

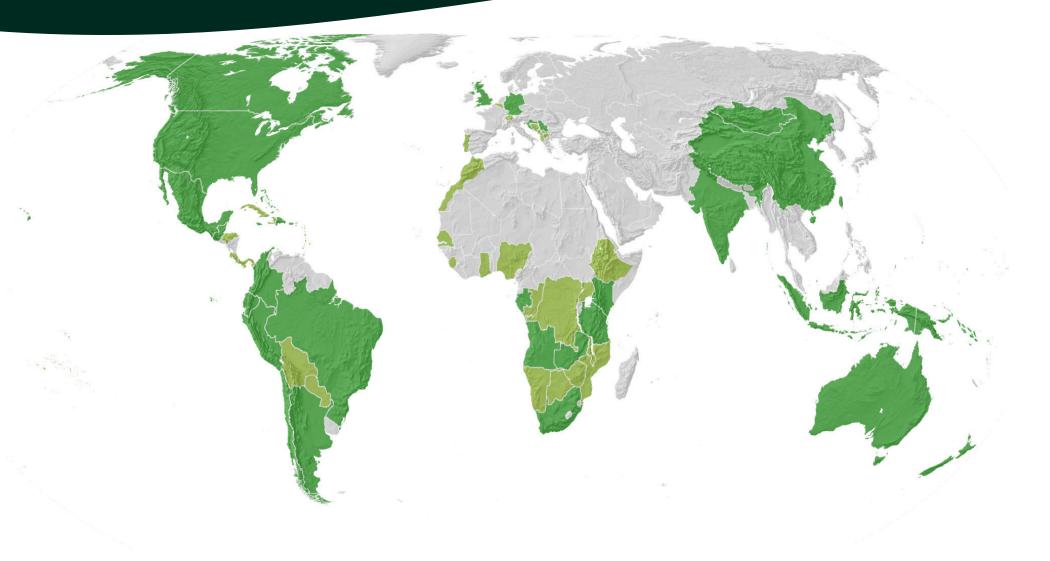


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On the Cover: Haley Cattouse tends to a sustainable seaweed farm in Belize which provides economic opportunity, as well as creates habitat for marine species. June 2022. © Jennifer Adler At left: Jose Martin Garrido Achahui maintains airlines for his diver as well as the position of the boat near a small islet off the coast of Ancón, Peru. © Jason Houston

# Together, We Find A Way



THE NATURE CONSERVANCY WORKS IN

81 COUNTRIES AND TERRITORIES:

40 by direct conservation impact and 41 through partners



# TNC'S 2030 Goals

Our planet faces the interconnected crises of rapid climate change and biodiversity loss. We have years, not decades, to address these threats. At TNC, we're working with partners, communities and decision-makers across the globe to help bridge the gap during this defining decade. We know that the best way forward is together. Grounded in science, our 2030 Goals and the pathways to achieve them represent how TNC can contribute to what the world needs most during these critical years.



We will use the power of nature and the strength of policy and markets to reduce emissions, support renewable energy, and store carbon to reach our goal of avoiding or sequestering 3 billion metric tons of carbon dioxide emissions each year.



We will help 100 million people at severe risk of climate-related emergencies by protecting and restoring the health of natural habitats – from mangroves and reefs to floodplains and forests – that help protect communities from storm surge, extreme rainfall, severe wildfires and sea level rise.



We will conserve 4 billion hectares of ocean through new and bettermanaged protected areas, global-scale sustainable fishing, innovative financing, and positive policy changes to how the world governs the seas.



