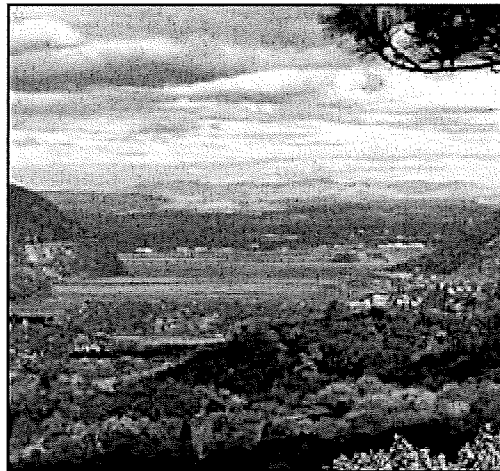


**REPORT ON THE
CONSERVATION FINANCE INTERMEDIARIES
ROUNDTABLE**



By JAMES N. LEVITT

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The Report on the Conservation Finance Intermediaries Roundtable was produced based on a two-day meeting of invited guests at the Glynwood Center in Cold Spring, New York, USA. The meeting was aimed at exploring the potential for growth and increased effectiveness of conservation finance intermediary organizations in the United States and abroad.

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REPORT ON THE CONSERVATION FINANCE INTERMEDIARIES ROUNDTABLE

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1. EXECUTIVE SUMMARY

In early March 2007, 25 executives and subject experts met at the Glynwood Center, an expansive rural retreat in the Hudson River Valley town of Cold Spring, New York. They gathered to consider the opportunities and challenges facing an emerging group of conservation organizations in the U.S. sometimes referred to as “*conservation finance intermediaries*” – that is, organizations that mediate, typically on a regional level, between traditional public and philanthropic funding sources and the community of conservation organizations that are directly engaged in land protection initiatives. The intermediaries help to identify and to provide *financial resources* and, in some cases, *technical assistance* to appropriate local conservation organizations striving to protect land and water resources for scenic, biodiversity, working landscape and associated purposes.

These conservation finance intermediary organizations, or CFIs, vary in organizational form and in the resources and services they offer, as well as by size and scope. What they share, however, is a growing understanding of how they might leverage their resources and expertise to expand the pool of available capital and to accelerate the pace and advance the sophistication of the land and biodiversity conservation organizations that they serve. As a group, they express optimism that the distinctive mix of resources and services that they offer might be of substantial value to conservation efforts on an international basis. The topic of this report is the set of ideas and aspirations that the 25 conservation finance intermediary executives and subject experts shared with one another at the early March meeting. Several of the key topics that were discussed and are considered in this report are:

- Efficient and secure use of internal and external revolving funds
- Identification and use of innovative sources of capital
- Direction of funds from legal settlements to conservation projects
- Creation of insurance pools for conservation easement defense
- Regional prioritization and planning of conservation targets and opportunities
- Coordination of regional conservation plans with State Wildlife Action Plans
- Training of client organizations to use sophisticated financial and planning tools.

Case studies presented at the conference, while drawing from a small sample size of CFI-type organizations now in operation, indicate that CFIs, with capable leadership and favorable political and economic conditions, are able on a regional basis to facilitate the acceleration of land and biodiversity conservation efforts. That is, in answer to several key questions posed to roundtable participants prior to the conference:

- CFIs have demonstrated the capacity to significantly accelerate land and biodiversity conservation in several state and multi-state regions in North America
- In several cases, CFIs have facilitated the implementation of State Wildlife Action Plans
- New CFIs, or existing CFIs expanding into new service territories, may well be able to accelerate landscape and wildlife conservation in a number of the North America regions that are not now served by regional conservation finance intermediary organizations.

Given this promising potential, roundtable participants made a number of suggestions regarding significant opportunities for funders interested in advancing the role of CFIs in the field of conservation finance. The participants showed enthusiasm for devoting considerable time and personal energy to the next phase of development for this community of practice.

The significant funding opportunities include:

1. Formalize the CFI network
2. Build internal knowledge among CFIs with case studies and best practice write-ups
3. Build capacity among CFIs and clients in use of sophisticated financial tools
4. Make grants to support existing CFIs, and for CFIs to re-grant to others
5. Incubate new CFIs with multi-year seed grants to multiple groups
6. Conduct research and development regarding “green” development standards
7. Award prizes for the invention/deployment of new CFI financing methods
8. Communicate with external audiences in finance and policy worlds
9. Invest in policy development and build support for innovative public programs.

2. GENESIS OF THE CONSERVATION FINANCE INTERMEDIARY ROUNDTABLE

By the late 1990s, several pioneering conservation organizations were acting as regional intermediaries in the conservation community, matching up sources of financial and technical assistance with appropriate land protection organizations and initiatives.

For example, on the east coast the Maine Coast Heritage Trust (MCHT), in addition to pursuing scores of internal projects, had been offering technical assistance to small Maine land trusts since the early 1980s. Based on a favorable experience with a grant from the MacArthur Foundation, MCHT launched a revolving loan fund with several million dollars that it had raised from philanthropic sources later in that decade. That fund has allowed MCHT to make several dozen loans to other land conservation organizations in Maine in subsequent decades, all of which have been successfully repaid.

