

A Dedication

This document serves as a general overview highlighting how The Nature Conservancy (TNC) is tackling climate change and safeguarding nature with and for communities throughout the Asia Pacific region.

From implementing large-scale initiatives to prevent tropical forest loss in Indonesia, to guiding endangered sea turtle hatchlings in Solomon Islands as they navigate from their beach nests to the waves, we are deeply grateful to our community partners who make this work possible. This report is dedicated to you.

So, to the herding families of Mongolia: Thank you for your vision in preserving one of Earth's greatest remaining grasslands for generations to come.

To the women tending the coastal mangroves of Papua New Guinea: Thank you for reminding us of this ecosystem's vital role as a defense against the impacts of climate change.

To the people of Singapore and Hong Kong: Thank you for your ingenuity in advancing a global green economy as you protect corners of nature within urban landscapes.

Indeed, to all Asia Pacific communities, big and small, who dream of a better world: Thank you for demonstrating that a love for nature and respect for its sustaining power are the foundations of lasting conservation.

And to our donors, whose support makes this all possible: Thank you for your trust and commitment. We are humbled by your dedication to the mission.

—The Nature Conservancy's Asia Pacific Team





Cover: The sun rises over a *ger* in the Mongolian grasslands © Kriangkrai Thitimakorn/Getty Images

Clockwise from left: Exploring Hong Kong's Deep Bay © Derek Tang; Herds of livestock stretch across a river valley in Inner Mongolia, China © Saixiya; Community member Cecelia Joseph plants mangrove saplings at Tahira Nursery in Bootless Bay, Papua New Guinea © Annette Ruzicka







Clockwise from left: Portrait of Urantsetseg, a traditional herder in Mongolia © Asher Svidensky; An infant orangutan with his mother, Indonesia © Matthew S. Brown/TNC Photo Contest 2022; Wheat crops in Henan, China © TNC; Yellow-footed rock-wallabies at Vergemont Station, Australia © Lyn Brydon/Queensland Government





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The road to 2030 begins today.

Learn more at nature.org/asiapacific

FROM THE REGIONAL MANAGING DIRECTOR



At first glance,
Mongolia and Australia
may seem worlds apart,
differing in language,
latitude, culture,
terrain—and certainly
climate. One faces
bitterly cold dzud events
in winter and is a snow
leopard's icy realm. The
other, my home country,

endures sweltering summer heat in many places and the ever-looming threat of bushfires such as the 2019–2020 disaster that devastated communities and wildlife.

Yet, what unites them? Wide open spaces, for one. And a vision for protecting, restoring and sustainably managing nature, underpinned by Indigenous and local community wisdom. Amid the dual climate change and biodiversity crises that disproportionately affect the Asia Pacific region, both nations are committed to a bold "30x30" goal: protecting 30 percent of their lands, waters and oceans by 2030. With so much at stake, they have the motivation and demonstrated political will to meet this target by decade's end.

How to do so is an enormous challenge. But I'm proud that The Nature Conservancy is providing the science, policy support and practical solutions necessary for these and other Asia Pacific nations to manifest a nature-positive future. From establishing new protected areas on land and at sea, to mainstreaming shellfish reef restoration, sustainable forestry and agricultural best practices, we are dedicated to conservation that fosters cleaner, safer and more prosperous communities.

As you'll read here, TNC led efforts in Mongolia to establish a 15-year, US\$198 million initiative that will expand protected areas and improve the management

of existing reserves covering an area larger than California—all while strengthening sustainable economic opportunities with herding families. In Australia, we brokered agreements to establish new national parks, including a biodiverse area in a remote part of Queensland larger than Yosemite National Park.

I reflected on these and other achievements during our recent 2024 gala in Hong Kong, surrounded by inspiring volunteer leaders—people like Moses Tsang, Fred Hu, George Tahija, Jennifer Yu Cheng and Anla Cheng—who have moved mountains to make this work possible. It's been over 30 years since TNC began working here, starting in the Pacific Islands and expanding to China, Indonesia and other nations. In 2000, the late Lee Kuan Yew, Singapore's inaugural prime minister and founding co-chair of TNC's Asia Pacific Council, praised our operating philosophy as a "non-confrontational approach to conservation [with] a successful history of working closely with governments, businesses and NGOs in win-win partnerships."

Our work has evolved, but this ethos remains at our core. The accomplishments outlined in this report, and our progress toward TNC's 2030 Goals, are the result of years of partnership building, innovative strategy and tireless dedication. Whether we are engaging with conservation-minded urbanites in Hong Kong or collaborating with grassroots organizations protecting Papua New Guinea's mangrove forests, I am humbled to work alongside advocates and champions who not only appreciate nature's intrinsic value, but also recognize its vital contributions to healthy societies.

Thank you for being part of the journey.

WILL McGOLDRICK
The Nature Conservancy-Asia Pacific



Dear Reader,





Whether this is your first encounter with The Nature Conservancy or you're a long-time supporter, we hope this report will inspire you and deepen your connection to an organization that holds a special place in our hearts.

There is no doubt we are at a crossroads for our planet. We have years, not decades, to address the interconnected crises of climate change and biodiversity loss. Our region's wildlife, cultures, food supply and economies are all at stake.

TNC's science, talent and innovative solutions continuously amaze us and give us hope. These pages showcase just some of the groundbreaking ways TNC collaborates with communities, governments and the private sector to overcome barriers and deliver the solutions our planet needs.

Supporting TNC is a tangible action and a vote for science. As business leaders, we consider the potential returns on our investments. But as parents, we cannot put a price on the knowledge that we're doing everything we can to secure a healthy planet for future generations.

Welcome to a rewarding and unique journey with TNC. Together, let's make tomorrow count.

