

Generations



Ecotourism guide Celso Changoluisa (left) rides with visitors through the Cotopaxi National Park buffer zone in Ecuador.

Mission

The mission of The Nature Conservancy is to conserve the lands and waters on which all life depends.

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A Message From the President



2011 was a milestone year for The Nature Conservancy, marking the conclusion of our first 60 years. We have celebrated our successful history this year, but I am eager to get on with our future. It will be a challenging future, one that demands us to work smarter, bigger and faster.

At our founding in 1951, the 2.6 billion people who inhabited the Earth were grappling with the challenges of a changing, postwar world. By 2051, when we celebrate our 100th anniversary, the global population will have more than tripled to upwards of 9 billion people, putting ever more pressure on the natural world to provide the food, water and stable climate on which all life depends.

That challenge means working on a much larger scale, and it means not just protecting pristine places, but helping people be more productive on existing working lands and waters, so the conversion of intact lands can be minimized. And it means testing and proving new strategies that can then be rapidly expanded to similar places worldwide. The clock is ticking.

For the Conservancy, the key challenge is to demonstrate that our mission is not a “special interest”; it is of *crucial* interest to everyone. We must engage more people from all walks of life in our work and demonstrate the value of nature to an increasingly urban populace often far removed from the nature that sustains them.

We must build productive partnerships with the range of private and public institutions that have the greatest potential to affect change on a global scale with us. And we must cultivate and inspire the next generation of conservationists around the world to carry the torch forward.

2011 was a successful year for the Conservancy, but each achievement grew from the innovations that preceded it over our 60-year past. Similarly, our future depends on the generosity of our current family of supporters as well as the next generations of philanthropists you produce, recruit and inspire. We are extremely grateful for your ongoing partnership with us. But more than ever, we count on you also to help bring more and diverse allies into the fold.

The “Generations” theme of this Annual Report is both a tribute to those who made our history possible and those who will ensure the Conservancy’s future. It’s a testament of hope to future generations and the healthy natural world they will steward.

A handwritten signature in black ink that reads "Mark R. Tercek". The signature is written in a cursive, flowing style.

Mark R. Tercek
President and Chief Executive Officer

A wild chimpanzee family in Mahale National Park, Tanzania.



Generations

“For future generations” has long been the phrase used by conservationists to explain their primary motivation for protecting the natural world. And it’s true that most people have an innate desire to leave the world a better place for their children, grandchildren, nieces and nephews or those they teach and nurture.

But motivation likely came from the past as well. Most of us can trace our appreciation of the natural world to an inspiring elder, educator, or in today’s age, media personality. How many conservation scientists were inspired to follow that path by watching Jacques Cousteau or *Wild Kingdom* on television as children?

We share generational relationships with many of the creatures we seek to protect through conservation. In East Africa, orphaned elephants raised by humans and released back into the wild are known to return years later to introduce their babies to the people who rescued them a generation earlier. There, too, a half-century of primate research has produced family-tree charts for chimpanzees that are as complicated and revealing as our own.

The eight stories that follow explore generational connections within The Nature Conservancy’s work—across continents and cultures, where traditions are honored and others are challenged, where tributes are paid to those who inspired and where investments are made in those who hold the future in their hands.

A Father and Son Climb to New Heights **New York**

Australia Learning to Live in Two Worlds

A Rancher Casts His Legacy in Brazil **Brazil**

Alabama Restoring Hope in the Gulf of Mexico

The Business of Conservation **China**

Tanzania Fish & Chimps...and Families

Investing in the Future of Latin America **Mexico**

Canada Three Special Women, One Love of Nature





A Father and Son Climb to New Heights

Victor Medina participated in The Nature Conservancy's LEAF program in the summers of 2007 and 2008. He is currently studying geography at SUNY-Albany and hopes to become the first NYC Latino to climb the Seven Summits.

Victor: "I grew up in Washington Heights [Manhattan], so 'outside' wasn't the friendliest of places a lot of the time. I grew accustomed to the safe, four-walled haven of my apartment. Nature was what I saw from my bedroom window.

As a kid I'd go to the Dominican Republic to the farms my parents grew up on, but it was still what I considered civilization—it was within the boundaries of the four walls that I grew up in. The experience wasn't 'let's venture into the outside,' it was 'let's stay in this bubble.'

When I joined the LEAF program, I spent a month outdoors doing hard work, doing things that I never imagined I would be doing. The first week was frustrating because I was so far outside my comfort zone, and I didn't think I would make it another week. But by the end I didn't want to leave.

LEAF gave me the confidence to venture out further without someone holding my hand, and that's something in my life that's been irreplaceable. Nothing could compare to taking that first step. Climbing mountains became a way for me to step outside my comfort zone again.

I wanted to climb Pico Duarte, and my father suggested we do it as a family. Next thing we know, we had six people climbing the Caribbean's highest mountain. The most impressive part was the number of family members who didn't come, who have already booked their spot for next year.

When you are truly passionate about something, it rubs off on other people, and it sparks their curiosity. It just takes someone close to you to venture out, to make you want to venture out. And then all you have to do is extend your hand, and they'll come to you.

Hiking Pico Duarte was one of the greatest bonding experiences I've ever had with my father. After that hike I felt like I had never known my father and I know him now. With hiking, you expose yourselves to each other in a way that you wouldn't otherwise. It's something that only things like hiking and experiencing nature can provide—the tranquility, peace and solitude to experience another individual in a different way."



Left: Victor Medina and his father, Ramón. View of Washington Heights in Manhattan.
Top: Victor examines a dragonfly while participating in the LEAF program.

Leaders in Environmental Action for the Future

Since 1995, the Conservancy's LEAF program has provided paid summer internships for urban high school students to work at Conservancy preserves across the country. For many students, the LEAF summer internship marks their first extended time in nature. More than 400 students have graduated from the LEAF program, and a recent \$3.1 million grant from the Toyota U.S.A. Foundation will allow LEAF to expand to environmental high schools in more cities. The long-term goal of LEAF is to support more than 30 environmental high schools across the country, ultimately serving more than 20,000 students.



Victor stands on top of the Dominican Republic's Pico Duarte, at 3,087 meters.

93.2%

LEAF alumni survey participants who became more interested in environmental issues because of their participation in the summer internship.

33%

LEAF alumni survey participants who have worked for an environmental organization. Nationally, just .06 percent of employed people worked for such organizations in 2008.

60

Pounds Victor lost between April and August 2010, which he credits to the determination and confidence he received from the LEAF program.

More at nature.org/leaf

Learning to Live in Two Worlds

Miriam-Rose Ungunmerr Baumann is an Aboriginal elder, artist and retired educator in the Daly River community south of Darwin in Australia's Northern Territory. She encouraged the Indigenous Land Corporation to join forces with The Nature Conservancy, Pew Charitable Trusts and the Australian government's National Reserve System to acquire the nearby 450,000-acre Fish River Station for eventual return to Aboriginal ownership and management. She continues to mentor Aboriginal teachers and students from her community.

