

The International Conservation Fund of Canada Value Proposition / Impact / Governance

Value Proposition

Biodiversity loss and climate change are global problems. That is the basis for ICFC's conservation work in the tropics and other priority areas where biodiversity is most under threat (95 percent of deforestation is happening in the tropics), where conservation is most under-funded, and where dollars go furthest. ICFC is Canada's leading international conservation organization, with projects in more than thirty countries in Latin America, Africa and Asia.

ICFC's business model: To date, ICFC's revenue has been almost entirely from donations from individuals, foundations and non-profit funders. Donations totalled \$9.6 million (CAD) in 2023 and 94% of spending was applied to programs. How do we make the most of that spending?

In developing countries around the world, local conservation organizations are doing important conservation work on a modest budget. Typically, these small to mid-size organizations are founded by highly dedicated and capable individuals who have identified conservation needs, formulated solutions and built a team. Importantly, they are savvy as to sociopolitical aspects. They engage local communities and are often community-based or Indigenous. Because of their size, these organizations have limited access to funding from multilateral and bilateral agencies, yet they do great work.

ICFC specializes in working closely with such organizations (our "field partners") to take on-the-ground action to reduce threats to nature. Applying our scientific knowledge and know-how, we do the skilled work of selecting, developing and managing projects and project finances. We share information with peer NGOs working on the same model, and this reduces costs for due diligence and long-term monitoring of projects and outcomes. The model is highly efficient. In essence, ICFC follows a more hands-on, less bureaucratic approach in working with its trusted field partners than do public funding agencies.

There are many good conservation opportunities offered by local conservation groups that go unfunded. ICFC is an experienced, award-winning organization (see page 5) that can readily scale up its programs and impact (see page 3) to take advantage of these opportunities.

Our value proposition: Exceptional return for those wishing to make a philanthropic investment to achieve lasting benefits for global biodiversity, climate mitigation and adaptation, and people. Because ICFC's overhead is covered long term by a group of core donors, 100% of donations are applied projects.

Impact

ICFC is helping Canada do its part toward achieving Goals A, B, and D of the 2030 Kunming-Montreal Global Biodiversity Framework (Table 1). Our work also provides co-benefits advancing Sustainable Development Goals (1, and 4 to 16 inclusive).

Biodiversity benefits: While individual project goals and objectives vary, they all fall under the rubric of reducing threats to tropical ecosystems and threatened species and populations. Threats of habitat loss, illegal hunting and incursions into protected areas are much greater in developing countries, with the result that effective action can result in substantial gains for global biodiversity. Appendix II lists key threats and gives examples of solutions effected by ICFC with our field partners.

Climate mitigation and adaptation: Preventing loss of intact tropical ecosystems—as well as climate-smart restoration of degraded habitats and productive lands—is crucial to achieving the world's climate goals and essential for maintaining ecosystems services and climate change resilience. Conservation results in cost-effective gains on this front. To illustrate, the <u>climate benefits from the Kayapo Project</u> are large: an estimated 1.6 billion tonnes of avoided CO₂ emissions (2001-2022), at a cost of about C\$0.10 per tonne of avoided CO₂ emissions, with additional cooling and hydrological benefits from massive evapotranspiration and cloud formation.

Indigenous people: Illegal logging, mining and land grabbing are severe threats to Indigenous lands and people in many tropical regions. Conservation alliances with Indigenous people as undertaken by ICFC and others are crucial in empowering Indigenous people to protect their lands, their way of life, and even their lives.¹

Outcome	Indicators
increased integrity, connectivity and resilience of ecosystems (GBF Goal A)	additional land or marine areas protected or restored; measures of improved ecological connectivity; reduced incursions, unlawful resource extraction and related impacts in protected lands and waters; and increased populations of keystone species that had been depleted
Lowered risk of human-induced extinction of known threatened species (GBF Goal A)	the population status of the species of greatest concern; the reduction in the incidence of specific threats; and changes in regulations and/or cultural attitudes and practices
Improvements in sustainable use of biodiversity (GBF Goal B)	improved sustainable fish catches in marine and freshwater systems; reduction in illegal hunting; meeting targets for sustainable legal harvest of wildlife (for example. fish and turtle eggs on the Jurua River in Brazil); and increased revenue from ecotourism, non-timber forest products, and enterprises linked to biodiversity and conservation
Gains for developing countries in biodiversity-related financial resources, capacity, and technology (GBF Goal D)	total program spending, number of individuals receiving conservation- related training, adoption of new technology (e.g. remote sensing, EarthRanger and similar technologies); and sharing of best practices and technology information among ICFC's field partners

Table 1. Outcomes, related Global Biodiversity Framework (GBF) goals, and principal ways of measuring them.