In the west, to cite a larger-scale example, the Resources Legacy Fund (RLF), with a substantial grant from the David and Lucille Packard Foundation, had by 1998 initiated the Conserving California Landscape Initiative (CCLI). That program has been described by RLF as “a strategic re-granting program which provided grants, loans, training services, technology support, and other assistance designed to support conservation real estate transactions, promote land-use policy and planning, build conservation organization capacity, restore degraded habitat, increase public awareness, and leverage contributions.” The initial \$175 million in program funds dedicated to the CCLI had by 2005 attracted an additional \$764 million from other sources for conservation, leading to the protection of more than 420,000 acres in California’s Sierra Nevada, Central Valley and Central Coast regions.¹

Based on the success of these and other initiatives launched by such organizations as the Open Space Institute (OSI), the Conservation Fund and the Colorado Conservation Trust (CCT), these intermediaries decided to meet, initially on a fairly informal basis, to share ideas and experiences. According to Peter Stein, the Lyme Timber Company partner who has had a longstanding interest in revolving funds and regional conservation finance intermediaries, the first such meeting occurred at the 2002 Land Trust Rally in Austin, Texas.

A similar, fairly informal breakfast meeting was held at the 2003 Rally in Sacramento, California. By that time, Stein, Story Clark and Mary McBryde were collaborating on a paper reviewing the status of internal and external revolving loan funds (one of the key services offered by several intermediaries) for a spring 2004 Lincoln Institute Conservation Leadership Dialogue that was focused on the topic of innovations in conservation finance. That paper, in revised form, became part of the 2005 Island Press book, *From Walden to Wall Street: Frontiers of Conservation Finance* edited by Jim Levitt, the author of this report.

¹ Resources Legacy Fund, “Conserving California’s Landscape Initiative,” available as of May 2007 at http://www.resourceslegacyfund.org/programs/prg_ccli.html. See also, Resources Legacy Fund. “Building Conservation Legacies.” Available at <http://www.resourceslegacyfund.org/pages/programs.html>.

The dialogue among regional intermediaries continued at the 2004 Rally held in Providence, Rhode Island. Subsequently, at the 2005 Rally in Madison, Wisconsin, Michael Catania, who at that time had recently launched Conservation Resources, Inc (CRI) in New Jersey, took a leading role in convening the group. The agenda that he assembled put into focus the opportunities available to intermediaries to be of value in helping to place funds from legal settlements in land conservation efforts (for example, funds generated in the settlement of legal proceedings associated with oil spills used to protect habitat for coastal seabirds).

In addition to meeting participants from OSI, CRI, RLF, CCT, Lyme Timber and the Pennsylvania-based Keystone Conservation Fund, the attendees at the Madison meeting included conservation finance expert Story Clark and Andrew Bowman, a program officer for environmental initiatives at the Doris Duke Charitable Foundation (DDCF). Bowman, who had recently attended a Lincoln Institute session organized by Levitt on the Effective Use of Conservation Incentives in Racine, Wisconsin, was impressed with the discussion in Madison and interested in the potential for conservation finance efforts to have a significant impact on the scope and scale of land protection efforts across the nation. It was at the conclusion of the Madison conference that Bowman discussed with Stein, and then with Levitt, the idea of holding a roundtable of conservation finance intermediaries to consider the status and potential of this emerging community-of-practice.

3. ROUNDTABLE ORGANIZATION

The actual organization of a roundtable to consider the strengths, weaknesses, opportunities and threats facing conservation finance intermediaries took more than a year of discussion, scheduling and rescheduling. Finally, following a meeting of likely participants at the 2006 Land Trust Rally in Nashville, Tennessee, a spring 2007 date for the roundtable meeting was targeted.

Jim Levitt made several field visits during 2006, in preparation for the spring 2007 meeting. In particular, he was able to travel to western Colorado and to Maine to gain a more in-depth understanding of conservation intermediary organization strategy and operations. In Colorado, he had a chance to meet the head of the western slope field office of the Colorado Conservation Trust, and the director of the Mesa Land Trust, a local trust that CCT works with closely. Levitt was also able to visit the coast of Maine on several occasions, where he gained further insight into how the Maine Coast Heritage Trust works with smaller local land trusts both through its revolving loan fund and through a suite of technical services it provides through the Maine Land Trust Network. Supplementing those field visits, Levitt had multiple in-depth face-to-face and phone conversations with several individuals who have long experience with conservation intermediary organizations, including Peter Stein, Story Clark, Peter Howell and Will Shafroth.

Supplementing these field visits and interviews, Deidre Peroff, research assistant to Jim Levitt, gathered extensive written materials on each of eight organizations that would participate in the March 2007 workshop at the Glynwood Center. The research was used in the selection of roundtable speakers and in the preparation of preparatory materials sent to invited participants.

In the fall of 2006 and the early spring of 2007, Levitt called each potential participant to invite them to the roundtable, and to encourage them to respond to “homework” questions designed to help participants prepare for the meeting. The list of participants and staff that attended the roundtable is offered in Figure 1, below. Brief biographies for each participant are attached as Appendix 1 to this report.