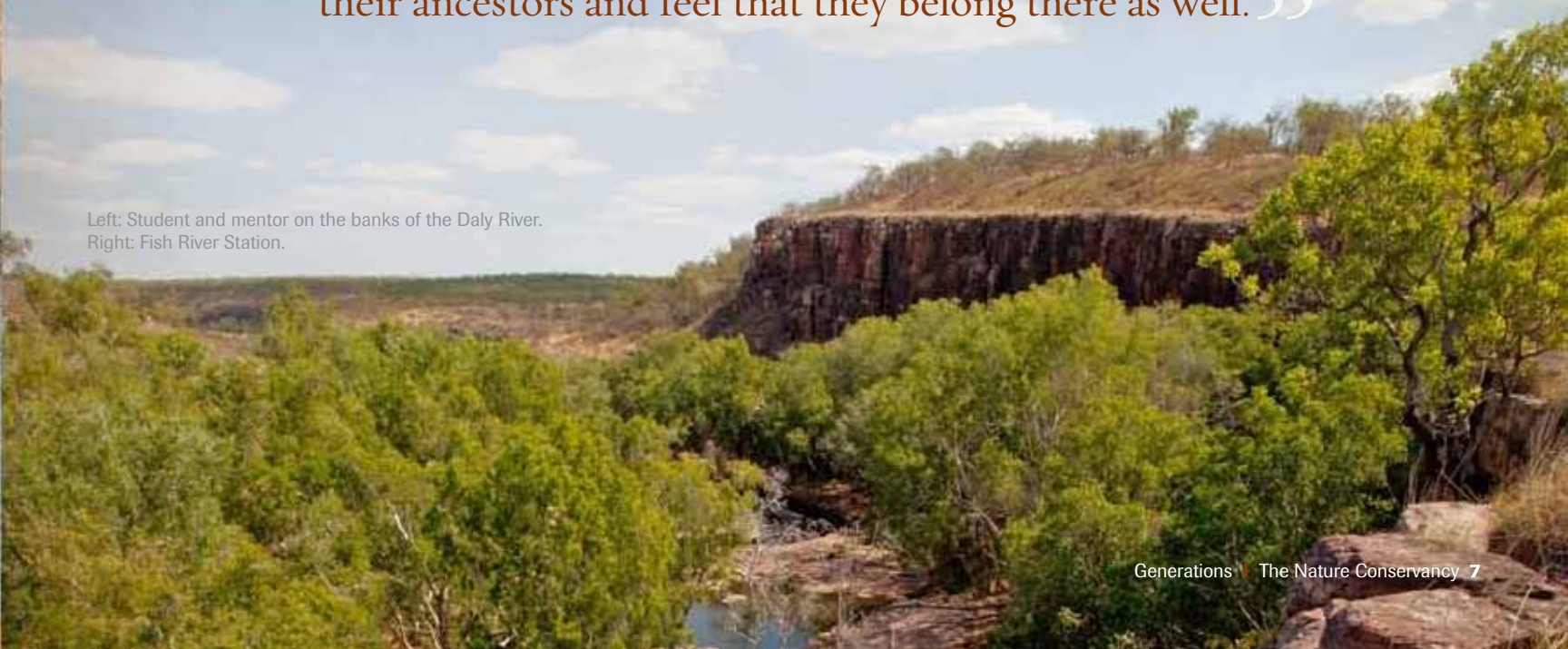




Miriam-Rose Ungunmerr Baumann.

“ ‘Going bush’ can be a healing process. I’ve seen the young fellas who work at Fish River to do fire work, remove feral animals, control weeds and such. They come back after a few weeks looking beautiful, like they’ve been fulfilled and like they’re at peace with themselves. They connect with the land and the spirit of their ancestors and feel that they belong there as well. ”

Left: Student and mentor on the banks of the Daly River.
Right: Fish River Station.



Miriam-Rose: “I didn’t go to high school. I finished primary and I went back as a mature student to catch up from where I left off. And then a teacher offered me a job as an assistant. And it just went from there. I’ve been in education for the past 30 years as a teacher, principal and artist-in-residence.

There are many challenges we have to face as we are traveling through our journey in life. Aboriginal kids today need extra support; it’s hard for them to face those challenges on their own. In our culture, at 12 or 13 they are expected to be walking and talking as young adults, and they’re not kids anymore. But there is the influence of television and money and grog and ganger and fast cars. They see the western way, and they are confused. And sometimes they get themselves into so much of a tangle they can’t pull themselves out and they start to get sick inside...mentally. The suicide rate is high. We need to walk with them and help them feel comfortable living in two worlds.

I’ve got a handful of kids that I’m working with now who are in school down south that I visit as often as I can. It’s not just helping them live in today’s world, but also understanding who they are, where they belong and how they’re connected to country, the land, nature, the universe. We try to have as much time in the bush with them as possible...have that built into them from an early age. For us, we don’t own the land; we belong to it. No Aboriginal person is homeless; each has a homeland.

Where you grew up, where you were a kid, where you played with your siblings and mom and dad...those places play a special role in your life; and in some cases, you go back and visit those areas, and you can imagine running around with your brother or your sister or your pet dog. I was born upstream under a tree, and when I go back there, I still can feel that I’m there as a child. Imagine! When I’m talking about a homeland, that’s what I mean. You’re still part of that place. And you feel it deep down.

Another thing I do is invite non-Indigenous students to come visit in the community. We take them bush, talk to them, collect stuff and try to break down their understanding of Aboriginal people. We say: You come and judge us yourselves, instead of reading about us in the media, and make up your mind—whether what you’ve been reading about us is fair dinkum or what.

We take them to the river, take their shoes off and stand ankle deep, and I get our mob to stand in front of them, cup water in their hands and put it on the crown of their heads and on their navels, and the splashes fall off each person into the river, and we believe that person is then carried through the land all the way down to the sea. That’s how we tell our ancestors that we’ve got these strangers that we want to welcome into our land and help them to understand us. It’s a kind of baptism. It’s one of the ways I’ve reconciled my Aboriginal spirituality with the Christianity I’ve learned from the West. It’s part of how I’ve learned to live in two worlds.”

More at nature.org/australia



50,000

How many years ago Aboriginal people are estimated to have arrived in Australia, making them one of the planet's oldest continuous populations.

250

Number of languages spoken by Indigenous Australians before the arrival of Europeans; only about 15 are still spoken by all age groups.



Young Aboriginal rangers being trained in modern fire management.

1788

The year British colonists first arrived in Australia.

2.5%

Amount of Australia's current population that is of Indigenous descent.

700

The size of Fish River Station in square miles, equivalent to metropolitan London or Florida's Lake Okeechobee.