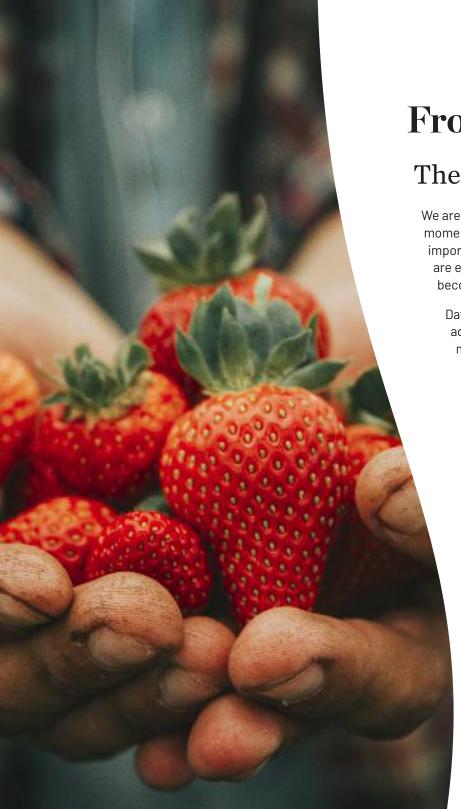
We will partner with communities around the globe to conserve 650 million hectares of land. Together we will restore and improve management of working lands, support the leadership of Indigenous Peoples as land stewards, and conserve critical forests, grasslands and other habitats rich in carbon and biodiversity.



We will conserve 1 million kilometers of river systems and 30 million hectares of lakes and wetlands by engaging in collaborative partnerships, promoting innovative solutions, and supporting policies that improve the quality and amount of water available in freshwater ecosystems and to communities.



We support 45 million people whose well-being and livelihoods depend on healthy oceans, freshwater, and lands. We will partner with Indigenous People and other local communities to learn from and support their leadership in stewarding their environment, securing rights to resources, improving economic opportunities, and shaping their future.



# From The Desk of Michael Doane

#### The decade to deliver

We are nearing the midway point in what has been described as the critical decade to shift the momentum on the dual climate and biodiversity crises. And while we have made progress on some important issues, we must improve the speed at which solutions in the food and freshwater space are elevated to the mainstream. More than doing less harm, the food and water sectors must become central actors in the restoration economy.

Data and evidence in support of restorative practices like soil health management, adaptive rotational grazing, agroforestry, restorative aquaculture, data-informed fisheries management, and more demonstrate that we can support gains in productivity while having a positive impact on both nature and communities. The good news is that many technical solutions exist; however, the challenge is that they are scaling up too slowly relative to what is needed. This is where we add value – serving as a catalyst to accelerate the transition to more regenerative and resilient business models. The Nature Conservancy is collaborating at local, national, and global levels to implement these solutions in ways that bring equitable benefits and ensure access to food and freshwater for future generations.

This report is a snapshot of our progress in that work. It showcases the tremendous commitment, capacity and spirit of innovation that exists on this team at TNC.

I am extremely proud of what we have accomplished so far, and I look ahead with excitement toward what we will do together with our donors and partners to mainstream these solutions in this decade.

Michael Doane Global Managing Director, Food & Freshwater Systems

At left: Strawberry grower in Cerro de la Muerte, Cartago, Costa Rica © Alejandro González



# Provide's Projected Contribution to TNC's 2030 Goals



Avoid or sequester **928 million metric tons of greenhouse gas** emissions annually – the same as 31% of TNC's total goal.



Help **29 million people** benefitting from nature to adapt to climate change – that's 29% of TNC's total goal.



Conserve **53 million hectares** – that's 8% of TNC's total goal – through improved grasslands management and avoided conversion of at-risk native habitats.



Conserve **3.8 billion hectares of marine habitat** – that's 96% of TNC's total goal – through improved management of fisheries and aquaculture.



Conserve 219,000 kilometers of rivers plus 9 million hectares of lakes and wetlands – totaling 22% and 30% of TNC's goals, respectively.



