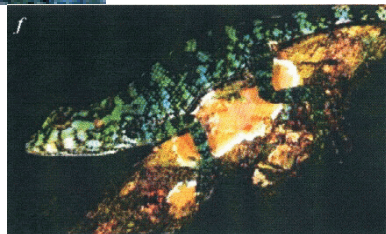




International
Conservation
Fund *of* Canada

2007/2008 Annual Report



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A Message from ICFC's Managing Directors

In the spring of 2007, the first¹ Canadian charitable organization devoted to conservation outside of Canada began operation. The International Conservation Fund of Canada (ICFC) was created to further the conservation of wild nature, especially in the tropics, where biological diversity and threats to it are greatest.

Canadians and people everywhere benefit from the conservation of wilderness and important natural areas. Nature conservation is a superb investment, addressing many of our worst problems: climate change (to which deforestation and forest degradation is a major contributor), rapid extinction of species (the rate is accelerating), deteriorating fish stocks and marine ecosystems worldwide, and loss of the highly valuable ecosystem services provided by natural areas, with resulting impacts including degradation of agricultural areas, flooding, droughts and desertification. More fundamentally, we believe that our species has a moral imperative to curtail our ongoing destruction of the natural world.

The good news is that there is much that can be done. International, national and local organizations the world over are achieving significant conservation gains. And with ICFC, Canadians can now be important players.

This report summarizes the results of our first two years (our website presents more detailed information). The results are both gratifying and encouraging. We have helped Kayapó Indians protect 11-million hectares of rainforest in the southeastern Amazon region of Brazil. We have supported parks guards who double as "parataxonomists" at Costa Rica's Area de Conservación Guanacaste. And with other partners, we undertook work that strengthened and enlarged a network of marine protected areas in Brazil.

We're off and running!



Anne and Tom

Tom Welch and Anne Lambert
Managing Directors
International Conservation Fund of Canada

¹ Apart from the World Fisheries Trust, "dedicated to the equitable and sustainable use and conservation of aquatic biodiversity" within Canada and around the world, and two very small organizations: COTERC, which runs a field station in Costa Rica, and the Tropical Conservancy, which publishes the quarterly *Biodiversity*.



PROJECTS

Protecting Kayapó lands, Brazil

Securing protection of Kayapó Indigenous Territories in the southeastern Amazon region of Brazil

In 2007 ICFC became involved in a remarkable conservation opportunity in Brazil, the groundwork for which had been laid by Canadian biologist Dr. Barbara Zimmerman, who was working for Conservation International at the time.

The Kayapó Indigenous people of Brazil protect 11-million hectares of their lands from deforestation in the highly threatened southeastern Amazon region of Brazil. This vast block (an area twice the size of Nova Scotia) of legally ratified Kayapó Indigenous Territories is the largest tract of tropical forest in the world under some form of protection.

This effort takes advantage of the desire of the Kayapó to protect their lands from deforestation and helps to provision them for surveillance, demarcation and protection of the lands. It also helps develop sustainable and culturally compatible economic activities that provide an alternative to options like gold-mining and mahogany extraction.



With help from Barbara Zimmerman, we began our relationship with the Associação Floresta Protegida (Protected Forest Association), a Kayapó non-governmental organization that employs educated Brazilians to manage its programs.

In 2007-2008, we provided surveillance infrastructure, including boats, radios, and a 4X4 vehicle, which greatly facilitated surveillance activities and also enabled transportation for other conservation related purposes.

In the fall of 2007, we conducted a pilot project with one Kayapó community to assess the feasibility of a form of small-scale ecotourism in which the community hosted a sportfishing expedition on the Iriri River for paying visitors. It was a success from the perspective of both the community and the visitors.

Conservation significance

Kayapó indigenous lands harbour endangered species including several mammals (white-lipped peccary, giant otter, giant armadillo, jaguar) and at least one bird species (hyacinth macaw). Vulnerable vertebrate species include the eastern Amazonian bearded saki monkey, red-handed howler monkey, white-whiskered spider monkey, neotropical otter, bush dog, blue-winged macaw, bare-faced curassow, razor-billed curassow, red-throated piping guan, umbrellabird, bare-necked fruitcrow, wood stork, and chestnut-throated spinetail.

In addition, surveys have shown that much of the Kayapó territory remains reasonably undisturbed as judged by population densities of large-bodied game species, including Cracids, lowland tapir, and white-lipped peccary.

Kayapó lands and the contiguous Xingu Indigenous Park to the south protect more than four hundred kilometers of the Xingu river from degradation by deforestation, pollution and over-fishing. Preliminary surveys indicate that as many as 1,500 fish species inhabit the Xingu River; including at least 16 endemic species.

We believe that our collaboration also has the added benefit of helping the Kayapó to retain their traditional way of life and culture, in which they are justifiably proud.