A northern quoll, one of the rare denizens of Fish River Station.

8,000

Head of feral livestock to be mustered and removed from Fish River Station.

“Our ideals, laws and customs should be based on the proposition that each generation in turn becomes the custodian rather than the absolute owner of our resources—and each generation has the obligation to pass this inheritance on in the future.”

Alberto Moravia, Italian novelist



Family members of the Noongar Aboriginal group on traditional land being restored in Australia's southwest corner.





A Rancher Casts His Legacy in Brazil

Mauro Lúcio Costa is the president of the Paragominas Farmers and Ranchers Union. Costa played a key role in Paragominas' deforestation turnaround, which resulted in its being named a model for the state's Green Municipalities Program in 2011. And in a pilot project sponsored by the Conservancy, Costa's Marupiara Farm is one of 13 properties testing different productivity or restoration measures.

Mauro: "I've been living in Paragominas since 1982. Fifteen years ago, during the night, we weren't able to drive more than 40 kilometers an hour, because it was impossible to see ahead. There was a cloud of smoke. It was really unpleasant.

In the last three years, we've seen a different, environmental mindset among farmers and ranchers here, and this has brought a change in their attitudes. I believe that in the last three years we managed to change what we hadn't changed in the 30 years before.

My reality, these days, is to change the mindset of farmers and ranchers, for us to make better use of the areas we already opened. Our idea is increasing productivity wherever we can and leaving forests intact.

I believe that The Nature Conservancy for us was "the saint of the miracle." We wanted to change, but we didn't know how, and the Conservancy had the expertise of how we could proceed. So, they were our teachers, they showed us the path we could follow. Not to mention all the financial support we received. I believe that without the lessons we had from the Conservancy we wouldn't be able to move ahead...we wouldn't have even started moving.

I want my daughters to be proud of my job. I want to leave them a legacy, just like my father and my grandfather left to me. We worry a lot about leaving wealth as a heritage. The mindset change we've been having is that there's no point in leaving just a material heritage. If we don't leave a better world, a better planet, a better environment, our children will hardly be able to live well."

More at [nature.org/amazon11](https://www.nature.org/amazon11)

Protecting the Brazilian Amazon

In 2008, Paragominas was placed on the government's "blacklist" of top deforesters. To be removed, municipalities had to dramatically reduce deforestation rates and ensure that 80 percent of privately owned lands were properly registered. The Conservancy worked with the local government and groups like the Farmers and Ranchers Union to help landowners comply. The effort was such a success, that the municipality was the first to be removed from the blacklist.

“ My grandfather deforested the Atlantic Forest and my father deforested the Amazon, and I’m proud of them, because that’s what was expected to be done at that time. That was the occupation of Brazil, to integrate the Amazon to the rest of the country. Just like I’m proud of them, I want my children to be proud of me. But my time is one of change, and my job is to reconcile production with conservation.”



Left: Costa and Paula, one of his three daughters, in Paragominas, Brazil. Costa's Marupiara Farm.
Top: Hyacinth macaws.



Costa and farmhand Alessandro Salles dos Santos on Costa's Marupiara Farm.



Restoring Hope

in the Gulf of Mexico

Judy Haner is the marine program director for
The Nature Conservancy in Alabama.

Judy Haner uses a GPS unit to evaluate a
future oyster reef restoration site.

“ We’re on the cusp of a new beginning for the Gulf. Our visibility is high right now. We’ve proven techniques in restoration. We can make a difference. We can change our practices. We can restore our coastal wetlands. We can put reefs back in the water and restore our fisheries. It’s really an exciting time.”

Judy: “The Gulf of Mexico is my backyard. I play here every weekend. It gives me peace of mind knowing that I have this place to come to and relax anytime I want. I grew up on a farm in upstate New York. It wasn’t until high school when I took my first trip to the coast that I fell in love with the ocean. I knew then that I wanted to be a marine scientist.

Over the past 50 years, we’ve seen a lot of changes here. We love to live on the coast, but we’re almost loving it to death. We’ve impacted the water quality, and now we have problems with storm water runoff. We’ve impacted the wetlands, and now we’re seeing disconnected and fragmented systems. We’ve overharvested some of our fisheries, and now we’re worried about our livelihoods and putting food on the table. These fisheries have sustained generations of families. They work, they live and breathe the Gulf coast. In April 2010, we experienced a huge environmental disaster with the Deepwater Horizon oil spill. What it did was affect an already impacted system and threaten the livelihoods of lifelong fisher families. And now we’re trying to figure out really creative ways to recover from that. We won’t know what those impacts are for some time, but we’ll be prepared to help when we do know.

Despite the spill, we’re on the cusp of a new beginning in the Gulf of Mexico. We’re poised to do incredible and meaningful restoration here. The Conservancy is already working across the five Gulf states and Mexico to improve the fisheries by scaling up restoration techniques that we know work. Just last year we built new reefs in Mobile Bay and Mississippi Sound and we already have thousands of oysters—some more than three inches long—growing on them. It’s a small step, but a step in the right direction.

Fifty years from now, I would love to come down here and see thriving resources, rejuvenated cultures and livelihoods and a restored coastal economy that are working together. The Gulf and the people who live here are resilient. We’re making a comeback by working together—it’s the only way we’re going to make a difference here in our own backyard.”



Seagulls fly over Mobile Bay, Ala.



Fishermen get out early to fish along Dauphin Island in Mobile, Ala.

“Today, we’re poised to do incredible and meaningful restoration on the Gulf. We have that background from the past years of doing demonstration projects. We know what works and what doesn’t work. So now we can ramp up those efforts and really do meaningful restoration, not in small chunks but restoration that makes a difference.”

Judy Haner



Left: Pollution is among the many factors impacting the Gulf of Mexico. Right: Johnny Johnson, co-owner of Three Men and a Boat.

25

Square miles of coastal wetlands the Gulf loses each year. In the past century, we have lost more than 1 million acres.

17,000

SpeciesLength of the U.S. Gulf shoreline, in miles, including bays, inlets and other features.

35

SpeciesYears the Conservancy has been working in the Gulf of Mexico.

20 billion

SpeciesEstimated worth of tourism to the Gulf’s shores and beaches.

2.2 trillion

SpeciesGross domestic product of the five U.S. states that border the Gulf of Mexico (if they were a country, they would make up the seventh largest economy in the world).

[More at nature.org/gulfofmexico](https://www.nature.org/gulfofmexico)

“ My great-great-granddad came from Norway. Him and two brothers. They landed right on this property right here. We’ve survived storms; we learned to live with them. The oil spill, now, was a little different with us. That took us down pretty hard, slowed our business down. We were really growing up pretty good, but it’s coming back. But it is slow. But the generations that’s here, family, it’s like it’s a part of you. You begin to feel like...it’s your blood running in the water. ”

Johnny Johnson

co-owner of Three Men and a Boat, Coden, Ala.



