambodian government. CI also created a trust fund with goal of US$ 10 million to support management of these protected areas in perpetuity.

CI's work in Cambodia improves the lives of a population that is largely dependent on the country's natural resources for food, water and livelihoods. © Design Pics Inc/Alamy Stock Photo

Nearer to home, Hawai'i governor David Ige made a splash with his landmark commitment to **protect 30 percent of the state's near-shore waters by 2030.** CI helped secure the commitment, which delivers on the need to keep at least a third of near-shore reef areas healthy to sustain the productivity of these regions.

CI has worked for more than 10 years in the Galapagos National Park, and this year we saw the **creation of new marine sanctuaries in the Galapagos Marine Reserve**, home to the highest concentrations of sharks in the world. Together with World Wildlife Fund, in a process that involved more than 600 participants and 55 workshops with stakeholder groups from fishing cooperatives to community leaders, we provided the analyses that supported the government's decision to ban all fishing in an area double the size of Switzerland.

The Cook Islands government recently committed to nearly doubling the Marae Moana Marine Park, a protected area supported by CI since 2011. The plan is just the latest victory for the Pacific Oceanscape program. Other ocean wins include a **quadrupling of Colombia's Malpelo Fauna and Flora Sanctuary**, as well as **the establishment of Madagascar's Ambodivahibe Bay Marine**

Protected Area. Next up: CI is working with the communities and governments of Madagascar and Mozambique to create a Northern Mozambique Channel Seascape.

Inspiring Sustainable Action

Starbucks and CI have partnered for more than 15 years to protect the long-term viability of coffee crops and keep forests standing. Through the "One Tree for Every Bag" program, now in its second year, Starbucks contributes 70 cents — the cost of a new coffee seedling — to CI for every bag of coffee sold at participating U.S. stores. CI then makes grants to nurseries that will provide coffee trees directly to farmers in El Salvador, Guatemala and Mexico. Starbucks expects the program to **provide 20 million disease-resistant coffee seedlings to farmers**, enabling them to increase yields without deforestation.

CI is also leading the Sustainable Coffee Challenge, which is driving ambitious new commitments to achieve a goal of 100% sustainable coffee production. Launched in December 2015, this consortium has already grown to 48 partners across the coffee sector, including the governments of Mexico and Rwanda. In October, McDonald's joined the Challenge, pledging to source all of its coffee sustainably by 2020.

Palm oil represents more than one third of the world's supply of edible oil. Where and how oil palm trees are grown can help — or harm — forests, people and wildlife such as the endangered orangutan.
© Michele W/Flickr Creative Commons

CI is targeting unsustainable palm oil production, which is destroying forests at an unprecedented rate. In 2016, we received our third grant from the David and Lucile Packard Foundation to create stronger market incentives for sustainably produced palm oil. Our experts in finance, policy and

agronomy are building a protocol for best practices. And **we're working with U.S. retailers to achieve a bold vision: making this commodity 100 percent sustainable.**

In a partnership for sustainable fisheries management, CI and University of British Columbia are exploring how feed sources for aquaculture can lead to lower environmental impact. Building on CI's landmark report, "Blue Frontiers: Managing the Environmental Costs of Aquaculture", we are conducting a full life-cycle analysis of aquaculture feeds to identify the most promising sources.

A key lever to achieve sustainability is smart government policy that takes into account the value of nature. To that end, **CI provides guidance to governments implementing ecosystem accounting,** to integrate the value of ecosystems and their services into national planning. Ecosystem accounting estimates nature's assets and its benefits to the economy so that gains, losses and tradeoffs can be assessed.

CI completed one of the most comprehensive ecosystem accounting projects to date in San Martín, Peru, and presented the results to the Peruvian government in April. The data enabled us to make recommendations about conservation priorities, incentive mechanisms to protect resources, and opportunities for sustainable tourism.

With leading corporations and groups including the World Business Council for Sustainable Development, **CI helped develop the Natural Capital Protocol**, a standardized framework for businesses to identify, measure and value their impacts and dependencies on nature, and make decisions accordingly. Development of the protocol involved a public consultation process as well as a pilot program where businesses including Coca-Cola, Dow, Kering, Natura, Nestlé, Olam International and Shell elected to apply the first draft of the protocol in full, and more than 40 other businesses have applied stages of it to their operations to test and validate.