Sincerely,

MOSES K. TSANG AND FRED ZULIU HU
The Nature Conservancy
Asia Pacific Council Co-Chairs

A hawksbill sea turtle hatchling makes its way in the ocean in Solomon Islands © Tim Calver



CONSERVATION FOCUS

Why Asia Pacific Matters

Engine of the global economy. Home to over 4 billion people. Cradle of traditional ways of life, from nomadic herders in Mongolia to the Dayak people of Borneo's tropical forests. Asia Pacific is a tapestry of diverse cultures and commerce, united by its natural wonders.

But challenges abound: Climate change, deforestation, coastal development, unsustainable fishing and other threats imperil landscapes, rivers, wetlands and oceans.

Over three decades, TNC has driven transformative change to protect nature for the people of Asia Pacific. Working with a range of stakeholders, we have established ourselves as a trusted partner in addressing some of the region's most pressing issues.

By 2030, across Asia Pacific we will:

- Reduce annual carbon emissions by nearly 300 million tonnes, the equivalent of taking 65 million cars off the road every year.
- Conserve and improve the health of grasslands, forests and other lands covering an area more than four times the size of California.
- Support and advance stronger ocean management strategies over an area larger than Japan.

Early light in the Wehea-Kelay forest of East Kalimantan, Indonesia © Nick Hall



MONGOLIA **CONSERVATION FOCUS** Where COMMONWEALTH We Work OF THE NORTHERN MARIANA ISLANDS (US) INDIA TNC operates country programs over a HONG KONG SAR large terrestrial and maritime footprint in Asia Pacific. In Indonesia, we advance conservation initiatives with our main REPUBLIC OF THE GUAM (US) partner, Yayasan Konservasi Alam MARSHALL Nusantara (YKAN). **ISLANDS** FEDERATED STATES Additional resources: Read more on TNC's SINGAPORE OF MICRONESIA PALAU work in India and Micronesia/Polynesia. PAPUA NEW GUINEA AMERICAN **INDONESIA** SOLOMON SAMOA (U.S.) ISLANDS FRENCH POLYNESIA AUSTRALIA AOTEAROA **NEW ZEALAND** Data Source: Natural Earth Cartography: Chris Bruce

CONSERVATION FOCUS

How We Achieve Lasting Impact

What does TNC need to do differently to help slow—and eventually reverse—alarming trends such as rising carbon emissions and nature loss? In Asia Pacific, we have built a strong foundation in regional conservation through science, partnerships and innovation.

Now, we need to increase the scale of our work and ensure our outcomes last.

To dramatically increase the scale and sustainability of TNC's impact in Asia Pacific by 2030, we are growing our investment in three pivotal areas: **People, Policy and Prosperity.**

- People: We partner with Indigenous Peoples and traditional communities to ensure that conservation and climate efforts center their rights and align with their broader social and economic interests. And we ensure gender equity is fundamental to our mission. This leads to better outcomes for people and nature that are more likely to endure.
- Policy: Drawing on our science and local experience, we support governments to develop and implement the policies and laws needed to achieve lasting and equitable conservation and climate outcomes.
- Prosperity: We support private sector efforts that align conservation, climate and sustainable development goals with commercial objectives.
 This aims to direct capital flows away from damaging practices and toward nature-positive efforts.



THE 2030 GOALS | CONSERVATION DIRECTOR'S NOTE

Chorus of Hope



In the tropical forests of Papua New Guinea, there is an early morning moment where nocturnal animals retiring for slumber overlap in time and space with those greeting a new day. For a few minutes, their collective chirps,

bellows, croaks and shrieks create an organic harmony that we call the dawn chorus. It's cacophony and chaos—and it's thoroughly sublime.

Such is the work of conservation. On some days, it can feel like we are laboring on borrowed time, that the challenges we face are insurmountable.

On others, we see how TNC is making significant, measurable impact. These moments remind us of our love for nature, give us hope and fortify us to face tomorrow's uncertainties. Australian landscapes are revitalized and protected through traditional management by First Nations peoples. Shellfish reefs once nearly lost to dredging and pollution are restored through science and the sweat equity of volunteers from Hong Kong to Aotearoa New Zealand. On a personal note, during the depths of a COVID-19 lockdown, I once received a camera trap photo from Mongolia of a young snow leopard, healthy apart from the fact that he had only three legs. The image was taken in a protected area that TNC had helped establish in the western part of the country. We had originally encountered the animal (which we named Shuurga, meaning "storm") on a field visit a couple of years prior, his leg caught and mutilated by a wire snare.

Our team amputated and sutured the damaged limb, fitted him with a radio collar, released him and hoped for the best. By the looks of Shuurga in the picture, our hope was not misplaced.

The progress you see here toward TNC's 2030 Goals is another reason for hope. Metrics compiled by our regional monitoring, evaluation and learning colleagues represent tangible conservation gains secured over Fiscal Year 2024 (June 2023–July 2024). Additionally, we have put major down payments on future gains with large-scale, long-term projects such as Eternal Mongolia (p. 13) and Borneo sustainable forestry (p. 15) that will report progress annually as these initiatives are carefully implemented—in lock-step with government, Indigenous groups and local community partners.

Working toward the 2030 Goals underscores TNC's commitment to evidence. This is perhaps the most important thing we rely on science for at TNC: assessing the most effective actions we can take to achieve those goals. And crucially, determining where we are doing things that aren't as effective as we hoped and where we need to pivot.

The highlights shared in this report are a product of that foundation in evidence, and it's what gives us the confidence to increase the scale of the resources and impact we seek.