**Figure 1: Participants and Staff
Conservation Finance Intermediaries Roundtable
Glynwood Center, Cold Spring, NY, March 5 & 6, 2007**

George Abar	Island Press
Liz Bell	Wilburforce Foundation
Andrew Bowman	Doris Duke Charitable Foundation
Michael Catania	Conservation Resources, Inc.
Story Clark	Conservation Consultant
Tom Curren	The Pew Charitable Trusts
Michael Dowling	Colorado Conservation Trust
Gene Duvernoy	Cascade Land Conservancy
Kim Elliman	Open Space Institute
Mark Elsbree	The Conservation Fund
Jay Espy	Maine Coast Heritage Fund
Tony Green	The Pinehills
Chris Herrman	Colorado Conservation Trust
Peter Howell	Open Space Institute
Judy LaBelle	Glynwood Center
Jim Levitt	Harvard Forest, Harvard University
Mary McBryde	Lyme Timber Company
Eliza Cope Nolan	Bernstein, Shur
Mary Scoonover	Resources Law Group
Chris Page	Rockefeller Philanthropy Advisors
Mark Shaffer	Doris Duke Charitable Foundation
Paul Sihler	Heart of the Rockies Initiative
Peter Stein	Lyme Timber Company
Ned Sullivan	Scenic Hudson, Inc.
Peter Szabo	Bloomington Management Advisors
<i>Kathy Fallon Lambert</i>	<i>Ecologic: Analysis & Communications (conference staff)</i>
<i>Deidre Peroff</i>	<i>Harvard Forest (conference staff)</i>

4. PRE-CONFERENCE ESSAYS

The pre-conference essays that were provided by participants were quite well written and offer considerable insight into the issues facing conservation finance intermediary organizations in 2007. As such, they offered roundtable participants an excellent introduction to the topic, and to the points-of-view of their colleagues. The essays should be of similar value to readers of this report, and are available in Appendix 2.

5. CONVENING AT GLYNWOOD

All of the conference preparations bore fruit as guests to the meeting began to appear at the Glynwood Center on the afternoon of Sunday, March 4. An informal cocktail hour and dinner were provided participants and staff in the main Glynwood house that evening.

MONDAY, MARCH 5, 2007 DISCUSSIONS

Introductions

With the arrival of several New York area participants on Monday morning, the formal sessions began at 9 a.m., and proceeded as outlined in the meeting agenda, attached to this report as Appendix 3.

The discussions began with brief welcomes and introductions from Andrew Bowman and Mark Shaffer from the Doris Duke Charitable Foundation. They reviewed the genesis of the idea for the meeting and thanked the participants for coming. Following their comments, Jim Levitt reviewed with the participants the purpose of the meeting along the lines of the pre-conference mailings that had been provided to each participant. He cited the paragraphs in a January 18 preparatory email that noted the following:

... the purpose of our meeting, sponsored by the Doris Duke Charitable Foundation, will be to explore the prospects for the emerging community of conservation finance intermediary (CFI) organizations in the US.

More specifically, our group will include senior conservation practitioners, donors and several professionals from relevant private sector organizations. As a group, we will be considering whether a distributed set of conservation finance intermediary organizations can quantitatively accelerate and qualitatively benefit land and biodiversity conservation in North America, and, if so, how might such organizations best be supported? Our aim is that roundtable participants will develop a range of informed opinions on these topics upon which they might act. We do not necessarily aim to have a single consensus opinion emerge from the dialogue.

Levitt then asked each of the participants to introduce themselves, and to offer their own answer to the question: "What is a conservation finance intermediary organization?" The answers given were as varied as those offered in the preparatory essays (for example, in Appendix 2 to this report, note the considerable difference between, say, Mark Elsbree's relatively concise description of a CFI and the more extensive answer offered by Michael Catania). Nevertheless, at the conclusion to this introductory dialogue, all of the participants were able to agree that conservation finance intermediary organizations typically offer a mix of *financial resources* and *technical assistance* to partner conservation organizations

(clients), and that they do so on a *regional basis* that includes the territories of at least several client organizations.

Presentation and Discussion Regarding Conservation Resources, Inc.

Following a coffee break, the participants reconvened for the first of the day's four case discussions of an operating conservation finance intermediary. Michael Catania of Conservation Resources, Inc. (CRI) provided an in-depth look at his organization's mission, early successes, ongoing challenges, and innovative set of services offered (an outline of Catania's PowerPoint presentation is attached as Appendix 4). Of particular interest to participants was his discussion of CRI's program to apply regulatory settlement funds to conservation opportunities in the state, as well as targeted efforts to implement New Jersey's State Wildlife Action Plan with foundation funding (both of these topics, as well as several others described in this discussion, are considered in the section on "Key Themes," below). For more information on CRI's programmatic initiatives, see www.conservationresourcesinc.org.

At the conclusion of Catania's presentation, Levitt asked the participants to identify several "Strategic Imperatives" that they, as a group of advisors, might suggest were critical for CRI to focus on in coming months. They identified the following list of imperatives:

- To sustain itself over time, CRI needs to develop a reliable source of operating funds that is based on a consistent service pricing plan.
- CRI needs an individual other than Catania (who is himself quite busy getting deals done) to focus on development and communications; this may be important in establishing a consistent stream of charitable giving
- Michael Catania is essential to CRI; to endure over a period of decades, the organization needs a long-term succession plan, and
- CRI has a number of intriguing approaches to conservation deal-making, including its deployment of regulatory settlement funds and its approach to the implementation of state wildlife action plans; the organization needs a way to transfer these ideas to other organizations that might use them

At the conclusion of the discussion of CRI at noon, the group broke for lunch.

Presentation and Discussion Regarding Colorado Conservation Trust

We reconvened at 12:45 for to consider the recent history and prospects for the Colorado Conservation Trust, in a discussion led by Chris Herrman, CCT's Western Slope Program Director, with additional comments from Michael Dowling, Chairman of CCT's Board of Directors. An outline of Herrman's slide presentation is attached as Appendix 5.