¹ <u>A study</u> by the Rights and Resources Initiative found that between 1.65 and 1.87 billion Indigenous Peoples, local communities, and Afro-descendants live in the world's important biodiversity conservation areas.

Livelihoods benefits: Local communities and Indigenous people benefit directly and indirectly, including through improved livelihoods from the implementation of communitybased natural resource management, and co-management of fisheries. Women are actively involved, including in leadership roles, in ICFC's projects—something we encourage.

Securing short-term gains and maintaining them for the long

term: Long-term durability of conservation gains is a vital consideration for ICFC. Gains can be made secure in various ways:

- With land acquisition to create or enlarge protected areas, most of the cost is up front, and a plan for long-term protection and management is required and forms a part of ICFC's agreements for land acquisition.² In some cases, where needed, ICFC supports operating costs for reserves on an ongoing basis.
- Conservation can be financed by investing to develop non-philanthropic revenue streams such as ecotourism, forest carbon projects, water ecosystem services payments, and enterprises such as Brazil nuts and other non-timber forest products, traditional crafts, bee-keeping, ecologically sustainable cattle ranching in the Beni Savanna; and commercial enterprises such as an avocado operation under development at Kenya's largest private nature reserve.

Human benefits

In a typical year (2020) with ICFC's projects:

- 1,410 people are employed or otherwise financially assisted in carrying out conservation activities.
- 7,524 are volunteers & others carrying out project activities or involved in project-led community resource management
- 48,784 people benefit from the development of sustainable livelihoods (e.g. ecotourism, fishing, agroforestry, non-timber forest products such as Brazil nuts, traditional handicrafts, beekeeping)
- 186,480 are engaged through education/outreach or consultation such as community meetings
- 2.7 million people benefit from ecosystem services (e.g. water, nontimber forest products, risk reduction for landslides etc.)
- ICFC promotes local institutional capacity building where needed.
- ICFC has several trust funds that provide long-term finance for (i) protecting the Los Amigos Conservation Concession in Peru; (ii) supporting positions for parataxonomists at Area de Conservación in Costa Rica; (iii) management of Fundación Jocotoco reserves in Ecuador; and (iv) creation and management of private reserves in Latin America and Asia.
- ICFC's long-term expectation for the Kayapo Project is a long-term finance mechanism that includes proceeds from a forest carbon project (which now has completed the FPIC process free, prior, informed consent from Kayapo communities).

Broader context: There are growing narratives around decolonizing conservation and conservation finance. What this means is supporting more locally led conservation and providing more flexible granting to local organizations to stimulate meaningful institutional capacity growth and amplification of impact. Organizations like ICFC operate as intermediaries between donors/funders and local organizations, maximizing the share of funding that reaches the ground.

Organizational capacity

Since 2007, ICFC has carried out 70+ projects in 37 developing countries, investing over \$65 million. ICFC's project areas cover a total of 17.5 million hectares. The experience and expertise of ICFC's program staff combines with that of our Board, Advisors and the field partner organizations we work with. ICFC's Board

² Acquired land is owned and managed by a local field partner. The terms of our agreements stipulate that in the event the local NGO is dissolved, ICFC will be consulted regarding disposition of the property. In that event we would offer the property to another organization that is best positioned to continue its management and protection.

Chair, Claude Gascon, PhD, has spent his career in tropical conservation and is currently Director of Strategy and Operations at the Global Environment Facility.

Fostering capacity growth in field partners: An example: Since 2009, ICFC has played the lead role in one of the world's most important conservation success stories. Without the Kayapo Project, which was pioneered three decades ago by the Canadian tropical ecologist Barbara Zimmerman, PhD, O.C., virtually the entire 10.5 million hectares of Kayapo territories would have been lost to illegal resource exploitation and deforestation by outsiders, as were the surrounding lands in the highly threatened southeastern Amazon. ICFC has worked closely with three Kayapo NGOs and helped them develop the capacity to raise funds and administer complex programs. They now bring in more money from within Brazil than they do from international sources.

How can action be rapidly scaled up?