See you in the forest,

DR. EDDIE GAME

Senior Lead Scientist and Director of Conservation, The Nature Conservancy-Asia Pacific





Top to bottom: Shuurga, the three-legged snow leopard, wakes up after being fitted with a radio collar © TNC; Oyster farm remnants in Hong Kong's Deep Bay © Derek Tang

Progress in 2023-2024

In 2023–2024 alone, TNC Asia Pacific made steady progress toward our regional goals. Highlights include:







4.4 million tonnes





Over 470,000 hectares of ocean protected or with improved management

Equivalent to over 120 Hong Kong harbors





Over 815,000 hectares of land protected or with improved management

More than 11 times the size of Singapore





Nearly 125,000 hectares of freshwater lakes and wetlands protected or with improved management

Larger than the country of Palau





NATURE'S DOWN PAYMENTS

Over the past year, TNC and our partners have laid the groundwork for protecting and restoring nature while supporting local communities. This work may be slow and steady with incremental progress, but we have made significant down payments toward future returns for nature.

For example, in April 2024, we launched Eternal Mongolia, which focuses on community-centered conservation of vast natural areas (p. 13). Once fully implemented, this initiative will help us to achieve nearly 60 percent of our regional 2030 Goals for land, almost 70 percent for lakes and wetlands, and 100 percent of our rivers goal.

Left to right: Carbon monitoring in a teak plantation in East Kalimantan, Indonesia © Bridget Besaw; Fish swim above table coral in Raja Ampat, Indonesia © Ethan Daniels; Horses graze at sunrise in western Mongolia © Bayar Balgantseren; Wetlands at Comeroo Station, New South Wales, Australia © NSW NPWS; The Bulgan River winds in western Mongolia © B.Erdenebulgan

Progress to 2030

TNC GLOBAL 2030 GOALS

CLIMATE



3 billion
METRIC TONS
PER YEAR

of carbon emissions (CO₂e) are avoided or sequestered

LANDS



650 million

of critical landscapes are protected, restored or benefiting from improved management

OCEANS



4 billion

of oceans are protected, restored or benefiting from improved management

FRESHWATER



1 million KILOMETERS

of rivers are protected, restored or benefiting from improved management



30 million HECTARES

of lakes and wetlands are protected, restored or benefiting from improved management

PEOPLE



45 million

are benefiting from improved rights to natural resource management and sustainable economic development opportunities TNC ASIA PACIFIC 2030 GOALS

PROGRESS TOWARD ASIA PACIFIC'S 2030 GOALS

291 millionMETRIC TONS
CO₂E PER YEAR



14.8 million
METRIC TONS
CO,E PER YEAR

178 million



52 million

38 million HECTARES



10.3 million

16,900 KILOMETERS



3,500 KILOMETERS

2.5 million HECTARES



134,000 HECTARES

358,000 PEOPLE



64,440 PEOPLE





Centuries-old land stewardship approaches meet modern sustainable finance solutions in one of Asia Pacific's largest-ever conservation initiatives



More than three times the size of Spain, yet home to just 3.4 million people, Mongolia boasts the largest expanse of temperate grasslands on the planet. Millions of gazelles migrate across these lands, which have long supported one of Earth's oldest nomadic cultures.

TNC began our work in Mongolia over 15 years ago, providing scientific support and conservation planning as the nation advanced a goal of formally protecting 30 percent of its lands, lakes and rivers by 2030. However, challenges such as new mining operations, expanding livestock herds and climate impacts—including droughts and extreme winter events—pose significant barriers to this vision.

Through a strategic approach known as <u>Project Finance</u> <u>for Permanence</u>, TNC, in collaboration with Enduring Earth, has secured a partnership that will provide \$198 million in new investments over 15 years to ensure lasting conservation and sustainable community development in and around protected areas—all in the service of "30x30."

This initiative, called <u>Eternal Mongolia</u>, focuses on three key objectives: supporting the government in designating new protected areas equivalent to the size of Nepal, which will be off-limits to mining and other activities; aiding local communities in better managing lands at risk of climate impacts and degradation; and advancing new economic ventures that benefit both people and nature.

The significance of Eternal Mongolia to TNC's 2030 Goals cannot be overstated. This transformative conservation effort could serve as a model for other Asia Pacific nations seeking innovative ways to protect their lands and waters at scale while enriching the lives of communities that depend on healthy ecosystems.

Strategy for Results at Scale



PEOPLE

TNC partners with individual herding communities to help secure management rights over traditional livestock grazing areas while building new green livelihood opportunities.

POLICY

Through Eternal Mongolia, the national government has pledged to implement various new policies aimed at expanding protected areas and enhancing grassland management.

PROSPERITY

Eternal Mongolia is developing a range of sustainable financing mechanisms to support conservation and sustainable development, including natural resource user fees, ecotourism and conservation levies.



If we lose our nomadic way of life, Mongolian ancestral heritage will be destroyed. Mongolia as a nation will lose its meaning. Although this way of life can be harsh, my father and his ancestors before him passed it down to me. And I hope my children and grandchildren will continue our tradition.

URANTSETSEG

Mongolian herder

Top: Urantsetseg's work as a traditional nomadic herder in Mongolia spans over 30 years © Asher Svidensky; **Inset:** Bat-Erdene Bat-Ulzii, Mongolia's Minister of Environment and Tourism, and Jennifer Morris, TNC's Chief Executive Officer, sign the Eternal Mongolia deal in April 2024 © Jeffrey Parrish/TNC



Hope for Borneo's Forests

A new approach created with local partners and communities to protect Indonesian tropical forests and reduce emissions is well underway In East Kalimantan, a province in the Indonesian part of Borneo, millions of square kilometers of tropical forests are designated for logging. Yet in many of these areas, timber operations are not taking place. While this might seem beneficial for forests, it often leads to under-management and little oversight, making them vulnerable to illegal logging and land clearing for palm oil agriculture (Indonesia contributes almost 60 percent of the world's palm oil supply).