From the bottom of the sea

Effective conservation took many forms this year. From working to restore oyster reefs in the Gulf of Mexico to playing a critical role in the formation of China's national conservation plan, The Nature Conservancy worked to advance conservation all around the world.



Staghorn coral restoration in Florida, one of six Conservancy chapters coordinating efforts to restore the Gulf of Mexico.

to the very top of the world

The 10 accomplishments described inside are just a small sample of the more than 600 projects and transactions undertaken by the Conservancy with countless partners, supporters and dedicated volunteers over the past year. Our greatest hope is that these achievements help leave a more sustainable world for future generations.



China board of trustees member Huang Nubo proudly displays a Nature Conservancy flag on the top of Mt. Everest.



1. Volunteers Rally for Gulf Restoration

In January 2011, more than 500 volunteers descended upon Helen Wood Park in Mobile Bay, Ala., to kick off the ambitious *100-1000: Restore Coastal Alabama* effort by restoring an oyster reef. By July, Conservancy staff was already seeing sediment accumulation, coastal marsh and seagrass recovery and an increase in birds and fish using the area. These early signs indicate that the living shoreline has already started fulfilling its ecological purpose, reinforcing the validity of pursuing future projects in the Gulf region.



2. Santa Fe Launches Water Fund

One of the biggest threats to drinking water supplies in the western United States is the critical condition of the region's forests. When these areas are affected by catastrophic fires, ash and sediment can clog reservoirs—costing millions to clean up. The city of Santa Fe, N.M., is not waiting for this grim scenario to become a reality. With the Conservancy's help, it has created a "water fund" that applies fees from water users to protect the forest that surrounds their water supplies.



2011: The Year

3. Brazil Projects Capture Mendes Prize

Last November, Brazil's Ministry of the Environment awarded its prestigious Chico Mendes Environmental Prize to two of our flagship conservation initiatives in the Amazon—the Amazon Indigenous Training Center (CAFI) and the municipality of Paragominas, for the Green Paragominas initiative. The prize, founded in 2002 to honor the renowned Brazilian environmentalist and rubber tapper Chico Mendes, is awarded yearly by a panel of experts for outstanding environmental initiatives in the Amazon.



4. Costa Rica Creates Largest Marine Protected Area

In March, Costa Rica protected more than 2 million acres as an addition to the Cocos Island National Park. The area is used by huge populations of hammerhead sharks, silky sharks, loggerhead turtles, dolphins and other migratory pelagics. It took six years for the Costa Rican government, NGOs, universities and other sectors to create the country's largest marine protected area. The Conservancy's technical studies on Cocos' biological wealth proved crucial to the protection effort.



in Conservation

5. New Corridor Restores Elephant Migration Routes in Kenya

The Nature Conservancy joined with the Lewa Wildlife Conservancy, the Mount Kenya Trust and Save the Elephants to restore a traditional elephant migration route that had been obstructed by agricultural fences and roads. The Mount Kenya Elephant Corridor, which includes a highway underpass, will bring two elephant populations back together and help relieve mounting human-wildlife conflicts in Kenya.



7. Conservancy Scientists Discover and Rediscover Species

On a summer 2010 expedition in the Peruvian Amazon, Conservancy scientist Paulo Petry netted three specimens of an armored, wood-eating catfish that is new to science (but not to the indigenous people on the Purus River). An August 2010 search for rare tree snails in Hawaii by Conservancy staff turned up instead *Clermontia peleana singuliflora*, a flower last seen on the island in 1909 and long presumed extinct.



8. Minnesota Protects Drinking Water

The Conservancy worked with a strong coalition of hunters, anglers, business leaders and conservationists to conserve more than 189,000 acres of Minnesota's northern forests largely located in the watershed of the Upper Mississippi River, which provides drinking water to millions of people. It is the largest conservation effort ever undertaken by the state of Minnesota, and was made possible by the Clean Water, Land and Legacy Amendment, which the Conservancy helped pass in 2008.

6. New Tool Will Help Protect Coastal Towns

The Conservancy's new, free Web-based tool lets coastal towns in Connecticut and New York explore the possible effects of sea level rise and stronger storms. Coastalresilience.org shows different flooding scenarios and the potential effects on communities, natural resources and infrastructure. Using this tool, the Conservancy is now working with decision-makers to plan ways to protect communities and the natural features that safeguard them.





9. Huge Acreage Acquired for Aboriginal Partnership

TNC Australia forged a groundbreaking new partnership to protect 450,000 ecologically crucial acres of northern Australia. The deal brought together the Conservancy, NGO partners, the Australian government and the Indigenous Land Corporation—an entity that helps Indigenous Australians acquire and manage land for cultural and economic benefits. This is the first time in Australia that land has been acquired to hand back to Traditional Owners for conservation management, and the partnership will both provide sustainable livelihoods and protect Fish River's unique and threatened wildlife.



10. Conservancy Informs China-Wide Plan

The Conservancy's China Blueprint—a massive survey of conservation priorities released in late 2010—played a big role in forming China's national conservation plan. The plan will guide conservation in China for years to come, and calls for a halt to the loss of all biodiversity in that country by 2020 in addition to setting a number of priority conservation areas.



The Business of. Conservation

Huang Nubo, chairman of Zhongkun Investment Group and a member of The Nature Conservancy's China board of trustees, grew up in China's Ningxia Province, exploring the Yellow River and the Helan Mountains. His son, **Huang Sichen**, recent graduate from the University of Southern California and chairman assistant at Zhongkun Investment Group, grew up in Beijing, which he calls "a city full of concrete." But as a business role model for Sichen from an early age, Nubo has passed on the importance of the environment in business. Now they are both working toward creating a more sustainable China.

Nubo: My passion for the environment definitely has roots in where I grew up, in the city of Yinchuan, which is close to the Yellow River and the Helan Mountains. I used to play in both of these places as a kid.

Our business was mainly focused on ancient village tourism, and most of these villages were in natural scenic areas. We clearly understand one reality: Ruining nature means the shattering of our own rice bowl. That is, when we lose nature, we lose everything. So conservation is very important to me.

Sichen: I think my interest in the environment actually came from family influence. At the family business we have a lot of projects that are intimately related to local environments. At a very young age I attended company meetings and noticed we

have many projects that emphasize that connection with the environment.

Nubo: The trip to the Arctic with Sichen left a very deep impression on me. It is one of the last great places in the world. I think the trip also had tremendous influence on my son. Actually visiting a place makes it much more real than just hearing about it.

Sichen: The environment in the Arctic is unlike anything you've ever seen before. It is just a very beautiful place because it's so pure. My father is a very experienced adventurer, so he definitely helped me to get through the trip. I have always seen him as a very business-oriented figure, but after this trip, I will take a look at him a little bit differently.