Giving Nature a Voice

Our provocative "Nature Is Speaking" campaign, now entering its third year, continues to **spark a global dialogue about people's dependence on nature and our need to protect it.** The series, which imagines what nature would say if given a voice, has now been viewed more than 63 million times worldwide, and has more than doubled CI's social media following. As a measure of the campaign's international impact, CI was invited to premiere the "Nature Is Speaking" film "Home" for high-level delegates, ministers, corporate leaders and policy experts at the Paris climate talks. "Nature Is Speaking" films have been translated into multiple languages from Indonesian to Mandarin (with 27 million online views in 24 hours for the China/Hong Kong launch). CI-Brazil debuted "Amazonia" in August.

CI premiered our first virtual reality film, "Valen's Reef," at the Cannes Film Festival. The film introduces the viewer to the astonishing coral reefs of the Bird's Head Seascape through the eyes of CI-Indonesia staff member Ronald Mambrasar and his young son, Valen. Made possible through a grant from the Tiffany & Co. Foundation with distribution support from Vice, glassybaby and YouTube, "Valen's Reef" lets viewers experience the impact of CI's work, and the corporate support enables us to broaden our audiences dramatically. To date, 4,000 people have viewed the film with Samsung GearVR headsets at major influencer events and smaller meetings around the

world; the film has also been viewed more than 1 million times online and racked up more than 2.5 million social media impressions. See it at www.conservation.org/reef.

We know it's critical to connect people to nature — wherever they are. "Valen's Reef" immerses viewers in a 360-degree, underwater experience in one of the world's most successful community-based marine conservation projects. Left: © Shawn Heinrichs, Right: © Sian Khai

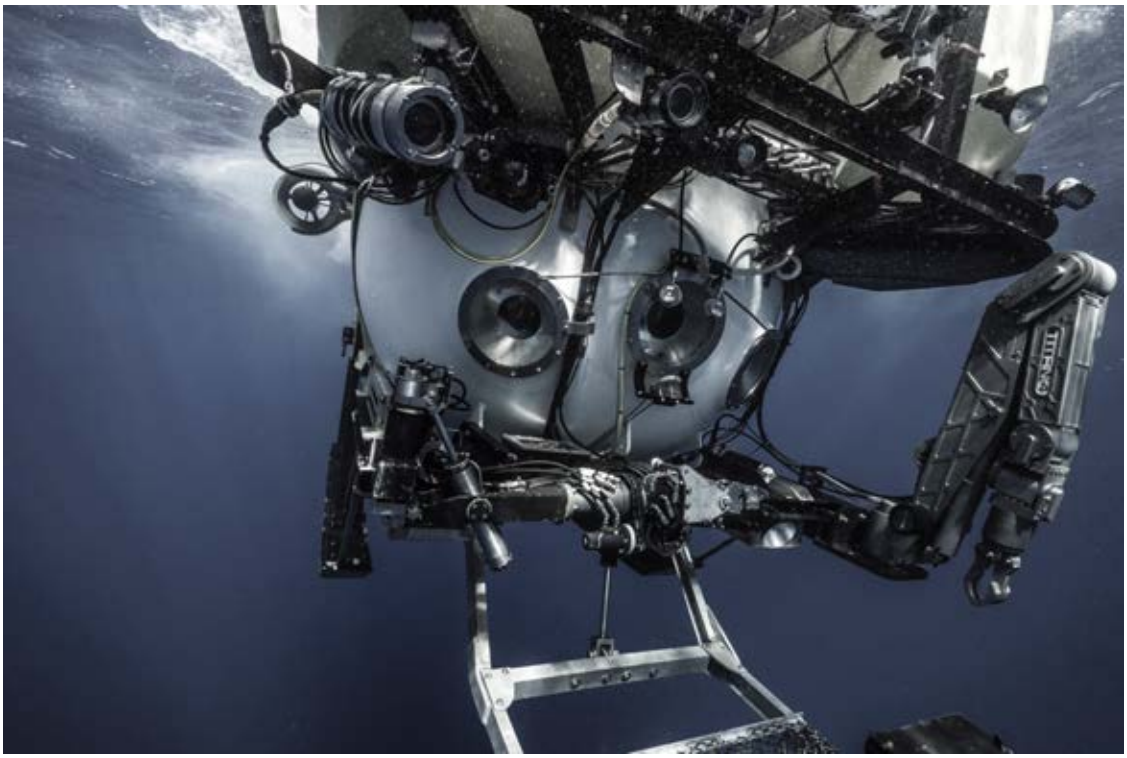
Innovating for our Future

Over three decades, **CI has established a reputation as a leader for developing world-class science and applying it in the field.** Our experts at CI's Betty and Gordon Moore Center for Science contributed more than 40 articles to leading scholarly journals and publications this year. These innovators continue to make rapid progress in developing the research and tools that governments and communities need to make smart, informed decisions to protect their essential resources.