The CCT presentation focused on the notable progress the organization has made in the last several years to: conduct a statewide study of conservation opportunities and challenges published under the title *Colorado Conservation at a Crossroads*; and then use that study to focus supporters, client organizations and policy-makers on the ten year goal of conserving an additional two million acres of Colorado landscape.

Using the concise objective: “Two Million Acres in the Next Decade: Let’s Get Going!,” CCT was able in 2005, the first year of the ten year period, to support the protection of 179,000 acres of Colorado landscape, nearly one-tenth of its ten year goal. CCT provided its support both in the form of financial resources (for example, through its land protection loan fund, which is a regional revolving loan facility, and through its tax credit transaction loan fund, which facilitates projects that involve state tax credits) and technical assistance (for example, CCT has a highly regarded program in which it places interns in small land trusts for a year or more, significantly augmenting the manpower that such land trusts have to get projects done). For more information on CCT’s record of accomplishment, see www.coloradoconservationtrust.org.

Following a dialogue on the challenges facing the organization, the group offered its thoughts on the strategic imperatives for CCT. First, given the likelihood that CCT’s founder, Will Shafroth, was likely to seek appointed or elected political office in Colorado in years to come, CCT board should focus on succession contingencies (NB: since the Glynwood meeting in early March 2007, Shafroth has indeed announced that he will stand as a candidate for the seat in the U.S. House of Representatives that is being vacated by Mark Udall, who is himself seeking a term in the U.S. Senate). Second, the group recognized that the stability and long-term health of the Colorado conservation tax credit program was vital to continued progress in land conservation in the state, and encouraged CCT to remain focused on its constructive use by conservation-minded landowners.

Presentation and Discussion Regarding the Heart of the Rockies Initiative

Next on the agenda was a presentation on the Heart of the Rockies Initiative (HOTR) by Liz Bell of the Wilburforce Foundation and Paul Sihler, the HOTR’s Partnership Coordinator. An outline of their presentation is attached to this report as Appendix 6.

Bell, who helped to found the Heart of the Rockies Initiative, and Sihler, who is the HOTR’s sole staff person, took care to emphasize that the Initiative is not a conservation finance intermediary *per se*. It is, rather, a collaborative effort of 22 land protection organizations in British Columbia, Idaho, Montana and Wyoming that operates under the administrative and fiscal sponsorship of the Five Valleys Land Trust. Under Sihler’s leadership, the Initiative, on a modest budget of about \$250,000 per annum, has focused on technical assistance in the form of regional conservation planning and visioning efforts, as well as capacity building programs. Funding for HOTR activities has come principally from the Wilburforce Foundation and the Kendall Foundation.

Those activities have in turn informed the funding decisions of a number of important funding sources active from the Greater Yellowstone Ecosystem and north along the

American and Canadian Rockies (that is, the region known as the Heart of the Rockies). Such funding sources including the Packard Foundation (which has made a \$7 million program-related investment, or PRI, in a Greater Yellowstone revolving loan fund administered by the Resource Legacy Fund), the Doris Duke Charitable Foundation (which has invested approximately \$8 million in the conservation of the Greater Yellowstone Ecosystem), the Wilburforce Foundation, the Paul Allen Foundation, and a variety of other private and public sources of conservation funding.

Given its status an initiative that does not yet have independent 501 (c) (3) status, participants were quite impressed with the amount of work that Sihler has been able to get done in recent years to stimulate well-targeted conservation philanthropy in the region. In response to the presentation by Sihler and Bell, the group recognized that the key strategic imperative for the Heart of the Rockies Initiative was “getting to the next level,” in effect making their operations and sources of revenues more sustainable over time with the help of sophisticated communications materials.

One idea raised by Bell and Sihler was of particular interest to participants. HOTR is in the process of investigating the feasibility of an insurance product that would come to the assistance of member land trusts in the case of a legal challenge to one of their growing inventories of conservation easements. No comparable product exists at present. If created, such an insurance product would become yet another financial tool that land trusts could use not only to finance an easement purchase or fee acquisition of a parcel of land, but also be good stewards of such properties over the long term.

Presentation and Discussion Regarding the Open Space Institute

Following an afternoon coffee break, the group turned its attention to a verbal presentation by Peter Howell and Kim Elliman regarding the strategic trajectory of the Open Space Institute (OSI), a New York City-based organization that has been operating for more than 40 years. General information on OSI, including a timeline on OSI’s first four decades, is available at the organization’s website, found at www.osiny.org.

In contrast to the much smaller and younger organizations considered earlier in the day, OSI has substantial endowment assets. As noted in OSI’s 2004 annual report, OSI had an endowment in excess of \$150 million at the end of 2004. That amount had grown to approximately \$225 million by the first quarter of 2007.

OSI pursues its mission through three principal programs. First, and oldest, is its Land Acquisition Program, funded through a restricted endowment dedicated to the purchase of properties in New York State; since the early 1980s, that program has protected more than 100,000 acres, helping to create more than 40 parks and preserves in eastern New York State.

Second is its Conservation Loan Program, which makes grants and loans, and which pilots innovative financing techniques, in regions of strategic focus that include Northern Maine, New Hampshire, Vermont, New York’s Hudson River Valley, Western Massachusetts, New Jersey and Southern Appalachia. Since being launched in 2000, OSI reports that the

Conservation Loan Program has made 28 loans and 16 grants totaling \$39 million to protect about 2 million acres of land. It is important to note that OSI leverages the assets it commits to the Conservation Loan Program in several ways.