ICFC's model of working with capable field partners means that we can rapidly scale up our spending and our impact without needing to increase our own staff by much, if at all. ICFC has excellent projects where the potential is there to work at a broader geographic scale if more funding becomes available. These are cases where a proven model can be readily expanded or replicated to multiply gains. As well, funds are needed for large things that entail minimal additional administrative work. There are opportunities for land acquisitions to create or enlarge protected areas and we could provide much-needed finance for existing under-funded protected areas.

ICFC's collaboration with peer NGOs also aids a rapid scale-up of programs. ICFC meets monthly with peer NGOs,³ sharing information and analysis on project proposals. We co-fund some projects.

Governance

ICFC is a registered Canadian charitable organization with an independent board that oversees strategy, spending and operational and safeguarding policies. In ICFC's contractual agreements with its field partners, continued funding of a project is conditional on satisfactory written progress and expense reports that field partners provide at six-month intervals. Challenges and unexpected developments – good or bad – affecting the projects are discussed as they develop. This occasionally warrants changes to the work plan and budget.

Financial management and reporting: ICFC maintains a high standard of financial accounting, requiring details on all individual transactions in project expense reports. ICFC has an accounting system that makes it possible to do fund accounting that provides segregated tracking of funds for each project in the bank account and balance sheet. The financial assets of ICFC's designated-purpose trust funds have separate investment accounts managed by TD Waterhouse Private Investment Counsel. All of ICFC's financial statements have earned a financially unqualified audit opinion. ICFC exercises a degree of transparency that is unusual in the charitable sector, making public the cost of each of its projects so that donors know exactly how their funds were applied.

Results-based management: In its projects, ICFC applies the <u>principles of results-based management</u>⁴ in evaluating proposals and prospective field partners, managing projects, tracking results, and carrying out

³ ICFC also meets separately with POP members, which includes large foundations as well as three conservation organizations (Re:wild, and Rainforest Trust, which are also in the group we call "peer NGOs", and ICFC),

⁴ Six principles of the UN: (i) foster senior level leadership in RBM; (ii) promote and support a results culture by all actors; (iii) build results frameworks; (iv) measure sensibly and develop user-friendly RBM info systems; (v) use results for learning and managing; (vi) build an adaptive RBM regime.

long-term project evaluation and monitoring. Our focus is on maximizing lasting conservation gains in relation to cost and risk.

It is perhaps worth noting that while measuring outcomes from projects is key to all international development work and to many aspects of biodiversity conservation, sometimes the most important conservation outcome is "no change", as in the successful avoidance of deforestation and illegal activities. As well, our work can result in cultural shifts and increased public awareness – changes that advance conservation long term but are hard to measure. Our work also changes individual lives—setting some on a conservation-related career path or sparking a lifelong concern for nature conservation.

ICFC practices adaptive project management with the flexibility to respond to changing circumstances. ICFC and its field partners and peer NGOs are always learning from experience and sharing that knowledge.

Considerations in evaluating conservation and broader significance include the following:

- Key Biodiversity Areas, other analyses of conservation "hotspots" and corridor connectivity, IUCN Red List data, and other science, along with information on threats
- Extensive intact forest and other ecosystems are irreplaceable and hold immense value for both biodiversity and climate stabilization
- Establishing and maintaining ecological connectivity and protection across elevational gradients is important for ecological sustainability and climate resilience
- Also considered are co-benefits to Indigenous and local communities (including empowering women and girls) and climate adaptation and mitigation

Evaluating potential work entails exercising judgement concerning:

- the expected benefits of the proposed work, primarily in terms of long-term gains for biodiversity
- the feasibility of the plan and consideration of risks
- the capacity, skills and reliability of the field partner (based on our experience with them or their track record and reputation)
- whether the project is a good fit for ICFC (given both our priorities and our experience)

Working respectfully with local and Indigenous communities: Observance of human rights (and UNDRIP) is a strict requirement in all of ICFC's work and that of our field partners. Working with communities and consulting stakeholders comes naturally to the locally based conservation organizations we work with. Free, prior, informed consent is carried out in advance of work that affects communities, notably community-based natural resource management and forest carbon development. ICFC policies include environmental and social safeguards including equitable benefit sharing, gender mainstreaming, grievance accountability and redress mechanisms, risk assessment and planning steps to guard against unintended consequences.