Support the place-based opportunities, local leadership or tenure rights of **10 million people** from Indigenous and local communities – 22% of TNC's total goal





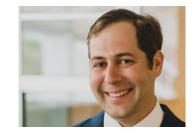


Our Leadership

#### **Thriving Fisheries & Aquaculture**

#### **ROBERT JONES**

Robert and his team are working to advance the growth and development of regenerative aquaculture, ensure improved management of large-scale and coastal fisheries through electronic monitoring and low-cost management approaches, and advancing community-led models for freshwater fisheries.



#### **Resilient Freshwater**

#### **DANIEL SHEMIE**

Daniel Shemie and his team are working to change how the world manages and protects the places our water comes from through the widespread adoption of nature-based solutions, demonstrate the power of these solutions on-the-ground, remove financial obstacles to implementation, help shape national and global policy dialogues to accelerate a water-positive transition and widely sharing what we've learned with others—all to tackle a multitude of global water challenges.



#### Regenerative Food

#### **CO-LEADS SASWATI BORA AND MELISSA BRITO**

Saswati, Melissa, and their teams are working to advance practical solutions that improve food and water security, protect habitats and support communities by promoting innovative practices that increase productivity while benefiting nature, scaling up solutions by testing ideas with local farmers and replicating them globally with agribusiness partners, informing government policies and business models for sustainable food production and water use, and building equitable solutions by engaging with, learning from and supporting local producers across the supply chain.





Union Square Farmer's Market, New York © Kevin Arnold





## **Accelerating Adaptation**

New report explores the promise and limitations of nature-based solutions in the race to adapt to increasing floods and drought

Nature-based solutions (NbS) are increasingly recognized for their ability to address the water-related impacts of climate change, but the synergies, trade-offs, and potential magnitude of NbS impacts on future flood and droughttwo of the most damaging natural disasters on Earth—are still poorly understood.

This knowledge gap has led to a lack of clarity around the opportunity for investment and missed chances to scale NbS appropriately. To help, TNC launched Accelerating Adaptation, a new report that offers planners and funders much-needed guidance on how to effectively harness the power of nature to adapt to both a wetter and drier future.

Importantly, the new TNC analysis reveals that NbS can help reduce the risk of flood and drought in one third of the places across the globe where flood and drought hazards are expected to increase due to climate change, making nature a meaningful adaptation investment in many places around the world. When developed using locally relevant scientific

> and traditional knowledge, and in consideration of community and equity interests, the report explains that NbS offer a robust toolset for building community resilience that is adaptable and scalable across different contexts.

With the foundational knowledge offered in this report, adaptation planners and funders can more confidently integrate NbS into flood and drought investments.

and Limitations of Nature-based Solutions in the Race to Adapt to Increasing Droughts and Floods were released at the UN Climate Conference (CoP28) and later promoted through a webinar with over 200 guests, including key water sector practitioners.

Key findings from **Accelerating Adaptation:** The Promise



Previous page: The waterfalls of Plitvice Lakes National Park in Croatia. Plitviče Lakes National Park is a 295-sq.-km forest reserve in central Croatia. © Ken Geiger. At right: Focal storm Gonzalo © Javier Santile

## **Europe's First Water Fund**

Norfolk Water Fund invests in nature for water security in one of England's driest regions

The county of Norfolk, located on England's eastern seaboard, is rich in natural beauty and biodiversity—from its rare chalk streams to its extensive wetlands. However, the agricultural region is also one of the UK's driest, receiving about the same amount of rainfall annually as Lebanon.

A perfect storm of factors including a growing population, degradation of ecosystems and a changing climate is forming to impact not only the county's environment but also its economy.

With 59 of Norfolk's 129 river catchments already over-abstracted or over-licensed, the region faces increasing threats ranging from water security and quality to flooding. At the current rate, some local experts predict that water demand could exceed supply by 2050.

In February 2024, building on the existing Norfolk Water Strategy
Programme and with the help of the Nature for Water Facility, TNC and
partners launched a business plan for the Norfolk Water Fund that outlines
the opportunity for a £30 million portfolio of nature-based solutions to
address local water security challenges. The plan offer a holistic approach
to managing the region's water resources and prioritizes action along the
Wensum, Yare, Bure and Ant rivers to build more resilient watersheds.