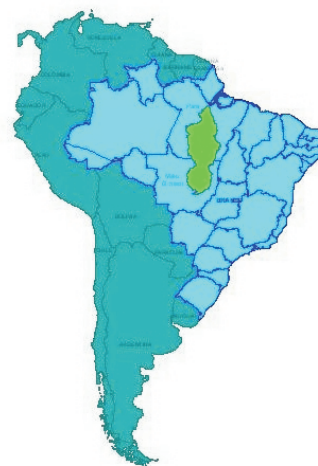


Figure 1. Kayapó lands lie within the Xingu River Basin, which is shown as the lime green area (with Brazil in turquoise).

Threats and Opportunity

Within the last four decades, the Xingu River basin has fallen under increasingly intense deforestation pressure as the agricultural frontier inexorably expands north and west. An "arc of fire" constituting the highest rate of deforestation in Brazil

and indeed, one of the highest in the world, sweeps across the region. This intensifying process of occupation and agricultural expansion, often accompanied by violent land conflict in the lawless frontier, follows road construction especially the perimetral framework of national highways.

At the same time as this tsunami of forest destruction threatens to engulf the region, an enormous 28.8-million-ha network of protected areas (including both ratified indigenous territories and conservation areas) secures protection in law of 56% of the Xingu basin. This protected areas corridor is the great hope for conservation of multi-landscape scale tracts of southeastern Amazonian forest with all its magnificent richness of biodiversity, indigenous cultures and ecosystem services. Indigenous lands of the Xingu are of particular importance because they occupy two thirds of the protected areas corridor and possess de facto protection services — their indigenous inhabitants. Over the past three decades, indigenous territories have proved formidable barriers to forest destruction especially from east to west and south to north. However, outside pressure on the ecological and socio-cultural integrity of these areas continues to build and expand. If borders are not well monitored in this region of weak governance, ranchers, colonists, fraudulent land developers, commercial fishermen, loggers and gold-miners will invade protected areas. The protection we facilitate counters this and provides an effective deterrent.

Abrolhos Marine Protected Area network, Brazil

Strengthening protection and management of Marine Protected Areas in Abrolhos, Brazil

In contrast to terrestrial protected areas, marine protected areas (MPAs) are a relatively recent phenomenon, and one that is being enthusiastically embraced in developed and developing countries for the ability of MPAs to both conserve marine biodiversity and protect the productive capacity underlying commercial fisheries.



In 2007, ICFC joined forces with Conservation International to support about one-fifth of a multi-faceted program aimed at strengthening the protection and management of Abrolhos,

Brazil's first marine protected area network. This effort involves biological field research, collecting information on commercial fishing, working with fishing communities to assist them in their new role in co-managing (along with government) "marine extractive reserves", and disseminating information on the biological and socioeconomic benefits of MPAs.

Conservation significance

With about 95,000 square kilometers in the south coast of Bahia, the region of Abrolhos comprises a mosaic of marine and coastal environments known internationally as the most biodiverse area of the South Atlantic, including varied habitats such as coral reefs, sea-grass beds, calcareous algae banks, mangroves and beaches. Abrolhos is home to endemic species of brain coral, crustaceans and molluscs, and to turtles and marine mammals threatened with extinction, and is the breeding ground of humpback whales of the south Atlantic. Abrolhos is also economically important, with the region supporting more than 20,000 fishermen.

Threats

Despite the abundance of natural resources and conservation efforts in the region, uncontrolled fishing, exploitation of oil and natural gas, shrimp farms, sedimentation caused by deforestation and urban sprawl are some of the human activities that threaten the coastal ecosystems of Abrolhos.

What we accomplished

In 2007, mapping of the Abrolhos Bank using a side-scan sonar led to the discovery of large areas of unmapped reefs and other important marine habitats in the Bank. These reefs appear to be very important for biodiversity and fisheries maintenance, as the fish biomass observed there is nearly seven times higher than in the (already protected) Abrolhos National Park. This information is crucial to conservation planning for the region, including the setting of (expanded) reserve boundaries.

In 2008, the habitats were surveyed in partnership with Sao Paola University using scuba divers and a remotely operated vehicle (ROV), and underwater biological monitoring was conducted.

In 2007 and 2008, project staff worked with local communities, presenting key scientific results at a series of public meetings, serving on local "deliberative councils" in marine extractive reserve management, and facilitating information exchange among communities. Students from local communities were also trained to work in fisheries monitoring. Some work focussed on the development of economic alternatives to fishing (including value-added options and ecotourism) to help in reducing the over-exploitation of fisheries resources.