Left: Huang Sichen (left) and his dad, Huang Nubo, in Beijing.
Top: View of Mount Everest from Mount Makalu.

“ I had the wish to carry a Conservancy flag onto the very summit of Earth, meaning that the Conservancy is at the summit of humanity. Carrying the flag onto Mount Everest made me feel very proud of it. ”

Huang Nubo

Nubo: I personally hold relatively positive perspectives on the future of conservation in China. China’s development has now reached the point of influencing the global environment. There has also been a quick awakening of NGOs in China, and groups like the Conservancy have greatly changed the perspective of entrepreneurs like me. So this growing focus on the environment is why I am optimistic about the future.


Sichen: One important problem that we are facing already is that during the last 10 years, our country has been focusing on one thing: gross domestic product. Right now we are paying a higher environmental cost—a lot of the damage we have already done to the environment could never be fixed. So I believe that for our generation, we have to realize this problem and act on it. Right now some of the problems are reversible, but we can’t just leave them for the next generation to fix.

Nubo: I would expect that when my son reaches my age, the concept of conservation could be well-established and understood in China. It is time to adjust our economic models, slow down the economy and never again develop the economy at the expense of nature. And as the Conservancy grows in China, I am hoping to expand its influence day by day. Joining the Conservancy is my lifetime pride.

Sichen: So many people are so material-driven these days, and my father’s passion for the environment makes him stand out from other businessmen. I admire him as his son, but he also has a lot of character that I can only hope to have when I’m older.

More at nature.org/china





“ Those of us who have been privileged to receive education, skills, and experiences and even power must be role models for the next generation of leadership... To the young people I say, you are a gift to your communities and indeed the world. You are our hope and our future. ”

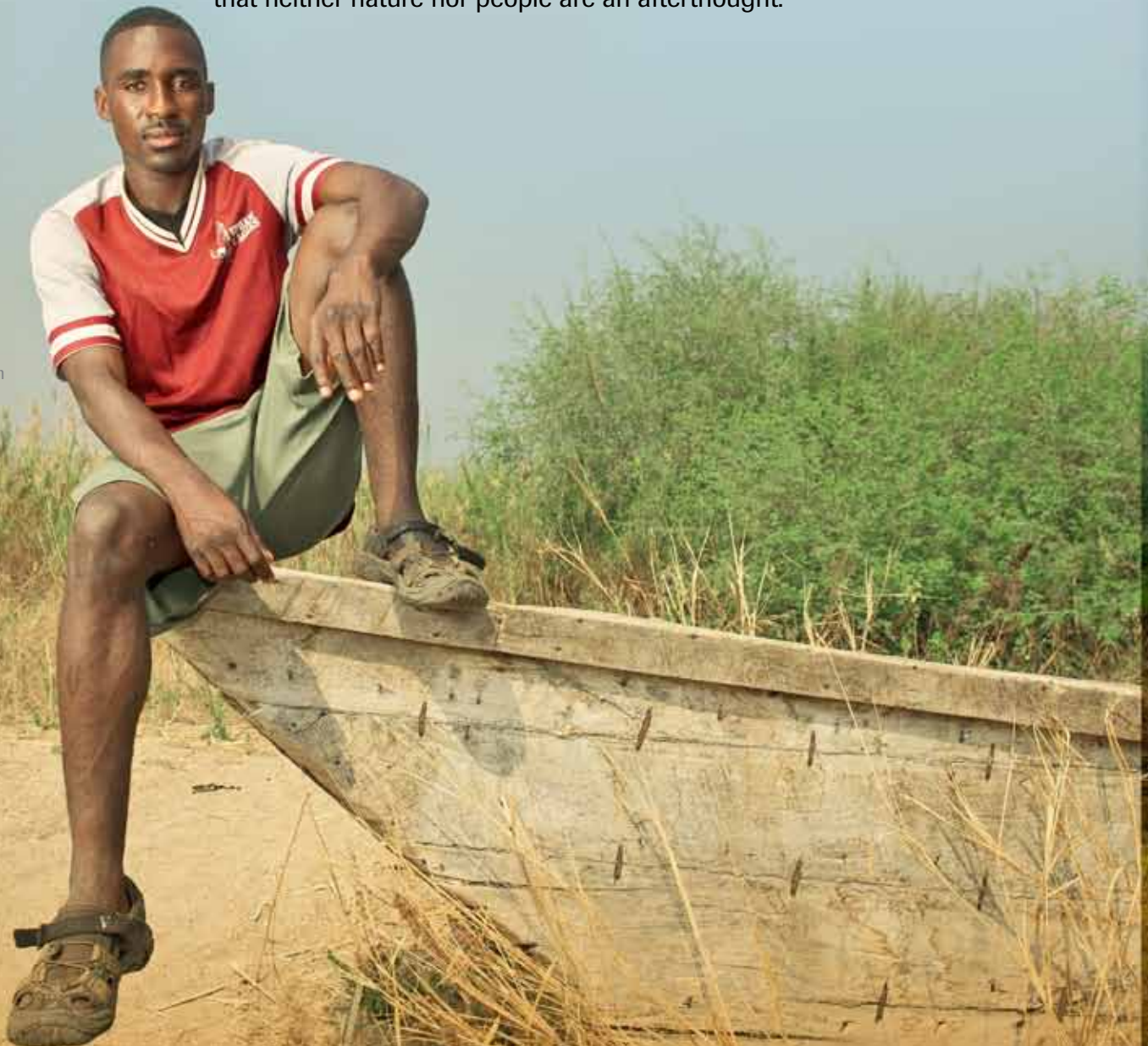
Wangari Maathai (1940-2011), Kenyan Nobel Laureate



Fish & Chimps... and Families

Ramadhan Kasim is a 22-year-old fisherman in Katumbi, Tanzania, on the shores of Lake Tanganyika. His village is within the Greater Mahale Ecosystem, where The Nature Conservancy is launching a large-scale effort with Pathfinder International and the Frankfurt Zoological Society to address chimpanzee habitat protection, fisheries management, freshwater protection and community development—including reproductive health. It's a holistic approach to mesh nature conservation and the health needs of people who most depend on and impact the resources being conserved. Partnering from the start with the health sector better guarantees that neither nature nor people are an afterthought.