The stakes are high. East Kalimantan's forests serve as a vital wildlife haven, home to orangutans, sun bears, clouded leopards, hornbills and numerous migratory bird species. Indigenous Peoples such as the Dayak and Kutai have long been the forest's guardians.

In response, TNC and our main Indonesian conservation partner, Yayasan Konservasi Alam Nusantara (YKAN), asked ourselves: What if we could acquire long-term management rights to inactive timber areas, protect forests and wildlife, sequester carbon and support new economic opportunities?

In 2023, we did just that. With government consultation and the approval of five adjacent villages, we secured rights to over 44,400 hectares of productive forest in East Kalimantan at risk of encroachment and clear-cutting. This initiative allows us to protect the most pristine, biodiverse old-growth areas while designating parts of the forest for sustainable forestry practices and non-timber products that can provide livelihoods for local communities.



Strategy for Results at Scale

PEOPLE

Local communities provide essential stewardship of their forests. Together, we are building conservation solutions that support traditional methods, secure land rights and enable sustainable livelihoods.

POLICY

Since 2016, we have supported a multi-stakeholder Green Growth Compact in East Kalimantan, recognized by Indonesia's Ministry of Environment and Forestry as a model for conservation, climate action and economic development.

PROSPERITY

We are working with companies to develop new revenue streams that enable them to produce sustainable timber while conserving large forest areas.

In areas designated for forestry, we are implementing management techniques that selectively extract trees, significantly reducing damage to critical wildlife habitats. This approach helps retain over 90 percent of a forest's carbon stores compared to traditional logging. Additionally, we're exploring sustainable production for commodities like honey and rattan harvesting, as well as ecotourism micro-businesses.

YKAN and TNC are now working to acquire additional forest management licenses to expand this approach. It has the potential to serve as a national and global model for effective, sustainable forestry that prevents biodiversity loss, promotes carbon storage and enhances the community value of forests.

By 2030, we aim to protect and improve management of an area of Indonesian tropical forests the size of South Korea while supporting sustainable, profitable and equitable forestry.

Above: A moment's rest for a young orangutan in an Indonesian tropical forest © Florian Kriechbaumer/TNC Photo Contest 2023



Verge of Achievement



TNC AND PARTNERS HELP ADVANCE AUSTRALIA'S '30X30' AMBITIONS WITH VERGEMONT STATION



One of Australia's newest national parks exemplifies the power of leveraging philanthropic investment and government initiatives to achieve 30x30.

To support Australia's vision, TNC has collaborated closely with state governments, Indigenous communities and private donors to safeguard large, biodiverse areas at a landscape scale. In April 2024, a \$21 million anonymous donation—the largest single donation for land conservation in Australia's history—facilitated the Queensland government's acquisition of Vergemont Station, a vast expanse of more than 300,000 hectares—nearly three times the size of Hong Kong.

According to Dr. James Fitzsimons, TNC's Global Protection Senior Advisor, the new park will create a conservation corridor of about 1.4 million hectares, protecting critical habitats for the endangered night parrot, the highly restricted Opalton grasswren and other species. "Additionally, it safeguards the headwaters of the Lake Eyre Basin, the source of one of the last remaining free-flowing arid river systems in the world," Fitzsimons notes.

Vergemont follows several recent conservation deals brokered by TNC in Queensland and New South Wales, including one that will return land to First Nations ownership and management.

Left to right: An Opalton grasswren rests on a small branch © Jeremy Edwards/iStock; Aerial view of the Vergemont landscape © Ian Wilkinson/Queensland Government



Strategy for Results at Scale



PEOPLE

Recognizing the rights and interests of Aboriginal and Torres Strait Islander peoples of Australia is deeply embedded in TNC's work. We support ongoing investment in new Indigenous Protected Areas and recognize the crucial role that First Nations communities can play in policy development, governance, implementation and protected area management.

POLICY

In 2023, TNC along with partner conservation groups published the <u>Pathways to 30x30</u> report, which provided recommendations to the Australian government on creating and expanding new public, private and Indigenous Protected Areas to reach 30x30.

PROSPERITY

New national parks can attract domestic and international tourists while building new local employment opportunities.





Left: Aerial view of Vergemont Station in Queensland, Australia © Ian Wilkinson/Queensland Government; **Above:** A gum tree in Vergemont Station © Ian Wilkinson/Queensland Government



Protecting Bird's Head

A CROWN JEWEL OF MARINE BIODIVERSITY



Left to right: A diver swims around a coral reef in Raja Ampat, part of the Bird's Head Seascape, Indonesia © Purwanto Nugroho/TNC Photo Contest 2019; Aerial view of Raja Ampat © iStock

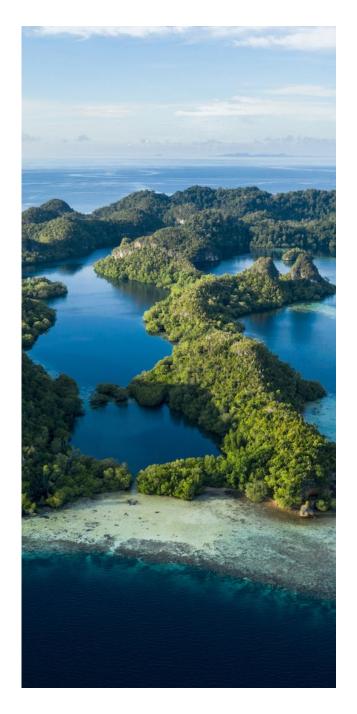
In the far eastern reaches of Indonesia, the <u>Bird's Head Seascape</u> is a stunning expanse of crystalline waters, lush islands and coastal villages, covering an area nearly the size of Great Britain and including the renowned Raja Ampat archipelago.