Media campaigns served to educate the public about the biological, social and economic benefits of marine protected areas, the importance of the Abrolhos MPA network for marine conservation, the creation of the Cassurubá Extractive Reserve, and the already successful Canavieiras Extractive Reserve as a good illustration of the potential of this sustainable development model for coastal communities throughout Brazil. Other scientific and conservation groups were brought in on these campaigns, which have included television and newspaper coverage.

Guanacaste, Costa Rica

Involving local communities in conservation and scientific research at the Area de Conservación Guanacaste, Costa Rica

Our Costa Rican partner, the Guanacaste Dry Forest Conservation Fund (GDFCF), directed by Dr. Daniel Janzen (University of Pennsylvania), has developed an innovative approach to involving local communities at Area de Conservación Guanacaste and associated lands owned by GDFCF. Part of this approach entails hiring local people as sector caretakers and training them as “parataxonomists”, so that rather than just patrolling and guarding lands they contribute to the ongoing comprehensive biological inventory that is underway there.

Area de Conservación Guanacaste (ACG) spans 163,000 hectares of tropical forest and marine habitat in northwestern Costa Rica, is a UNESCO World Heritage Site, and represents 2% of Costa Rica’s land area, and 2.6% of the world’s biodiversity. It is the product of one of the world’s most successful habitat restoration and conservation efforts. The ACG is home to an estimated 350,000 species of plants and animals, and it supports research at the leading edge of ecology, evolutionary biology, biotechnology, biodevelopment, child education, and conservation.

ACG includes a large component of dry lowland forest, which is an especially threatened habitat type in the tropics. ACG also protects adjacent areas of rain forest and cloud forest that are ecologically interlinked with and vital to the dry forest as well as being important in their own right. And it now includes a 43,000-ha marine component.

In 2008, ICFC joined forces to provide for the training of two sector caretakers and one field assistant and to supply materials for the construction and repair of biological field stations. We thereby strengthened protection of this important natural area, gained further support for and understanding of conservation and biology in local communities and contributed to the scientific database for ACG.

Morningside Cloud Forest, Sri Lanka

Less than 5% of Sri Lanka’s original cloud forest remains intact and what remains is under threat from continued clearing of forests for cultivation and commercial crops. The 1000-ha Morningside property located just east of Sinharaja World Heritage Site has been identified as a priority target for conservation, along with several nearby forest parcels. These lands are home to eleven globally threatened species (of amphibians, lizards and freshwater crabs) that are restricted to them. In addition, several globally threatened species with wider distributions also occur there. The headwaters of the Nilwala and Walawe Rivers originate on Morningside, and these forests serve to reduce flooding and erosion at lower elevations.



Morningside Cloud Forest

In 2007 and early 2008, ICFC joined forces with Conservation International and the World Heritage Trust (a Sri Lankan NGO) to conduct surveys of key forest parcels and pursue permanent protection of the Morningside Forest, perhaps through land acquisition. Happily, in 2008, our efforts resulted in Morningside Forest coming under the permanent protection as a forest reserve by the Sri Lanka Forest Department.

At this point, ICFC bowed out and Conservation International teamed with IUCN to take on the next step of formulating a comprehensive management plan for Morningside.

FINANCIAL INFORMATION

BALANCE SHEET

	2008	2007
ASSETS		
Cash	298,247	100,208
Project advances	106,607	64,408
HST paid	905	905
	405,759	165,521
FIXED ASSETS	0.00	0.00
	0.00	0.00
TOTAL ASSETS	405,759	165,521
CURRENT LIABILITIES		
Accounts payable	3917	3917
EQUITY		
Retained Surplus	161,604	0.00
Plus Current Year Operating Surplus/(Deficit)	240,238	161,604
	401,842	161,604
TOTAL CAPITAL FUNDS	401,842	161,604
LIABILITIES AND EQUITY	405,759	165,521

STATEMENT OF REVENUE AND EXPENSES

	2008	2007
REVENUE		
Donations	350,000	266,076
Gain or Loss on currency	34,317	(8,199)
NET REVENUE	384,317	257,877
EXPENSES		
Abrolhos (Brazil) project	79,395	7158
Kayapó (Brazil) project	11,933	81,653
Guanacaste (Costa Rica) project	49,728	
Morningside (Sri Lanka) project	2,682	
TOTAL Program Expenses	143,738	88,811
Administration and Management	341	7462
TOTAL EXPENSES	144,079	96,273
SURPLUS (DEFICIT)	240,238	161,604

ABOUT ICFC

Founded in 2007, ICFC is a registered Canadian charity
(Charitable Registration # 85247 8189 RR0001)

OUR MISSION:

To advance the long-term preservation of nature and biodiversity by:

- (i) furthering the protection of natural ecosystems at the landscape scale;
 - (ii) countering degradation of natural ecosystems; and
 - (iii) promoting the restoration or recovery of natural ecosystems, where appropriate;
- while taking into consideration human interests, including those of local communities.

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