- To capitalize efforts in several of its “priority landscapes,” OSI attracts the support of like-minded philanthropic organizations; OSI’s Western Massachusetts program, for example, was launched with an initial \$2 million Program Related Investment (PRI) from the Kohlberg Foundation; OSI’s New Jersey Conservation Loan Fund, for which Michael Catania of CRI serves as a field coordinator, was initially capitalized with \$3.5 million in PRIs from the William Penn Foundation and the Geraldine R. Dodge Foundation (see www.osiny.org/field_coordinators.asp).
- OSI has, like several other very large conservation organizations, also gone into commercial credit markets for funds to expand its reach. For example, OSI has used its largely untapped debt capacity to raise tens of millions of dollars now being deployed in the conservation loan program.

It is also of interest to note that in the new regions in which it is operating, OSI has sought local expertise that is firmly “rooted in place.” In its new Southern Appalachian initiative, for instance, OSI hired Marc Hunt, an Asheville, North Carolina-based field coordinator with broad experience as a community development lender and an outdoor recreation entrepreneur. In his work for OSI, Hunt is collaborating with staff from several other foundations based in the South that will be participating in the capitalization of the Southern Appalachian Loan Fund. In addition, decisions on how to allocate the fund’s resources will be informed to some degree, by the State Wildlife Action Plans assembled by state governments in the region (e.g., Tennessee, North Carolina and Georgia).

The third program through which OSI pursues its mission is its Conservation Institute. In the past several years, OSI has produced comprehensive assessments of regional conservation opportunities in the Southern Appalachians and Western Massachusetts, in 2004 and 2005 respectively. In 2006, it also released *An Economic Analysis of Plum Creek’s Moosehead Development Proposal*, bringing light to a contentious debate about the future of one of Maine’s primary conservation resources. This analytical work provides citizens and decision-makers with technical assistance that has the potential to frame regional conservation policy for years ahead.

Kim Elliman and Peter Howell themselves enunciated the key strategic imperatives for OSI. They noted that while OSI had accomplished a great deal to date, there is an unending need for their organization (and for the rest of the conservation community) to “ramp up to scale” to meet the challenges of commercial and residential development throughout the eastern United States. Elliman expressed particular interest in the need to increase risk sharing among conservation groups. He also expressed a keen interest in the opportunities for OSI and others to become increasingly sophisticated with regard to financial risk and the use of commercial financing tools not often employed by small and medium-sized conservation organizations. In a lively discussion, the group endorsed and expanded upon Elliman and Howell’s suggestions, focusing on the need and opportunity to ramp up to scale.

Conclusion of the First Day

At the conclusion of the OSI presentation and discussion, Jim Levitt led a brief discussion of the dialogue thus far, and plans for the next day. He emphasized the range and diversity of cases discussed on Monday, covering organizations from the Atlantic seaboard to the Rocky Mountains, including both very small start-ups and much larger, more well-established groups. He also noted the wide range of ideas, issues and new questions that had arisen during the day, from the HOTR's investigation into the potential for easement defense insurance to questions of OSI about what the conservation finance community might learn from community development financial institutions. With general agreement that the first days proceedings had been both productive and stimulating, the meeting adjourned for the day.

Drinks and dinner that evening at Glynwood were very satisfying because of the energetic informal discussion among colleagues; the brief talk given by Judith LaBelle, President of the Glynwood Center on the role of sustainable agriculture in the drive to protect the quality of life in the Hudson Valley; and the delicious locally-grown, grass-fed beef served as the main course at dinner.

TUESDAY, MARCH 6, 2007 DISCUSSIONS

Panel Discussion of Donor Organization Perspectives

Following a continental breakfast at 8 am, the Tuesday session was kicked off with a series of brief presentations on the opportunities and challenges facing CFIs from the perspective of philanthropic donors. Andrew Bowman and Mark Shaffer of the Doris Duke Charitable Fund, which had funded the Glynwood meeting on Conservation Finance Intermediaries, kicked off the session. They expressed enthusiasm for the level and focus of the dialogue to date, and for the potential held by the group assembled to have a positive impact on land conservation in the United States in coming years.

Shaffer underscored the opportunity open to conservation finance intermediaries to help fill the gap between existing funding and estimated need for conservation to protect biodiversity resources in the United States. He noted that they could help do so both by: helping to better target the use of existing funds using such tools as the State Wildlife Action Plans, finding new sources of financing; and by helping to expand public and private funding resources at the national, state and local levels. An outline of Shaffer's slide presentation is attached to this report as Appendix 7.

Chris Page of Rockefeller Philanthropy Advisors followed by offering the group an overview of research he had done regarding the philanthropy of the significant number of donors that are clients of his advisory firm. The area of conservation and the environment has, among that group, remained a very small percentage of total giving in recent years. Page offered his

opinion that this percentage could grow substantially in years to come, particularly given growing interest in the environment and global warming in the press and among the general public. Page encouraged the conservation community members present to think carefully about why this percentage was so low, and what they could do in a persistent way to increase conservation's share of total philanthropic dollars over time. In particular, he saw a need for the conservation community to address the trend towards "venture philanthropy," offering donors a high level of personal engagement in the philanthropic project. In addition to discussing the trend towards increase "personalization" in the development field, Page underscored the need to for the conservation community to continue to make progress towards "professionalization" and "diversification" (for example, being inclusive of individuals from a wide range of socioeconomic and ethnic backgrounds).