Norfolk WE SWRE In Nature for Wat

The Norfolk Water Fund is the first of its kind in Europe and the latest project in a long line of watershed investment programs pioneered by The Nature Conservancy over the past 25 years. It represents TNC's commitment to mainstreaming nature as a key solution to some of the leading water security challenges around the world.

Read the full report here.

At right:Wetlands at Wendling Beck © Daniel Casson



# **Scaling Watershed Investment**

Over the past 25 years, TNC and its partners have developed more than 40 water funds in 13 countries, each one helping make the case for nature to address growing water security challenges around the world. While these novel watershed investment programs have consistently proven successful on the ground, we know that launching one water fund at a time isn't enough. To truly scale this work and realize TNC's vision of mainstreaming nature-based solutions throughout the water sector, we must do more and move faster.

That's why TNC and the management consultancy Pegasys created <u>"Nature for Water"</u> (N4W), an innovative technical facility that provides science-based evidence, cuttingedge monitoring and evaluation, and best-in-class management expertise to support local partners in developing watershed investment programs of their own.

N4W completed 10 projects in FY24, including supporting the business cases and associated launches for the River Yala Water Fund in Kenya (the first women-led water fund), and the Norfolk Water Strategy Programme, Europe's first water fund.

The team also **launched the \$8** million **Ground Outcomes ("GO")** Fund at **New York Climate Week** with an event co-hosted by cornerstone funders The Coca-Cola Foundation and Caterpillar Foundation with remarks from TNC's CEO Jennifer Morris. The GO Fund is designed to increase N4W's effectiveness by helping bridge the 'valley of death' experienced by many watershed investment programs in their first critical years as they transition from 'program vision' to 'landscape-scale implementation'. The new offering will help accelerate the delivery of watershed investment programs around the world by jumpstarting critical projects and mobilizing the long-term funding they need to thrive.

Around the world, N4W's 50+ person delivery team is providing critical technical expertise to a variety of water sector clients, including utilities, water authorities, development finance institutions, corporations, and civil society. Since its inception in 2022, N4W has supported 35 local watershed investment programs across 20+ countries.







# PROVIDE'S PATHWAYS TO 2030 Regenerative Food





## Mainstreaming deforestation and conversion-free soy

Agricultural expansion is the largest driver of biodiversity loss. And there are a small handful of commodity traders that can have an outsized impact on how expansion happens. TNC works with traders across the entire soy sector to encourage ambitious commitments to eliminate deforestation and conversion from their supply chains, and bring those commitments to reality in their operations. Building on decades of work between TNC and partners, we are starting to see several new commitments across the sector, signaling an industry-wide raising of standards and building the foundation for DCF production to become the new normal. These commitments include:

**LDC:** LDC's existing commitment is to eliminate deforestation and conversion of native vegetation of high conservation value for agricultural purposes from its supply chains by the end of 2025, with an industry-leading January 2020 cut-off date.

**Cargill:** Cargill announced a cut-off date of January 1, 2025 for an accelerated commitment to eliminate deforestation and land conversion from its direct and indirect supply chain of key row crops in Brazil, Argentina, and Uruguay.

**ADM:** ADM announced its commitment to have all direct supply chains free of conversion of primary native vegetation in defined high-risk areas by December 31, 2025, and indirect supply chains free of conversion of primary native vegetation in defined high-risk areas by no later than December 31, 2027.

**Bunge:** Bunge has announced a 2024 **cut-off date** for its corporate commitment to end deforestation and conversion in its supply chain by 2025. It also became the first company to reach 100% traceability in Brazil, an industry-leading example.

**Amaggi:** Amaggi's commitment is to eliminate deforestation and conversion from its supply chain by December 2025, with a cutoff date of December 2020.