Working effectively with governments has been key to the success of some projects, notably marine conservation work in Cambodia; Forestry Concessions for Local Communities in the Democratic Republic of Congo; community-based Fish Conservation Committees in Malawi; the Monitoring of the Andean Amazon Project; and the Los Amigos Conservation Concession, formed by agreement with the government of Peru.⁵

⁵ Other examples: Vaquita porpoise protection in Mexico; provision by the Kenyan government of National Police Reservists for Mukutan reserve; national designation of a 8,000-ha coastal wetlands reserve in Chile; public-private support of rangers at Bahía de San Antonio in northern Patagonia; and support of national parks such as Area de Conservación in Costa Rica. Even in Brazil under Bolsonaro, the Kayapo Project managed to receive (limited) enforcement help.

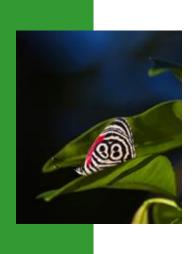
About the International Conservation Fund of Canada (ICFC)

ICFC is a registered Canadian charity (# 85247 8189 RR0001) founded in 2007 to enable Canadians to support conservation in tropics and other priority areas in Latin America, Asia and Africa. ICFC finds opportunities for outstanding conservation returns and partners with capable local conservation organizations. ICFC believes its field partners know best what needs doing and how to go about it. They excel at engaging local communities and government relations. ICFC's work is science based, and the collective experience of its staff adds value.

ICFC is the only Canadian group among the eleven philanthropic organizations in the prestigious Protecting Our Planet Challenge group, who have collectively committed more than \$5 billion for global conservation by 2030 and are challenging the public and private sectors to also mobilize more resources.⁶

Awards and recognition: ICFC was the top ranked conservation charity in Canada in the Financial Post's 2017 charity ratings (the last done by FP); is rated five out of five stars by Charity Intelligence Canada and is among their "2022 Top 100 Rated Charities"; and was a winner of the Canadian Museum of Nature's 2020 Nature Inspiration Awards. ICFC's Mali Elephant Project was awarded the prestigious Equator Prize in 2017 by the United Nations. Its project in Cambodia received the National Geographic Society's Marine Protection Prize and is a Mission Blue "Hope Spot". Project field personnel have received the Disney Conservation Hero Award, the Whitley Award (two individuals), and the Indianapolis Prize.

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⁶ As covered in the Globe and Mail (<u>Canadian conservation group makes US\$100-million biodiversity pledge</u>).

APPENDIX I: ICFC achievements: some highlights.

Priority conservation need	Accomplishments by ICFC
Widespread loss and degradation of natural ecosystems	ICFC's 60+ project areas combined cover 17.5 million hectares and include land acquired for 14 nature reserves of high conservation value in Belize, Bolivia, Colombia, Costa Rica, Ecuador, Guatemala, Nepal and Panama. In the Democratic Republic of Congo (DRC), ICFC has helped establish thirteen officially designated Forestry Concessions for Local Communities covering over a quarter million hectares (more are in the works). In Peru, Los Amigos Conservation Concession protects 146,000 hectares and an additional million hectares of primary forest that is home to uncontacted Indigenous people in voluntary isolation.
Climate change is an increasing threat to species and ecosystems	ICFC projects store and sequester carbon and advance climate change adaptation and resilience, maintaining water and rainfall regimes, establishing ecological connectivity across elevational gradients, and in other ways. As mentioned, the Kayapo Project in the Brazilian Amazon avoids emissions at a cost of a few cents per tonne of CO ₂ .
Many existing public protected areas suffer from a lack of resources	ICFC partners with the Guanacaste Dry Forest Conservation Fund in support of Area de Conservación Guanacaste in Costa Rica, which provides a world-class model for protected area collaboration between NGOs and government as well as for land restoration and involvement of local communities. We support positions for Parataxonomists there.
Traditional Indigenous lands and territories under-protected, yet they hold much of the world's biodiversity	Since 2009 ICFC has played a key role in helping the Kayapo Indigenous people protect 9 million hectares of the Brazilian Amazon. ICFC partners with the Wounaan in Panama and we are beginning partnerships with Indigenous and local communities in the Jurua region of the western Amazon in Brazil.
Illegal, unreported and unregulated fishing is widespread and harms marine ecosystems and livelihoods	Working in coordination with government, ICFC's partner in Cambodia has created marine protected areas and developed an effective, inexpensive anti-trawling device that doubles as an artificial reef to safeguard marine protected areas against destructive illegal bottom-trawling. In Lake Malawi, a biodiversity hotspot with ~1000 fish species (most found nowhere else), the work of ICFC's partner Ripple Africa with local communities has seen fish populations recover and livelihoods improve.
Loss of wintering habitat for Canada's migratory birds	ICFC is protecting shorebirds at key stopover and wintering sites in Latin America and protecting wintering areas of other Neotropical migrants.
Illegal deforestation can do much damage before action is taken	ICFC helped establish the Monitoring of the Andean Amazon Project, which uses remote sensing data to detect and make public the precise locations and causes of deforestation, leading to early government intervention.
Invasive species	The hooded grebe in Patagonia is no longer declining toward extinction, thanks mainly to control of invasive American mink and trout.
Endangered species face specific threats beyond habitat loss and invasive species.	ICFC project areas are home to 431 <i>known</i> threatened species. Mali's "desert elephants" owe their survival to a project that has benefited humans and elephants over an area of 40,000 sq. km. (Remarkably, in a region beset by armed militants, this project has brought striking security benefits.) ICFC's project in Sulawesi, Indonesia is responsible for the only population of the Critically Endangered maleo that is increasing. An ICFC-supported reserve in Bolivia has increased numbers of the Critically Endangered blue-throated macaw and protects the Beni Savanna ecosystem. ICFC's project in the DRC is reducing threats to Grauer's gorilla and other threatened species. In Kenya, ICFC supports Maasai-led conservation of a vulture sanctuary and bat conservation at another location. In Mexico, ICFC is contributing to efforts to avert extinction of the vaquita porpoise.