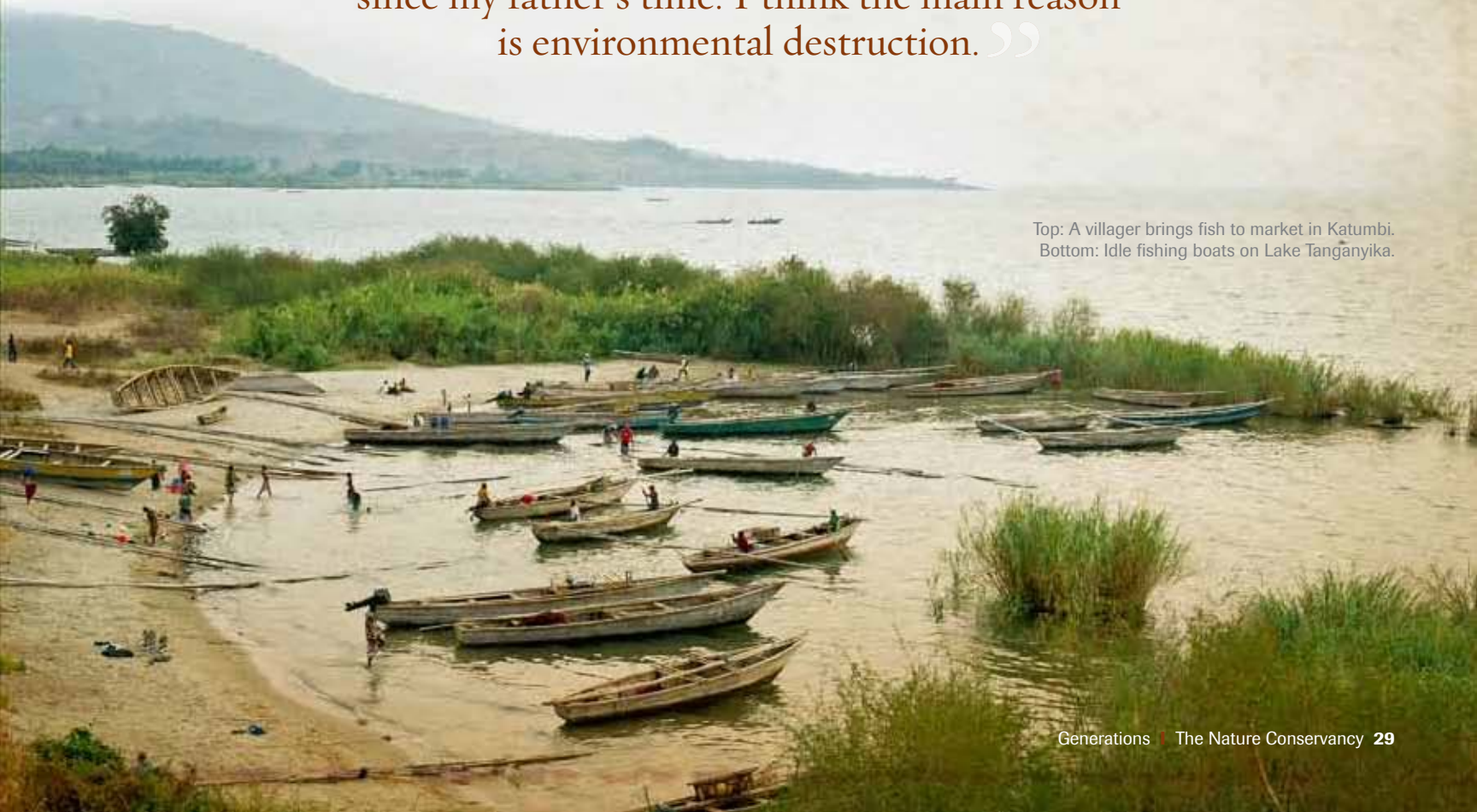
Ramadhan Kasim
in Katumbi.





“ My father was a fisherman, and that’s how I got into the business. But numbers of fish have declined greatly since my father’s time. I think the main reason is environmental destruction. ”

Top: A villager brings fish to market in Katumbi.
Bottom: Idle fishing boats on Lake Tanganyika.





Twins and baby sister at Buhingu, Tanzania.



Fish catch is down 30 percent around Buhingu, Tanzania.

Ramadhan: “Many breeding areas for fish have become human settlements. And because so many trees have been cut down, silt has gone into the lake, and habitat has been destroyed for chimpanzees and other wildlife. We also think fewer trees means less rain. And we face the challenge that people here think catching more and more fish is God’s will.

Population growth is also a big problem here. You find one man having up to four wives, and there are too many children and the men can hardly care for them all. But they think it is God’s blessing, and God will provide. And that leads to overfishing and other forms of environmental destruction.

We have formed an environmental conservation group in our village that seeks to build awareness across the larger community. But people view us as children who grew up here, so how could we have any knowledge? Nevertheless, we are pursuing social education on issues like HIV/AIDS and female genital mutilation, which we want to bring together with environmental education. And we are exploring alternatives to how we do things, like how we dry the fish we catch—using salt instead and moving away from cutting trees for charcoal.

It is also important to our group to set an example on the population issue. I have one wife and two children, and that is all there will be. Our group is committed to fewer children and one wife. Despite pressure from our parents and grandparents to follow their example, our generation must set a new example.”

More at nature.org/africa



420

Length in miles of Lake Tanganyika, the world's longest freshwater lake and second deepest after Lake Baikal in Siberia.

2,000+

Species of aquatic plants and animals in Lake Tanganyika, one-third of which are unique to the lake.

40%

Protein intake the lake's fisheries provide for coastal population, but productivity has declined by 30 percent in two decades.

2,800

Tanzania's estimated wild chimpanzee population.

75%

Tanzania's chimpanzees that live outside of protected areas, most of them in the Greater Mahale Ecosystem.



Top: A wild chimpanzee family in Mahale National Park, Tanzania.
Background: A fisherman pulls in fishing nets on Lake Tanganyika.



Investing in the Future of Latin America

Eva Fernández is the chief of strategic alliances at the FEMSA Foundation. Her great-great-grandfather was one of the founders of FEMSA, which began as the brewery Cervecería Cuauhtémoc in Monterrey, Mexico, in 1890. Now, Eva is working with the company's foundation to help protect water for the future of Latin America.

Eva: "With the intention of leaving behind investments that would form legacies, FEMSA decided to launch a corporate foundation in 2008. Most of our projects are dedicated to the conservation and sustainable use of water, which makes strategic business sense: It is as essential to our businesses as it is to our communities.

The Foundation has been working with The Nature Conservancy since 2009. We partnered in the Alliance for Water Stewardship project in Latin America and the Caribbean. In June 2011, we began working with the Conservancy through the Latin American Water Funds Partnership, which is one of the most interesting initiatives the Foundation is undertaking.

The situation with water has changed dramatically since 1890 when FEMSA was founded. Climate change and population growth is causing water to become scarcer. Our goal at the Foundation is to contribute to the protection of the ecosystems and economies that water enables to exist in the region. I think our work with the Conservancy has the potential to do that.

Our work in water funds is very exciting to me. I think we are addressing some of the region's most important challenges in areas where our investment can make a big difference. And as a mother, I think a lot about how the way we treat resources today will affect the natural resources my daughter will inherit.

Working for the FEMSA Foundation means a lot to me. As a fifth generation in my family working for the company, I feel a great sense of responsibility and belonging to something much bigger than myself. I feel pride in ensuring that I contribute to FEMSA's continued leadership role in developing communities in which we operate.