**Cut-off dates:** the date after which deforestation or conversion renders a given area or production unit non-compliant with no-deforestation or no-conversion goals, commitments, targets, or other obligations.



# Latin America Supplies European Demand for Sustainable Soy



The Gran Chaco is a hot and semi-arid lowland area with one of the highest deforestation rates on the planet. The biome extends over Argentina, Paraguay, Bolivia, and Brazil, bringing together more than 50 different ecosystems united by the same pattern of vegetation and climate. Two-thirds of the Gran Chaco, or 130 million acres, are in Argentina and

25% of that area has been cleared for agriculture, mainly soy production, and mostly in the last 20 years.

To address this problem, in 2019, TNC and partners founded VISEC (Sectoral Vision for the Argentina Gran Chaco), a transparent system to monitor the flow of soybeans produced in the Chaco region that helps ensure legal compliance and deforestation and conversion-free sourcing in the Chaco biome.

This year, VISEC completed the first four shipments of deforestation and conversion-free soy from Argentina to Europe. These shipments included georeferenced certificates that guarantee that the product comes from fields free of deforestation, which will be required for all soy shipments entering the EU by the end of this year. By 2025, the entire soybean supply chain in Argentina is expected to adopt this platform, allowing over 60,000 farmers in Argentina access to the EU's soy market.

The success of VISEC within Argentina relies on robust private-public partnership. In April, the province of Córdoba becomes the first in Argentina to establish a collaboration agreement with VISEC, allowing for exchanging information on regulations in destination countries, coordinating common actions in those markets and agreeing on compliance methodologies based on current national and provincial legislation.

Click here to learn more about VISEC.

An aerial view showing deforestation for cattle ranching at São Félix do Xingu, a municipality in the Brazilian Amazon, that has one of the highest rates of deforestation in the country. © Haroldo Palo Jr.





# Pará moves to end deforestation related to beef cattle

Cattle ranching is the primary driver of habitat loss in Brazil, making it crucial to track cattle throughout the supply chain to ensure that banks, investors, supermarkets, restaurants, and export markets can finance and buy cattle raised legally on deforestation-free land. This tracking prevents fraudulent claims about cattle origins and provides insights on where to offer incentives to halt deforestation.

At COP 28 in Dubai, the governor of Pará announced the Cattle Integrity and Development Program, the first mandatory individual traceability policy with environmental requirements for cattle in Brazil. Covering an area larger than France, Spain, and Norway combined, the program will track over 24 million cattle across more than 295,000 farms. The Nature Conservancy has been recognized as a key partner in developing this program, alongside 13 other institutions.

Since the decree, Pará has made significant progress: creating a software system to track cows, releasing new regulations, training 200 technicians, and beginning system testing. A large-scale beta tagging initiative began this fall with 50,000 ear tags, allowing producers to order official tags and upload data. The program also supports producers in complying with Brazil's forest code, ensuring they can maintain their livelihoods. The state aims to tag and register 3 million animals by COP 30, integrate traceability data with environmental data, and create incentives for quick adoption of traceability measures. TNC has played a crucial role in these efforts, from drafting regulations to coordinating stakeholders, ensuring Pará's leadership in sustainable cattle traceability is recognized and supported, promoting systemic changes for landscape scalability through public policy and market uptake.





# Foodscapes: A Regenerative Framework

The vision of TNC's **regenerative** foodscapes work is to transform systemic barriers and enhance the resilience of natural capital at the landscape scale. The Foodscapes Monitoring, Evaluation and Learning framework, released this year, is essential for demonstrating change, evaluating strategy effectiveness, and providing evidence to market actors and policymakers. It outlines steps for developing a plan, what to measure, how to measure, and resource allocation, ensuring that regenerative foodscapes can achieve their ambitious goals. TNC currently has five active Foodscapes across North America, Latin America, Africa and India.