Tom Curren followed Page, and recounted to the group how he had become involved with the Pew Charitable Trusts in the past several years. In short, from his experience working for a New Hampshire-based land trust, he became convinced that the philanthropic community had the ability to substantially increase its involvement in the land conservation. He wrote a strongly worded letter to a group of his colleagues stating the case for such increased involvement. The letter was passed on to a contact at Pew, who was intrigued and invited Curren in for further discussions. From that discussion grew the pilot project at Pew which Curren is now directing, the Northeast Land Trust Consortium. The Consortium's goals are: "to support the protection of key conservation lands by providing matching funds to partner conservation organizations; to increase the capacity of local and regional conservation groups to envision, plan and execute conservation acquisitions by providing on-site consultation and expertise; and to promote the sustained stewardship of conservation properties by encouraging recognized standards of organizational best practice."

Curren was bullish in his outlook on the potential for conservation philanthropy, particularly when directed at systematic, regional efforts. As he expressed it in the essay he prepared in preparation for the Glynwood meeting: "I believe that the coming decade will see an enormous evolution in conservation because of the breadth of our present opportunities and the magnitude of our capacity to improve those opportunities by marshalling the power of billions of dollars in public and private support."

The panel concluded with a lively discussion of how to address the opportunity to expand conservation's share of philanthropic giving. The group then paused for a coffee break, energized by the challenge set before them. Following the coffee break, the group reconvened to consider several key themes discussed over the course of the preceding sessions on March 5 and 6. These themes are reviewed in the following paragraphs.

KEY THEMES

Efficient and Secure Use of Internal and External Revolving Funds

Repeatedly over the course of the two days of discussion, including during the late morning session on Tuesday, the group considered the efficient and secure use of revolving loan funds. These include "external" loan funds that are principally lent to outside organizations

(such as the CCT's Conservation Loan Fund and the New Jersey Conservation Loan Fund funded by OSI and administered in part by CRI), as well as loan funds that are used at least in part for internal projects (for example, the Maine Coast Heritage Trust's loan fund, which is a "hybrid" fund used both for internal MCHT projects, and for projects undertaken by members of the Maine Land Trust Network external to MCHT, such as the Frenchman Bay Conservancy based in Hancock, Maine).

In several instances, the secure and efficient use of such funds was described as being linked to the borrower's financial sophistication and risk profile. Borrowers that are able to provide appropriate collateral (for instance, loan guarantees from board members) and that have clearly identified likely sources of takeout funding (for example, from federal agencies with predictable funding cycles) were considered most likely to repay the borrowed funds in short order, allowing the lender to then redeploy the capital in most timely manner. Jay Espy of MCHT noted that, in part due to its attention to collateral and take-out funding, the MCHT revolving loan fund operation has never had a default.

It was noted, however, that as land conservation deals increase in their size, complexity and sophistication, so will their potential risks. As the CFI community grows in geographic scope and financial scale, the ability to understand and accommodate such risks will be essential. Revolving loan officers will be increasingly called upon, for example, to provide in some instances for late repayment, for the conversion of short-term to long-term debt, for the conversion of debts to grants (effectively writing off loan capital that is unlikely to be repaid). In this respect, the emerging CFI community can learn from the experience of similar professional communities, including the commercial banking sector and the Community Development Financial Institutions that help to fund affordable housing in the United States.

Identification and Use of Innovative Sources of Capital

A second key discussion topic was the importance of continually finding new sources of capital required to establish revolving loan funds and to meet myriad other purposes.

For example, Peter Howell and Kim Elliman of OSI discussed in some depth their organization's ability to use its substantial balance sheet to itself secure relatively low cost capital in tax-exempt debt markets. Use of tax-exempt debt markets by conservation organizations is a relatively new practice that has, to date, been used by only a handful of well-endowed organizations. Relatively smaller conservation organizations are taking notice, and considering whether they, either individually or in some sort of combination, might be able to access the same markets.

OSI has been able to leverage such low-cost tax exempt debt with Program Related Investments from philanthropies such as the Geraldine R. Dodge Fund and the William Penn Fund to capitalize revolving loan fund programs established in such places as the Northern Forest, Western Massachusetts, New Jersey and the Southern Appalachians.

Furthermore, OSI is one of several organizations pioneering the use of New Market Tax Credits (NMTC), sometimes in combination with revolving loan fund sources, to structure complex conservation financings. Structuring such project-based financings requires substantial expertise from all involved parties, including CFIs, participating local conservation organizations, commercial lenders, and the NMTC buyers.

Once used successfully, new capital used creatively by a CFI can attract additional funds from sources that are impressed by the proof-of-concept. For example, the Resources Law Group (affiliated with the Resources Legacy Fund) managed a precedent-setting, \$175 million dollar, five year campaign funded by the William and Flora Hewlett Foundation called the Conserving California's Landscape Initiative. Due in part to the successful use of a multi-disciplinary, landscape-scale approach to conservation, the campaign was able to generate over \$760 million in matching funds, protecting a total of about 400,000 acres.

Other important concepts discussed for identifying new sources of capital for CFIs (and other conservation organizations) include: the potential use for conservation, restoration and adaptive habitat management of a share of the funds generated from carbon-trading (or carbon tax); and the expansion of programs such as the Northeast Land Trust Consortium, a pilot project of the Pew Charitable Trusts that is being coordinated by Tom Curren, which is matching up to 20% of contributions to key conservation initiatives launched by others.