Home to about three-quarters of the world's coral species, as well as migrating whales, fleets of giant manta rays and leatherback turtles, Bird's Head is considered by biologists as a crown jewel of the natural world. For centuries, local communities have sustainably managed these waters, relying on them for food and income. However, encroaching development and illegal fishing practices have severely damaged shallow reefs and vulnerable coastlines.

A new landmark initiative is bringing much-needed hope to the future of the Bird's Head Seascape. In July 2024, the governments of the United States and Indonesia, along with TNC, our partner YKAN and other stakeholders, signed a \$35 million debt-for-nature swap agreement. This initiative will significantly enhance the protection and conservation of coral reef ecosystems in the Bird's Head Seascape, as well as the Lesser Sunda and Banda Seascapes.

"In the Bird's Head Seascape, YKAN has been supporting the government by working closely with local communities and other partners to safeguard marine ecosystems," said Herlina Hartanto, YKAN's Executive Director. "For example, we have helped coastal communities implement their traditional practices, such as sasi, which regulate marine resource use."

TNC, YKAN and other stakeholders established the Bird's Head Seascape Initiative in 2004 as a collaborative effort to protect this precious seascape, while enabling Indigenous communities to preserve their traditions and economic security.







IMPROVING FARMING TECHNIQUES IN CHINA'S BREADBASKET

The Yellow River, often referred to as the "Mother River," is the cradle of ancient Chinese civilization. Its fertile banks enabled agriculture to flourish, fostering the growth of communities along its course. Today, the Yellow River basin continues to support China's population by providing 87 percent of the nation's domestic wheat.

Healthy soil is crucial for producing 95 percent of the world's food, filtering drinking water and mitigating climate change by capturing and storing carbon. However, modern farming practices in China have inadvertently degraded soil health, leading to significant societal, economic and environmental costs.

TNC is partnering with farmers in China to improve soil health on these vital lands. Through local trials, conservation tillage has emerged as an effective strategy to enhance climate adaptation, increase food production and boost farmers' profits.

Conservation tillage involves covering at least 30 percent of the soil surface with crop residue, which protects the soil ecosystem often harmed by traditional tillage methods. This approach prevents erosion and improves efficiency by reducing labor needs and simplifying machinery operations.

Over the past several years, TNC has collaborated with the Ministry of Agriculture and Rural Affairs to monitor conservation tillage demonstrations in Hebei, Henan, Shandong and Anhui provinces.

TNC China Sustainable Agriculture Director Ying Li (right) looks at winter wheat root systems with Zhanxin Si, a farmer and early adopter of the conservation tillage method, on a tilled field in Dingzhou, Hebei province © TNC



Led by TNC China Sustainable Agriculture Director Ying Li and Agriculture Specialist Yinru Li, this initiative is making significant strides. Working in a traditionally male-dominated field, they face unique challenges, often being the only women present at field visits where they engage groups of 50 to 100 male farmers to adopt new practices. Yet their program has successfully promoted conservation tillage across 2,400 hectares and provided regenerative agriculture training to over 17,000 farmers in the North China Plain, yielding impressive results:

- Wheat yields increased by 4 percent
- Soil moisture storage, organic carbon and microbial diversity improved
- Net revenue increased by \$360 per hectare
- Fossil fuel usage decreased by approximately 58 percent during planting

TNC aims to expand conservation tillage throughout the Yellow River basin, aligning with the Chinese government's vision outlined in the Development Plan for Ecological Protection and High-Quality Development of the Yellow River Basin.

Grassland Restoration in Inner Mongolia

In China's Inner Mongolia Autonomous Region, the livelihoods of herders are intricately linked to the health of natural grasslands. Unfortunately, nearly 90 percent of these grasslands have been degraded, resulting in severe consequences for both people and the environment.

To tackle this challenge, TNC is working with herder communities to demonstrate the connection between conservation and improved socioeconomic outcomes. This effort includes the implementation of Grassland Smart Management (GSM), a tool designed to promote sustainable management strategies through on-the-ground projects and collaborations with key partners.

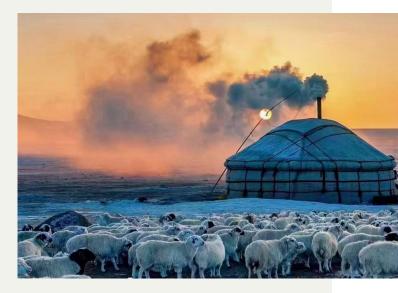
Achievements include:

 Working with the Ministry of Agriculture and Rural Affairs to conduct training sessions on GSM techniques for nearly 200 participants, including herders, pastoral managers and local government officials.



My homeland is a severely degraded grassland, and I never had the courage to come back and live a traditional herding life. However, TNC's solutions and support have given me hope for building a future here.

BILIGBATEERInner Mongolia herder



- Partnering with Inner Mongolia Agricultural University and an animal husbandry company to provide tailored online and in-person training on land management, modern animal husbandry and cooperative models to over 20,000 participants.
- 3. Securing the implementation of GSM across more than 10,000 hectares.

The project has attracted interest from policymakers, cooperatives and local communities, paving the way for scaling up improved grassland management across an even larger area.

Left: Agriculture Specialist Yinru Li takes samples during a farm site visit © TNC; **Above:** Sheep rest outside of a *ger* on a cold winter morning in Inner Mongolia © Saixiya



Over the centuries, the Māori people have managed their lands and waters through the cultural system of *kaitiakitanga*, or guardianship, informed by Māori worldviews that acknowledge the interconnectedness of people and nature.

In this spirit, TNC proudly supports the <u>Kotahitanga mō</u> <u>te Taiao Alliance</u> (KMTT), meaning "Collective Action for Our Nature." This unique collaborative model in Aotearoa New Zealand unites iwi (Māori tribal units), local councils and government to bring back nature and build climate resilience in the northern regions of New Zealand's South Island. Comprising 18 partner groups,

KMTT recognizes that while conservation can progress more swiftly through individual efforts, lasting results can be best achieved through collective action, guided by Māori values and traditional knowledge.