Learn more <u>here.</u>

#### **Regenerative Agriculture**

contributes to rebuilding the natural resources of an area and the benefits people derive from those natural resources. The sum benefit of the natural resources to people is natural capital.





Thriving Fisheries & Aquaculture PROVIDE'S PATHWAYS TO 2030 X TRAF Tom Perry is an oyster farmer based in White Stone, Virginia. © Robert Clark

# Bahamas' First-Ever Nationwide Management of Queen Conch

Since 2016, TNC has been on a mission to preserve the high biodiversity observed in coastal marine areas around the world by working directly with fishing communities and governments to effectively assess and manage their data- and capacity-limited fisheries. This is accomplished through a proven stakeholder engagement process called FishPath. To date, FishPath has been applied successfully in more than 20 countries, introducing critical fishery management solutions that target 125 species.

In 2024, TNC's FishPath engagement process resulted in The Bahamas' first-ever nationwide management plan for Queen Conch, benefitting 9,000 fishers. Bahamian Queen Conch is one of the most economically and culturally valuable species in The Bahamas, generating over \$7 million a year and supporting thousands of families. But it is also a threatened species important to the Bahamian coastal ecosystem, and populations have plummeted due to illegal, unreported and unregulated fishing.

Responding to local concerns, TNC embarked on an outreach expedition to understand what exactly was leading to this downward trajectory. It soon became clear that juvenile conch were being fished before they could reproduce, leading to fewer and smaller conch. Fishers, fishery managers, NGOs, and academics participated in a TNC-led FishPath workshop, which helped identify tailor-made solutions that would lead to healthier conch populations and resilient livelihoods. This engagement process resulted in the first-ever nationwide management plan for Queen Conch and the request from the Bahamian Department of Marine Resources for TNC's support in applying the FishPath process to improve the management of other key fisheries.



WATCH this <u>1-minute video</u> on how we are working with local stakeholders across The Bahamas to make conch fishing a more sustainable practice.



Healthy queen conchs feed on a sea grass bed in the Exuma Cays Land and Sea Park, Bahamas. © Jeff Yonover

# Inland Fisheries: A Community-Based, Co-Management Guide

Despite covering less than one percent of the Earth's surface area, freshwater ecosystems contain an incredible 10 percent of the world's known species. Freshwater fish are an important natural resource, providing food for billions of people and supporting the livelihoods of millions. However, these fragile freshwater ecosystems are being pushed to the brink globally due to habitat degradation, harmful fishing practices, and climate change. Their declining health threatens the future of freshwater biodiversity and the many Indigenous Peoples and local communities who depend on them.

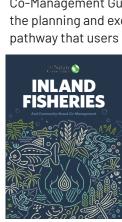
TNC is working to reverse this trajectory through community-based comanagement of freshwater fisheries. The aim of community-based comanagement is well-functioning governance and management of inland fishery resources to meet nutrition, livelihood and cultural needs while simultaneously ensuring the conservation and sustainable use of freshwater ecosystems and biodiversity. Community-based co-management moves away from historical top-down management, prioritizing fisher communities as sources of expert knowledge and key participants in objective setting, implementation and responsibilities.

Drawing upon expert knowledge and latest research, TNC's new Community-Based Co-Management Guide for Inland Fisheries provides a holistic framework to simplify the planning and execution of complex inland fisheries projects and presents a practical pathway that users can follow. The Guide is a living resource and aims to advance equitable

and adaptive co-management models that deliver sustainable use of inland fisheries with increasing capacities and responsibilities of fishing communities. It will serve as the basis for TNC's Freshwater Fisheries Center of Excellence, which is currently in development and will help inform our work as it touches down in the Amazon, Zambia, Gabon, Africa's Lake Tanganyika and the Upper Okavango. The Guide is also available in Español (ESP), Português (POR) and Français (FRA).

Read the full report here.