Direction of Funds from Legal Settlements to Conservation Purposes

The conservation-oriented use of funds from regulatory fines and the settlement of legal proceedings is a well-established practice. In Massachusetts, for example, settlement funds were used to help to create the Massachusetts Environmental Trust nearly two decades ago. Similarly, funds paid by in the settlement of the Exxon Valdez tanker accident have funded both restoration and conservation activities along the coast of Alaska for nearly a generation.

What Michael Catania explored with the workshop participants, however, was his organization's novel effort to direct funds from regulatory fines and legal settlements in an ongoing and somewhat systematic fashion. As explained in his presentation, attached to this report as Appendix 4, a major step in launching this effort involved establishing CRI as an "honest broker" that can both dependably work with the New Jersey Department of Environmental Protection to apply funds to priority projects; and be an acceptable recipient of funds paid out by responsible parties in settlement agreements. Other CFIs around the United States working to establish similar programs are likely to be able to learn and benefit from CRI's experience.

Creation of Insurance Pools for Conservation Easement Defense

In their presentation on the Heart of the Rockies Initiative, Liz Bell and Paul Sihler described their efforts to explore the potential for launching a captive insurance program that would provide financial assistance to participating land trusts in the event that one of their easements were challenged in court. Several of the concepts associated with this idea, developed in association with the Land Trust Alliance and the LaSalle Adams fund, are outlined in Bell and Sihler's presentation, attached to this report as Appendix 6.

By banding together to reduce the potential financial exposure that would arise in the event of such a law suit, participating land trusts would in effect be reducing the financial risk of the entire community. Bell and Sihler offered the idea that CFIs working on a regional level might be particularly effective in facilitating the formation and operations of such an insurance program.

Regional Prioritization and Planning of Conservation Targets and Opportunities

A theme running throughout the two-day workshop was the role that CFIs can play in facilitating dialogue among conservation interests that can help to establish regional conservation plans and priorities. Numerous examples of CFIs involvement in such efforts were cited, including:

- the Cascade Conservancy's effort to envision the next hundred years in the Pacific Northwest, as described by Gene Duvernoy
- the Colorado Conservation Trust's report on *Colorado Conservation at a Crossroads*; as discussed by Chris Herrman and Michael Dowling
- a variety of efforts coordinated by such as the Doris Duke Charitable Foundation, in some cases with the benefit of advisory services from the Lyme Timber Company, to establish regional conservation plans in such diverse places as Northern New Hampshire and the coastal lowlands of South Carolina, as touched upon by Mark Shaffer, Peter Stein and Mary McBryde
- the ongoing effort to coordinate regional conservation activities that is facilitated by the Heart of the Rockies Initiative, as discussed by Liz Bell and Paul Sihler, as well as Mark Elsbree of the Conservation Fund
- the Maine Coast Heritage Trust's ongoing efforts to identify and protect "whole places" along the coast of Maine, as well as its efforts to convene the land conservation community in Maine each year at the annual conference of the Maine Land Trust Network, as articulated by Jay Espy
- the Open Space Institute's initiatives to spark broad conservation efforts in several regions, from the Northern Forest to the Southern Appalachians, as described by Kim Elliman and Peter Howell, and
- Resource Legacy Fund's pioneering work to provide a comprehensive approach to the conservation of landscapes in California and elsewhere in the west, as discussed by Mary Schoonover.

Coordination of Regional Conservation Plans with State Wildlife Action Plans

In some instances, the regional conservation planning efforts conducted by CFIs are intended to facilitate the implementation of State Wildlife Action Plans, described by the Association of Fish and Wildlife Agencies (www.wildlifeactionplans.org) as follows:

“in order to receive funds through the Wildlife Conservation and Restoration Program and the State Wildlife Grants Program, Congress charged each state and territory with developing a wildlife action plan. These proactive plans, known technically as ‘comprehensive wildlife conservation strategies,’ assess the condition of each state’s wildlife and habitats, identify the problems they face, and outline the actions that are needed to be conserve them over the long term.”

In his presentation, Michael Catania described CRI’s efforts to assist in the implementation of part of New Jersey’s state wildlife action plan focused on grasslands in the Raritan Valley. CRI’s initiative spanned a range of activities, including:

- researching habitat requirements
- determining current population numbers
- setting target population goals
- conducting GIS assessments
- inviting a peer review of plan
- identification of land preservation projects
- identification of grassland restoration projects
- implementation by the various partners, and
- monitoring.

As noted above, Peter Howell of OSI also reported work by his organization to advance State Wildlife Action Plans in several states. In their respective remarks, both Mark Shaffer of the Doris Duke Foundation and John Kostyack of the National Wildlife Federation noted the potential for CFIs to be important catalysts for State Wildlife Action Plan implementation, particularly in the event that in future sessions of Congress the Wildlife Conservation and Restoration Program and the State Wildlife Grants Program are more fully funded.

Training of Client Organizations to Use Sophisticated Financial and Planning Tools.

Many of the CFIs represented at the roundtable described extensive efforts in providing technical assistance to client organizations (organizations to which CFIs provide financial or technical services, such as smaller land trusts). This sort of training (and capacity building) takes a number of forms, ranging from assistance in preparing loan documents to assistance in devising long-term conservation plans. Several participants commented that such training is essential if CFIs, and the volume of services they provide, are to grow over time.