TNC contributes to KMTT by providing facilitation, funding, scientific expertise and best practices from our global conservation work. In 2023, we supported KMTT to develop a high-level vision that captures the partners' aspirations for the region, based on the <u>Conservation by Design</u> framework. From this work, TNC will initiate further investments in critical intervention opportunities.

KMTT has already delivered significant weed control through the Restoring and Protecting Flora project at over 20,000 hectares of the region's most ecologically significant sites. It is piloting a biocontrol agent against invasive wasps and is seeding mussel beds to restore marine ecosystems.

Future work will support iwi participation in activities such as reforestation project scoping, new and enhanced restoration efforts on land and at sea, community planning activities, coastal wetland protection and other invasive wasp control initiatives.

The Wairau River as it winds through the Marlborough region on New Zealand's South Island © Lauryn Wachs/TNC



MUSSEL MEMORY

Restoring lost shellfish ecosystems in Hauraki Gulf

Home to sparkling blue waters, towering bluffs, sandy beaches and more than 50 emerald islands large and small, the Hauraki Gulf/Te Moananuiā-Toi/Tīkapa Moana is a beloved landmark of Aotearoa New Zealand.

But beneath the surface lies a deep absence. Green-lipped mussels (kūtai), cockles, pipi, tuatua and other native shellfish once covered 1,500 square kilometers of the Gulf's seabed, providing food and habitat for other species and economic opportunities. Today, most shellfish beds have been destroyed or are at high risk, weakened by a host of threats such as destructive fishing practices, invasive species, climate change impacts and acidifying waters.

Through our contributions to the Revive Our Gulf collaboration, TNC is working to change that. In the latest deployment of a multi-year effort, Revive Our Gulf partners placed millions of cultivated kūtai in Kawau Bay, north of Auckland, in mid-2024.

Kūtai are ecosystem engineers, filtering impurities and providing food, shelter and protection for diverse species. This deployment is the second conducted in partnership with the Ngāti Manuhiri Settlement Trust and is part of a wider project to develop knowledge around the restoration of the kūtai reefs throughout the Hauraki Gulf.

"The way that this project works hand-in-hand with *mana whenua* [Indigenous historic rights to the land] is particularly exciting, upholding the *mana* of all involved," says Abbie Reynolds, TNC's Aotearoa New Zealand Director. "We are honored to be a part of this important restoration work with the wider benefits that it entails."

Revive Our Gulf is a collaborative project involving iwi, researchers and local communities. We are working together to support the long-term aspirational goal of restoring 1,000 square kilometers of shellfish beds and reefs in the Hauraki Gulf.

Deploying kūtai into the Hauraki Gulf © Shaun Lee



REGIONAL INITIATIVES TO ADVANCE NATURE-BASED SOLUTIONS AT SCALE

Whether by restoring coastal wetlands or implementing time-tested methods for better forest management, the power of nature-based solutions (NbS) to limit carbon emissions and improve the lives of those dependent on these ecosystems is abundantly clear. Cost-effective and complementary to decarbonization efforts, NbS can provide up to one-third of the emissions reductions needed to limit global warming to 1.5°C. Now is the time to embrace NbS at scale, and the Asia Pacific region offers significant opportunities where TNC and its partners are actively engaged.

PAPUA NEW GUINEA

Coastal wetlands—mangroves, seagrasses and salt marshes—capture and store billions of tons of carbon from the atmosphere, often at concentrations up to five times greater than terrestrial forests. Papua New Guinea's extensive mangrove ecosystems exemplify this "blue carbon" potential, making their protection vital to TNC's regional mission.

We are supporting community efforts to replant degraded mangrove forests, strengthening equitable access to natural resource management through women-led mangrove protection initiatives and helping to build ranger programs for both women and men.

Community members Shernile Tovue (left) and Stephanie Nodi work with mangrove saplings at Tahira Nursery in Bootless Bay, Papua New Guinea as part of the Mangoro Market Meri program © Annette Ruzicka

INDONESIA

Indonesia's mangroves are also under threat, primarily due to global demand for shrimp that drives the expansion of coastal aquaculture ponds. As of 2019, 13 percent of the country's mangroves had been cleared for shrimp farming.

In collaboration with our Indonesian partner, YKAN, TNC works with various stakeholders to restore mangroves and secure carbon storage while improving the livelihoods of shrimp farmers. This approach involves splitting an active shrimp pond into two or more sections, dedicating the majority to mangrove restoration while maintaining a smaller area for shrimp production using improved aquaculture methods that enhance overall yields.



Left to right: Water moves through carbon-rich peatlands in Mongolia © driendl/Adobe Stock; A pond implementing the Shrimp-Carbon Aquaculture Approach (SECURE) at Pegat Batumbuk Village in East Kalimantan © Vabian Adriano/YKAN



MONGOLIA

In Mongolia's Bayanzurkh soum (administrative unit) of Khuvsgul aimag in northern Mongolia, peat-rich areas represent a significant part of the grasslands that cover 80 percent of the nation. Although peatlands make up just 3 percent of the planet's land surface, they store about 30 percent of all terrestrial carbon. TNC's Cool Green Science refers to them as "one of Earth's most underrated ecosystems." These areas are also key grazing lands for goats, sheep and other livestock owned by traditional herders, yet they face ongoing degradation.

To combat this, TNC, academic partners and local communities are working to quantify the extent and carbon storage value of these living carbon reserves. Such research will help us better support policy initiatives and advance potential financial incentives for their protection and sustainable management.

Strategy for Results at Scale



PEOPLE

Too often, those who contribute the least to the climate crisis suffer its worst effects. In Asia Pacific, TNC works to ensure that Indigenous cultures, impoverished communities, women and marginalized peoples who historically have been denied a voice in how nature is managed have a meaningful say in any NbS project forged.