Unloading frozen yellowfin tuna (Thunnus albacares) from the Dolomieu (La Reunion) in Victoria, Mahé Island, Seychelles © Jason Houston



## Eyes on Tuna

Covering over half of the ocean, industrial fishing is the most widespread human activity at sea and represents one of the most valuable traded food commodities in the world. But the health of our ocean is in trouble. 90 percent of wild-caught marine fisheries are either overfished or cannot withstand further pressure; climate change is expected to decrease marine fish biomass by more than 10 percent by mid-century; and 30 percent or more of all sharks, rays, and seabirds are at risk of extinction with industrial fishing as the primary driver.

These challenges are further exacerbated by the looming presence of illegal, unreported, and unregulated (IUU) fishing. It is estimated that one in five wild-caught fish are landed from IUU fishing, generating up to USD \$23 billion in economic losses globally each year and threatening legitimate fishing operations, livelihoods, and biodiversity.

Despite these challenges, there is hope. Experts agree that the long-term sustainability of our fishery resources depends on collaborative management and effective monitoring of fishing operations at sea. Collaborative management is especially important for highly migratory species like tuna that traverse thousands of nautical miles and require international cooperation for stock management.

To this end, TNC has been working closely with Tuna Regional Fishery Management Organizations (t-RFMOs) to pass policies that establish electronic monitoring minimum standards. Over the past sixteen months, we saw these efforts pay off. Representing more than 30 percent of global tuna production, three of the five t-RFMOs made progress by passing comprehensive or interim electronic monitoring standards. These results are helping to build the global enabling conditions to achieve TNC's vision of 100 percent monitoring across all industrial vessels.



On April 10, 2024, The Nature Conservancy launched the Tuna Transparency Pledge, a global initiative aiming to unite actors throughout the tuna supply chain to achieve 100% on-the-water monitoring on all industrial tuna vessels by 2027. The initial signatories of the Tuna Transparency Pledge span the entire

supply chain and include Walmart, Albertsons Companies and Thai Union, along with the governments of Belize and the Federated States of Micronesia.

Unloading frozen yellowfin tuna (Thunnus albacares) from the Dolomieu (La Reunion) in Victoria, Mahé Island, Sevchelles © Jason Houston



# Lower carbon shrimp on Americans' plates

As America's most popular seafood product—and one of its most carbon-intensive—shrimp is an obvious target for emissions reductions in the seafood supply chain. With the shrimp industry projected to continue growing steadily through the end of the decade, it is particularly important to address these environmental challenges.

In a pilot program in Ecuador, TNC and local stakeholders are teaming up to reduce on-farm emissions through the adoption of clean energy and more efficient technology, source shrimp feed responsibly, and support the restoration of mangrove ecosystems. The resulting product, which has a carbon footprint 15 to 35% smaller than its conventional counterpart, is now available to American consumers at numerous Walmart stores across the country.

Learn more here.

Conservancy's Sacramento Office in California. Detail of incredibly small fairy shrimp, as sampled from a vernal pool on the Howard Ranch near Sacramento.





# By the Numbers

# **PROVIDE GLOBAL PRIORITY (FY24)**



**FINANCIALS** 

\$119M

new revenue received for Provide and Provide-aligned work<sup>1</sup>

24%

average annual growth in new revenue for Provide and Providealigned projects from FY20-FY24



**STRATEGY** 

strategies

2 key initiatives

71%

of planned milestones achieved in FY24 that advance our critical path IR's and 2030 goals



**COLLABORATION** 

1:2

people supported in Provide vs people in collaborating teams

80%

positive collaboration scores for Provide strategies per field colleagues

<sup>&</sup>lt;sup>1</sup> Source, Hub, using best available information as of 8/15/2024



We are grateful for the ongoing support of all our donors. To make a donation that will have an immediate impact on nature now, please visit <u>nature.org/donate</u>.

A juvenile queen conch uses a single foot to walk along the seabed, East End of Grand Bahama Island, Bahamas. © Shane Gross