I hope that when my daughter, Eva, is older that we've come to terms with the fact that we have to protect our environment for future generations. I want to teach her that we cannot take anything for granted, especially finite resources such as water."



Left: Isaac Garza, one of the founders of Cervecería Cuauhtémoc. Eva Fernández and her daughter, Eva, in San Antonio, Texas.
Top: Rímac River canyon, Peru. The Rímac provides 75 percent of Lima’s water.

Water Funds in Latin America

Water funds are a unique financial tool in which urban water users subsidize conservation in upstream watersheds as a cost-effective way to ensure sustainable freshwater supplies. The Latin American Water Funds Partnership—launched in 2011 by The Nature Conservancy, the FEMSA Foundation, the Inter-American Development Bank (IDB) and the Global Environment Facility (GEF)—seeks to preserve and restore watersheds and protect important water supplies in the region.

2000

Year that the Conservancy’s first water fund was established in Quito, Ecuador.

10

Number of operating water funds in the Conservancy’s portfolio, with more than 15 others currently being designed in collaboration with local partners.

\$27 million

Amount invested by the Latin American Water Funds Partnership to protect 7 million acres of critical watersheds in Ecuador, Colombia, Peru, Brazil, Mexico and other countries.

77 million

Number of people in Latin America and the Caribbean who lack access to clean drinking water.

[More at nature.org/waterfunds11](http://nature.org/waterfunds11)



Students in Pichincha Province, Ecuador, are “baptized” as official water guardians as part of the Quito Water Fund’s education program.

Three Special Women, One Love of Nature

Former Conservancy board member **Georgia Welles**, her daughter **Ginny Jordan** and her granddaughter **Cameron Miranda** reflect on the role nature has played in their lives, how a passion for the environment can be contagious and what it feels like to support something together.



A grizzly bear in Canada's Great Bear Rainforest.



“ We used to think of ourselves as wanting to save pieces of land, but now we know we have to really think about saving the people on the land and they in turn will help us to keep it as it is. ”

Georgia Welles

Above: Ginny Jordan, Georgia Welles and Cameron Miranda together near Sault Ste. Marie, Ontario.

Background: The Great Bear Rainforest meets the sea at the mouth of the Koeye River.

On having a special outdoor place

Cameron: My first memory of nature is up here in Canada. It's a place that kind of gets in you from a very young age—remembering the rocks you climb on, different sounds of nature. I also grew up in the mountains of Colorado, so nature was always at my backdoor and always an important part of my life.

Ginny: My first memory of nature is being up here in Canada; I think I've been coming up here every summer of my life since I was 4. There was no sense of separation between what was around me and my own little body—so leaping in the water and canoeing and playing was a strong impression. There is such a strong feeling of coming home that I get every summer.

Georgia: My children and grandchildren have all grown up here, and I've been coming here for more than 60 years. To me, it's also home. This is a place where we sail and boat and hike and live very simply and are always in nature. It's an out-of-door place that we call our special home.

On the power of leading by example

Cameron: I think both my grandmother and my mother have been strong figures in my life. In particular around conservation, my grandmother always had such a passion for conservation. And it never was “you must do this when you get older,” but she led by example, and in a way that, I think, was always very inspiring to me.

Ginny: My mother in particular really had a vision of how important it was that we preserve these places for our children and our children's children. She would speak about that and never impose that value on me, but I certainly felt that value. As her only daughter I've really observed her and seen what her work has given her. It's fed her in some remarkable ways.

Georgia: Well, I think that passing my love for nature on to my children was really more of a question of absorption. Being in the out of doors, seeing how much their father and I enjoyed it, the lessons became more natural ones than studied ones. They just took to it!

On supporting The Nature Conservancy, together

Cameron: The trip to Great Bear Rainforest, British Columbia, was a remarkable experience to share with my mother and grandmother and uncle Peter. We were just amazed at the work that was going on. It felt really good to give a three-generation gift because although I've been involved in a lot of giving, this one felt more meaningful in that way because it was all of us there together.

Ginny: It was the first time I think I understood an entire ecosystem and how it works all together. I was particularly interested in the amazing rainforest and the local people there. I was very curious how the Conservancy was weaving in the local people. So the whole thing just had this whole ecology to it, so we all decided to support it together, which in itself was a fantastic feeling to have your mother involved, your daughter involved, and your brother.

Georgia: In the Great Bear Rainforest we were able to connect with all kinds of nature. Doing that together as a family with my daughter and granddaughter was very exciting. Their excitement and their love for what that area meant and its importance and eventually wanting to support it themselves all pleased me very much.



Fishermen on the Koeeye River in the Great Bear Rainforest, Canada.



Georgia displays a trout while fly-fishing in Argentina



Ginny Jordan, Georgia Welles and Cameron Miranda in Ontario.

9

Number of years Georgia Welles served on the Conservancy's board of directors.

23+

Number of projects and campaigns supported by Georgia and her late husband, David.

5

Number of children had by Georgia and David.

More at nature.org/greatbear

“ I don't know how much longer I'm going to be here to see what's happening in this great world and what the Conservancy is able to accomplish. I hope that I'll still be fishing in my 90s, but more than that, I hope that my grandchildren and their children are going to see and be able to enjoy the same world that I've experienced. ”

Georgia Welles

“I recognize the right and duty of this generation to develop and use our natural resources, but I do not recognize the right to waste them, or to rob by wasteful use, the generations that come after us.”

Theodore Roosevelt, 26th President of the United States



A Message from the Co-Chairs



Annual Reports celebrate achievements of the past year, and in the case of The Nature Conservancy, those conservation achievements can be inspiring. Our supporters should be proud of what they have enabled us to achieve in securing lands and waters on which all life depends. But we sometimes shortchange the underlying strengths and values that enable the Conservancy to be successful.

Strong and transparent governance as a concept does not inspire awe, nor does it appeal to emotions as our conservation achievements do. Nevertheless, good governance is one of our strengths and is crucial to our success as an institution. Our record of effective and efficient governance allows us to engage and maintain long-term relationships with both local and global institutions—from local land trusts to USAID and government agencies in the U.S., Latin America, Europe, Australia and Asia.

When we engage in capacity building with younger nongovernmental organizations around the world, we help instill principles of good governance that will enhance their effectiveness and garner trust from their constituencies as well. And hand-in-hand with governance is strong management of finances and projects.

The Conservancy has also become the industry leader in conceptualizing, testing and sharing creative methods to finance conservation. From our earliest establishment of a revolving Land Preservation Fund through debt-for-nature swaps, conservation trust funds and matching-fund programs to leverage public support with private dollars, the Conservancy has always sought to maximize our donors' generosity.