In 2016, **we announced a far-reaching knowledge partnership with Arizona State University,** the first of its kind between a large public American university and a U.S.-based international conservation nonprofit. Together, scientists from both institutions will focus on charting the course to sustainable production methods in agriculture, fisheries and aquaculture through science, engagement and technology, while training the next generation of conservation leaders.

CI launched our interactive Resilience Atlas. The Atlas is an online, publicly available tool that brings together more than 60 datasets to understand stressors and shocks that affect rural livelihoods, production systems and ecosystems. The data is then represented in the form of regional and national maps to guide new strategies and solutions to build resilience to the effects of climate variability. Looking ahead, the Global Environmental Facility will use the Atlas to evaluate food security in Sub-Saharan Africa, and CI will use it to support countries developing national climate adaptation plans, starting with a pilot in Madagascar.

CI introduced our Freshwater Health Index. Building on the success of the Ocean Health Index, the widely acclaimed scientific tool developed by CI, the Freshwater Health Index is based on the premise that you can't manage what you can't measure. To make measurement possible, we've assembled information on freshwater ecosystems in a clear, straightforward format that can be accessed by anyone to drive data-based decision making. We will be trialing the Index initially in two regions: the Dongjiang River in China and the Lower Mekong Basin in Cambodia, Laos, Thailand and Vietnam.



Big data, unmanned drones, satellites and advanced submersibles — these are today's tools of the trade in conservation — allowing us to convert science and data to action and impact. © Luis Lamar

CI is using big data to reduce the possibility of devastating forest fires. We recently released Firecast Onsight, a free application for Android users. It queries NASA servers every 30 minutes to detect fires and delivers that data directly to phones or mobile devices in four languages. Park rangers or others can use Firecast Onsight to track forest fires during peak fire conditions and limit illegal forest activities that cause wildfires in or near protected areas.

We are applying technology — acoustic sensors, unmanned drones and satellites — to stop illegal deforestation in a pilot project in Peru. By transmitting activities happening in vast and remote forest areas, monitoring teams can rapidly respond to illegal activities.

This year, we explored territory and conducted primary research on an ocean expedition that took us more than 1,000 meters deep. CI scientists used a Pisces V submersible to **explore Hawai'i's seamounts, discover new species and begin to map these largely unexplored features of the**

ocean floor. CI scientists also contributed to an analysis of coral reefs that was featured as the July 2016 cover story in the leading peer-reviewed journal Nature. The focus was on coral reef “bright spots” — areas that had more reef fish than would be predicted, based on the pressures they face. Longtime CI projects in the Bird’s Head Seascape and the Phoenix Islands Protected Area, as well as our work in Palau to develop a management plan for its national marine sanctuary, were cited. The journal credited these CI bright spots for “show[ing] the way for conservation … against the odds.”

Looking Ahead

The Paris Agreement marked the beginning of a new global movement to embrace nature to protect ourselves from a changing climate. But the true test will be in Marrakech, Morocco, this November as signatory countries begin to take action. This is where commitments turn to action, and CI will be at the table.

"You can't manage what you can't measure" remains a CI mantra, and we will use our strength in conservation science and technology in Marrakech to help nations establish baselines for their climate commitments. With tested models, we will help chart a path toward reducing emissions through market-based approaches, and pursue needed investments toward nature-based approaches, such as REDD+. Through our long-standing relationships with indigenous communities in Amazonia, Africa and Southeast Asia, we will support local management of these vital areas to achieve global climate solutions. We are enormously optimistic.

In the year ahead, CI will continue to have an impact on a global scale, from our continental strategy for improving resource management policies in 10 sub-Saharan nations through the Gaborone Declaration for Sustainability in Africa, to securing the immense marine wealth of the Pacific Oceanscape. We’ll engage leaders of business and industry to protect nature through their actions, leading to environmental gains in key global commodities and across entire sectors. And we’ll continue to build bridges, knowledge and tools through new alliances with partners from academia to government to business.

We are confident that the months ahead will bring new gains for the protection of nature. We thank you for your belief in our mission and your confidence in our work.

CI AT A GLANCE

- Founded in 1987
- 900 employees
- Programs in more than 25 countries, with additional investments in more than 30 countries
- 2,000 global partners
- Annual budget: US$ 150M, 80% of which goes directly to project implementation
- US$ 37 million (28% of expenses) in annual grants to local organizations
- Four centers within CI that address distinct conservation challenges:

  The Betty and Gordon Moore Center for Science
  The Policy Center for Environment and Peace
  The Center for Oceans
  The Center for Environmental Leadership in Business

CONSERVATION INTERNATIONAL