POLICY

In places such as Indonesia, TNC and partners play a significant role in convening policymakers and other key stakeholders to identify the most potent NbS pathways for reducing carbon emissions.

PROSPERITY

From blue carbon projects that restore tidal flow in Australia, to avoided deforestation through sustainable timber initiatives in Indonesia, TNC supports emerging carbon and biodiversity markets with robust standards for delivering equitable benefits.



Making a 'SCeNe'

A NEW COLLABORATIVE BRINGS NATURE-BASED SOLUTIONS TO SOUTHEAST ASIA'S CENTER STAGE

Southeast Asia's forests offer significant potential for carbon mitigation through nature-based solutions (NbS). Approximately 90 million hectares of the region's forests—an area nearly twice the size of France—could support viable carbon projects that sequester around 560,000 million tons of CO_2 e annually, and yield an estimated total return on investment of \$27.5 billion per year from carbon finance alone.

In 2023, TNC and seven international nonprofit organizations launched the <u>Southeast Asia Climate</u> and <u>Nature-based Solutions</u> (SCeNe) Coalition. This groundbreaking initiative aims to accelerate investment in high-quality NbS that benefit climate, biodiversity and local communities.

Based in Singapore, SCeNe has three key objectives:

- Directing climate finance toward equitable mitigation and adaptation strategies
- Scaling up high-integrity NbS projects in the Asia Pacific region
- Ensuring the growth of NbS genuinely empowers local communities and safeguards ecosystems

Only one year since its founding, SCeNe has already made significant progress. For example, the new NbS Incubator, one of the coalition's key initiatives, now supports frontline organizations throughout Southeast Asia in developing impactful NbS projects.

TNC Roars Into the Lion City

In 2023, TNC officially launched its new office in Singapore. As a green finance hub and a leader in climate initiatives, Singapore aligns with TNC's goal of deepening regional engagement to meet climate and biodiversity objectives.

Supported by the Singapore Economic Development Board (EDB), TNC's Singapore office serves as a global center for partnerships, innovation and scientific research. This expansion also aligns with Singapore's ambitious Green Plan 2030 and marks an exciting new chapter for TNC in the Asia Pacific region.

Eight pilot projects are currently underway across the Philippines, Malaysia and Indonesia. These initiatives include efforts to protect ancient forests in North Mindanao, Philippines, and restore habitats for threatened species such as orangutans, tigers, gibbons and helmeted hornbills in Indonesia's North Sumatra province.

SCeNe has also established strategic partnerships, including with the National University of Singapore's Centre for Nature-based Climate Solutions, to collaborate on research, thought leadership and the development of NbS technologies and tools. Additionally, SCeNe is partnering with Climate Impact X to accelerate and scale high-integrity NbS carbon projects and credits in the region.

These early successes demonstrate SCeNe's significant potential to achieve its goal of scaling high-integrity NbS initiatives that usher in a new NbS era for Southeast Asia.

Spotlight: Solomon Islands

AN EQUITABLE VIEW TO CARBON CREDITS FOR A PACIFIC ISLAND NATION

It's home to the world's largest raised coral atoll, historic World War II battle sites, and is of growing geopolitical and economic importance due to its

geopolitical and economic importance due to its abundant natural resources and strategic location in the Western Pacific Ocean.

Solomon Islands—a sprawling archipelago of over 900 densely forested islands with a population of well under one million—is rich in minerals such as zinc, gold and nickel. Timber represents its largest export, and high-value seafood like tuna is driving an industry boom at sea that feeds millions globally.

Yet the nation remains one of the Asia Pacific region's poorest, with a GDP per capita of about \$2,000, or just 3 percent of nearby Australia's.

66

We must do this, it's the only way to go forward. If we are divided, it will be hard to go forward. If we are all in one canoe, we will be able to move.

VILLAGE MEMBER

Feedback from a recent community meeting survey about future carbon market opportunities that could protect key Solomon Island forests TNC has worked in this remarkable and highly threatened part of the world for over 30 years. Together with our partners, we have:

- Helped designate multiple community-based protected areas. These efforts include the country's first national park in the Arnavon Islands chain, home to the region's largest rookery for critically endangered hawksbill sea turtles. TNC has forged initiatives with local women's groups to ensure their participation and leadership in protected area management.
- Worked with the Solomon Islands national government to draft and enact the national Protected Areas Act and Mining Policy.
- Improved monitoring of fishing vessels to combat illegal and unreported fishing.

TNC is now supporting what could become Solomon Islands' largest carbon project by safeguarding 14,500 hectares of mangrove and lowland forest in Isabel province.

Input from recent community meetings revealed how much local residents care about their natural resources and seek alternatives to extractive activities that offer only short-term gain. We estimate that avoided logging will result in preventing nearly 1 million tonnes $\rm CO_2e$ of emissions over the next 20 years, while providing needed income to local communities through a transparent and equitable benefit-sharing body.



Strategy for Results at Scale



PEOPLE

With support from TNC, communities and landowners would develop a governance structure for managing the new carbon project and an agreement on how to share money and benefits fairly with all community members.

POLICY

TNC is a long-term partner with government and communities to lay the groundwork for the development of marine protected areas that have protected at-risk species such as sea turtles, while helping to advance an ecotourism economy.

PROSPERITY

While nearly half of the Solomon Islands is covered by primary forests, logging and associated infrastructure is rapidly changing landscapes. Here, high-integrity carbon credits open to international markets offer an opportunity to help alleviate poverty and prevent deforestation and emissions.