APPENDIX II. Responsibility and risk: Two questions from donors.

1. Question: Why should I support conservation in other countries? Isn't our responsibility conserving nature here in Canada?

Our Answer: Yes, our primary responsibility is conserving nature at home. But climate change and biodiversity loss are global problems and the responsibility of all.

In lower-income countries, dollars go a long way in stemming biodiversity loss and achieving nature-based climate solutions.

We can't reach our climate targets without reducing tropical deforestation (which accounts for 95% of deforestation worldwide). And tropical ecosystems maintain hydrological regimes, productive fisheries, agriculture, and the wintering habitat of Canada's breeding birds.

Nature also has its own intrinsic value. Surely, we should do our best to avoid human-caused extinctions. The tropics, with its rich biodiversity, is where nature is most under threat and where conservation is most underfunded. Canadians can make a difference. Let's do our part!

In view of these considerations:

ICFC calls on Canadians to apply at least ten percent of their conservation support internationally.

2. Question: Isn't it risky to do conservation in developing countries where there is political instability and inadequate law enforcement?

Our Answer: Risk is low in relation to cost and benefits. Key points:

- Laws and their enforcement, while often falling short of needs (even in developed countries), play a big role in conservation in developing countries. Above and beyond this, on-the-ground protection by NGOs, Indigenous people and communities is achieving a lot—and is readily scalable.
- ICFC avoids government corruption and incompetence by working directly with local conservation organizations and communities. At the same time, our field partner organizations are politically savvy and careful in maintaining good relations with governments.
- ICFC evaluates project proposals based on conservation gains in relation to cost and risk. Proposals must make clear how success will be secure long term. ICFC works with local field partners who have a good track record or (rarely) are new but promising.
- The problem of "paper parks" is one of inadequate funding of public protected areas. Private reserves and areas protected and managed by Indigenous people and communities are more secure. There are thousands of private reserves that are well protected by local/regional conservation organizations. ICFC's projects that protect landscape-scale areas (Indigenous territories; a large conservation concession) have succeeded over decades (with our ongoing support).

Not our business?

Canada has earned its wealth as an integrated part of the world economy and not in a vacuum. Canadian mining companies operate in more than 100 countries around the world (notably in Latin America and Africa), with mining assets abroad valued at \$196 billion in 2021 - double domestic assets. Their environmental impact is significant. Canadian energy companies are also active globally, with billions of dollars' worth of operations in tropical nations such as Colombia and Mexico. While our forest industry is a large exporter, it also maintains operations in tropical countries. Tropical regions, in other words, have played a big part in Canada's economic success. As well, we are importers of products like palm oil that are linked to tropical deforestation. We should "pay back" globally as well as locally.

> "Contrary to the impression of some, there is respect for private property in the developing world (where land rights are defended). Malfeasance is most likely to occur in the extractive industries, where the dollar values are large and government contracts and permitting are required. By contrast, ICFC works closely with trusted field partners and demands accountability."

- ICFC's CFO