Most recently we have focused on expanding such sustainable finance options as water funds, whereby urban water users finance upstream conservation action as a cost-effective means to ensure ongoing freshwater supplies. In coastal marine habitats, we are applying market approaches to incentivize conservation by fishers and cooperatives. And we are exploring the emerging carbon market as a means of sustainable funding for conservation across vast landscapes from Australia to Africa.

It is this behind-the-scenes discipline, research, experimentation and negotiation that led ultimately to the conservation achievements we cheer. We remain grateful to our supporters, who understand the investment it takes to stay ahead of the challenges to our natural world. And we pledge to always value the sacrifice you and your families make to enable our efforts to continue.

Teresa Beck
Co-Chair, Board of Directors

Steve A. Denning
Co-Chair, Board of Directors

“ We made a huge difference today,
we did something that’s going to last
way beyond any of us... Our grandchildren
and great-grandchildren will know
we made this impact today. ”

Stephanie Alexander, Gulf Restoration Volunteer

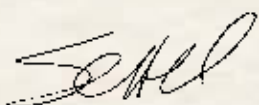
Around 545 volunteers came to Mobile Bay, Ala.,
in January 2011 to help restore the Gulf of Mexico.

Financial Overview

Financially, FY11 continued the momentum from FY10's strong rebound. Total support and revenue grew in every category, and totaled 18 percent overall, most of which supported increased spending on conservations programs. In addition, the Conservancy completed its four-year Campaign for a Sustainable Planet at a record total of \$1.78 billion, making it the largest fundraising campaign in Nature Conservancy history.

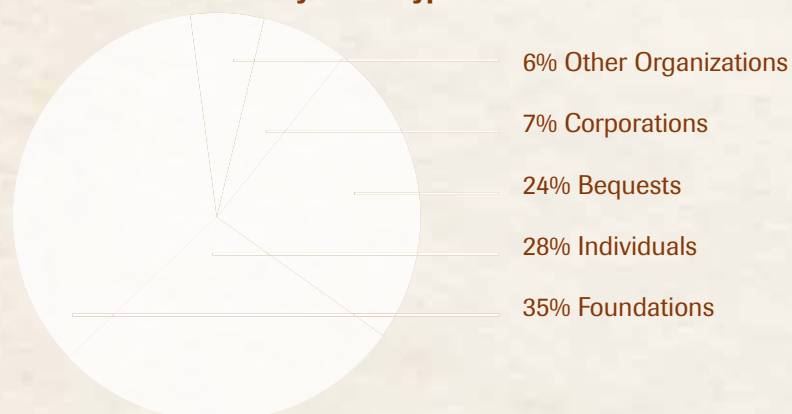
Operationally, the Conservancy grew 7 percent, with the largest increases in spending related to its global programs. In addition, several significant conservation acquisitions begun in prior years were completed in FY11, including the nearly \$500 million Crown of the Continent project in Montana. Programmatic efficiency remained strong at 80 percent, indicative of increased capital activity and continued prudent management of expenses in the General/Administrative and Fundraising/Membership areas.

The financial results depicted on page 43 are derived from the Conservancy's audited June 30, 2011, consolidated financial statements, which contain an unqualified audit opinion. The Conservancy's complete, audited financial statements can be obtained online at nature.org/annualreport or by calling (800) 628-6860.

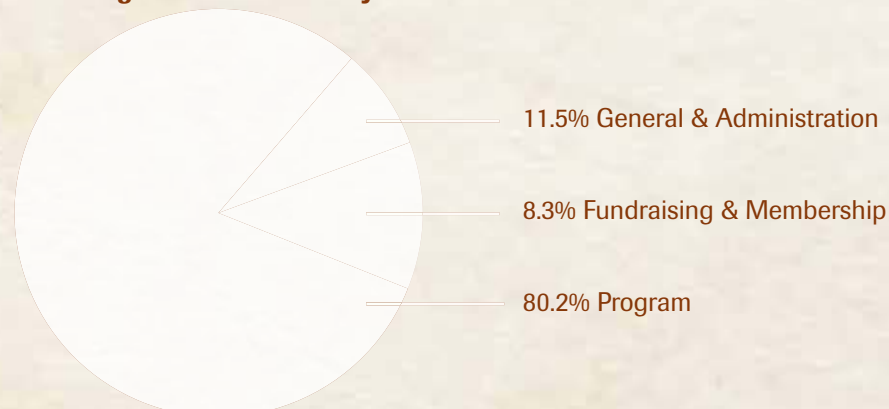


Stephen C. Howell
Chief Financial and Administrative Officer

Dues & Contributions by Donor Type



Total Programmatic Efficiency



Financial Summary

	For the fiscal years ending on June 30, 2011 and 2010 (in thousands)	
	2011	2010
Support & Revenue		
Dues and contributions	457,729	397,711
Government grants	160,375	138,135
Investment income	246,042	171,889
Other income	53,644	49,949
Land sales and gifts	254,575	232,509
Total Support & Revenue	1,172,365	990,193
Expenses & Purchases of Conservation Land & Easements		
Conservation activities and actions	401,514	349,101
Purchases of conservation land and easements	323,057	204,488
Total Conservation Program Expenses & Purchases of Conservation Land & Easements	724,571	553,589
General and administrative	103,660	98,683
Fundraising	57,921	53,880
Membership	17,213	17,513
Total Administration & Fundraising	178,794	170,076
Total Expenses & Purchases of Conservation Land & Easements	903,365	723,665
Net Result: Support & Revenue Over Expenses & Purchases of Conservation Land & Easements (note 1)	269,000	266,528
Fundraising Summary		
Fundraising expenses as a percentage of total expenses and purchases of conservation land and easements	6.4%	7.4%
Asset, Liability & Net Asset Summary		
Conservation land	1,927,139	1,892,328
Conservation easements	1,705,288	1,639,636
Investments held for conservation projects	614,869	539,065
Endowment investments	1,003,565	891,326
Planned giving investments	281,974	246,571
Property and equipment (net of depreciation)	106,492	101,111
Other assets (note 2)	389,687	461,207
Total Assets	6,029,014	5,771,244
Accounts payable and accrued liabilities	94,005	98,116
Notes payable	411,298	450,448
Other liabilities (note 3)	327,718	328,489
Total net assets	5,195,993	4,894,191
Total Liabilities & Net Assets	6,029,014	5,771,244

(1) Not intended to represent increase in net assets.

(2) Primarily includes cash, pledges of future gifts, notes receivable and deposits on land and other assets.

(3) Primarily includes deferred revenue, planned giving liability and other liabilities.

Note: The figures that appear in the financial summary shown are derived from the 2011 & 2010 consolidated financial statements that have been audited and have received an unqualified opinion. The complete, audited 2011 & 2010 financial statements for The Nature Conservancy can be seen at nature.org/annualreport, or can be ordered from The Nature Conservancy at (800) 628-6860.

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To learn more about the Conservancy's
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