Above: A ranger returns to the ranger station after a night monitoring nesting leatherback turtles at Haevo, Isabel Province, Solomon Islands © Justine E. Hausheer/TNC



Hope is Taking Root

Papua New Guinea is home to an estimated 9 million people, 1,000 distinct cultures and more than 800 languages. The nation's human diversity is matched by its biodiversity: the island of New Guinea boasts the third-largest expanse of tropical rainforest in the world, with 30 percent of its flora and fauna found nowhere else.

However, growing interest from international companies in Papua New Guinea's resources is placing new pressure on local people. Under-regulated extractive industries—gas drilling, mining, logging and fishing—pose grave threats to both the environment and traditional cultures that have existed for thousands of years.

In the mountainside village of Simbukanam, TNC is working with local communities to offset pressure from logging companies by formalizing land ownership maps that can prevent encroachment and hold loggers accountable for illegal activity. TNC also connects people with sustainable economic opportunities, providing greater incentives to reject offers to sell timber rights for short-term gain. Village-based savings and loans have encouraged entrepreneurship, and some communities are pursuing organic certification for cash crops such as cocoa, coconuts and vanilla. TNC seeks to link communities to NbS projects that may generate future income through carbon credits by conserving forests.



Growing up in the highlands, I know firsthand how important healthy forests are for local people who directly depend on the environment to live... I also know that without working hand-in-hand with communities, conservation here doesn't work.

RUTH KONIA

TNC Papua New Guinea Country Director



Left: TNC's Magdalene Tara and community member Fiona Marat survey land recently cleared for logging; **Above:** Ruth Konia, TNC's Papua New Guinea Country Director © Annette Ruzicka



Revolutionizing Fisheries with AI

Stretching over 5,000 kilometers, the Indonesian archipelago is a vast and complex seascape with globally significant fisheries, including over 870 species of bony fish and nearly 140 species of sharks, rays and chimeras.

Many of these fisheries are overexploited, and data collection that gives a comprehensive picture of fishery health over such a large area is challenging, leaving the status of some species unknown. This in turn complicates the government's ability to enforce regulations that promote sustainability.

To improve the management of ocean resources, TNC and partner YKAN are pioneering the use of AI for conservation. Under this system, fishers can capture photos of their catch, which YKAN staff then input into an AI system that rapidly identifies the fish species and logs relevant information such as length. Trials with over 100 species have shown that the AI system is highly accurate, correctly identifying over 99 percent of processed fish images.

This use of AI is transforming a time-consuming manual process and providing accurate data on species and catch size. Such data are critical for assessing fishery health and informing effective management policies that support sustainable fishing practices.



The Remnant Reefs of Hong Kong

Whether in Australia or East Asia, oyster reefs and other shellfish habitats offer vital ecological benefits, including water filtration, fish habitat provision and coastline protection from storm surges. However, over the past century, these habitats have drastically declined worldwide. When the original state of an ecosystem is unknown, evaluating loss and creating effective restoration plans becomes challenging.

In the past year, TNC has made significant strides in closing knowledge gaps about shellfish habitats in Hong Kong. By consulting over 150 sources—including archaeological literature, government archives and media accounts—we have uncovered evidence of extensive shellfish habitats devastated by dredging for lime production and coastal development. To assess the state of these remnant reefs, the team conducted 20 dives in the waters off South Lantau. Despite poor visibility, they confirmed the presence of reef remnants and validated their potential for recovery.

This research into the historical extent and current state of Hong Kong's shellfish reefs is already informing efforts to restore such ecosystems and the benefits they provide. For example, TNC is preparing to significantly scale up restoration efforts along the seawall of the third runway at Hong Kong International Airport and exploring another pilot restoration site in Lantau—both areas where known reefs have been lost.

Top to bottom: Supandi, a fisherman in Kelan beach, records his catch from a day fishing off the coast of Bali, Indonesia © Lauryn Wachs/TNC; Murky waters reveal oyster shells in Hong Kong © TNC





One Mission, One Future

At TNC, we stand at the forefront of addressing two of the most urgent crises of our time: climate change and

biodiversity loss. Our work across Asia Pacific is not only safeguarding some of the most vital ecosystems on the planet but also ensuring that communities and nature thrive together. However, this work can only move forward with the resources needed to turn vision into action.

The role of financing is pivotal in this mission. From innovative public funding initiatives to dynamic corporate partnerships and the rising tide of philanthropic giving, we are building the financial foundation that allows us to implement large-scale conservation solutions. Philanthropy, in particular, is a nascent but rapidly growing sector in Asia, where more individuals and families are stepping forward to be champions of conservation causes.

As we reflect on our achievements in this report, I invite you—our partners, stakeholders and future donors—to consider the powerful role you can play. Your support is not just about funding; it's about investing in a future where people and nature can thrive together. With your help, we can scale up our efforts, ensuring that Asia Pacific remains a beacon of biodiversity and resilience in the face of global environmental challenges.

Let's continue this journey together. Our future depends on it.

LIZHANG

Managing Director, Resource Mobilization and Engagement, The Nature Conservancy-Asia Pacific li.zhang@tnc.org

Asia Pacific Council

The Asia Pacific Council provides leadership, guidance, fundraising support and access for TNC's Asia Pacific programs. Members represent a cross-section of public and private sector leaders across many countries. The Council's mission is to promote policies and actions that enhance economic prosperity through conservation and the sustainable use of natural resources.

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I FADERSHIP



Asia Pacific Leadership Council

The Asia Pacific Leadership Council (APLC) was created by TNC to harness the entrepreneurship of a new generation of leaders who are passionate about conservation and sustainability, and who are committed to achieving impact through collaboration, innovation and problem-solving. The APLC provides a platform for members to share ideas, co-design solutions and jointly implement conservation projects aligned with TNC's 2030 Goals.

Above: The Hong Kong skyline from across the bay © Iam Chung Van/TNC Photo Contest 2018

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