These sentiments were echoed by representatives of client organizations interviewed by Jim Levitt prior to the roundtable. In Colorado, for example, client organization of the Colorado Conservation Trust report that the financial training provided by CCT, as well as the human capacity made available by CCT’s funding of an intern for a year or more at the client

organization, were central to such client organization's recent growth. Without such help, the growth in acres protected, in strategic objectives accomplished, and in organization maturity at both the staff and board level, would probably not have happened. Such reports were seconded by smaller land protection organizations around the nation, from Maine groups offered training through the efforts of the Maine Coast Heritage Trust to Montana-based organizations that participated in technical assistance efforts spearheaded by the Heart of the Rockies Initiative.

GROUP RECOMMENDATIONS

Following the discussion of key themes and a break for lunch, the roundtable participants were split into two break-out groups to brainstorm on ideas that they might suggest to funders interested in advancing the mission and effectiveness of CFIs in the United States, and, over time, abroad. The results of these two group's deliberations were reported out by Ned Sullivan and Tom Curren. What follows is a consolidation of the ideas presented into a single set of ideas for consideration.

1. Formalize the CFI Network

Workshop participants felt that the ability to meet and share ideas was quite worthwhile, and would welcome opportunities to continue to do so into the future with the help of a more formalized network of Conservation Finance Intermediaries; it was noted that over the past fifteen years, the community of Community Development Financial Institutions (CDFI) that are engaged in affordable housing development has formed a CDFI Coalition which serves as a vehicle for sharing information and convening the CDFI community at an annual meeting.

2. Build Internal Knowledge among CFIs with Case Studies & Best Practice Write-ups

The group recognized the need to share experiences and best practices in an efficient and easily distributed manner. They suggested that the preparation of case studies illustrating successes and failures in the field; as well as briefs on CFI best practices, would be quite useful in sharing knowledge and know-how in an accessible manner over time.

3. Build Capacity among CFIs and Clients in Use of Sophisticated Financial Tools

The capacity-building work already done by several CFIs in recent years sets an excellent precedent for work needed in the future. The sponsorship of interns, workplace exchanges, and short course training focused on more sophisticated financial tools (for instance, the use of New Market Tax Credits for working woodland conservation), both for CFIs and for their clients, is likely to accelerate use of new methods of project financing in the field.

4. Make Grants to Support Existing CFIs, and for CFIs to Re-grant to Others

The participants advanced the idea that by investing in CFIs, philanthropies and agencies can accelerate land and biodiversity protection in North American in an efficient and measurably effective manner. In addition to making grants directly to CFIs to set up such vehicles as revolving loan funds, additional monies should be granted to CFIs to re-grant to others,

including smaller client organizations, such as local land trusts, that could benefit from capacity building grants and grants that help them complete specific projects.

5. Incubate new CFIs with Multi-year Seed Grants to Multiple Organizations

CFIs are presently active in select regions, primarily in coastal states, in the Great Lakes region, and in the Rocky Mountain west. Participants believe that CFI presence could accelerate land conservation efforts across the continent. One good way to grow the CFI community would be for a philanthropy, or group of philanthropies, to make multi-year seed grants to new organizations in regions that are presently not served by an active CFI, or to existing organizations expanding into new territories not now served by an active CFI.

6. Conduct Research and Development regarding “Green” Development Standards

Tony Green, a workshop participant with extensive experience as a real estate developer, suggested that the CFI community could make significant progress if it learned how to work more collaboratively with conservation-minded developers. With the support of other participants, he suggested that an investment in research and development on “green” development standards (for example, on recommendations for cluster zoning adjacent to protected natural areas) would be highly productive. The existence of such standards, he argued, would likely yield some interesting, unconventional partnerships between conservationists and responsible developers in years ahead.

7. Award Prizes for the Invention/Deployment of New CFI Financing Methods

In line with the call for research and development, other participants suggested that a competition be held each year at participating business schools (or schools of natural resources) for the best idea proposed by a student for an innovation in conservation finance (described as a new “philanthropic vehicle”). Preference would be given to those ideas that could be implemented by a conservation finance intermediary organization. The prize money would come from an endowment set up to perpetuate the competition. Further suggestions were that land trust, CFI professionals, or other interested parties might also be allowed to compete for the prize money. The money would be earmarked for use in implementing the novel idea.

8. Communicate with External Audiences in the Finance and Policy Worlds

The first three suggestions in this list concerned building a network, building a knowledge base, and building capacity *within* the CFI community. The group was emphatic that similar work needs to be done to inform and build interest in the work of CFIs with *external* audiences, including finance professionals and the policy community in state and local governments. For example, educating women and men who work on Wall Street about the efforts of CFIs is likely to yield interesting feedback and creative input from them.

9. Invest in Policy Development and Build Support for Innovative Public Programs

Finally, the group recommended that an investment in policy research regarding CFI work might be productive. For example, some sensitivity analysis to determine which policy

changes might be most useful in achieving advances in conservation finance could be constructive, particularly in the context of current debates in policy circles about climate change, ecosystem service markets and adaptive management for biodiversity habitat, as well as the context of upcoming presidential elections.

MEETING CONCLUSION

Following a discussion of the recommendations, a final set of remarks concluded the session by the scheduled adjournment time of 2:30 pm. Jim Levitt promised the group a written report on the work they had done together (i.e., this report), and thanked the group for its hard work and consistently thoughtful comments. Participants expressed their appreciation for the session, and their gratitude for being able to work with the remarkable set of colleagues who had assembled at Glynwood.

Following the meeting's adjournment, a group of about ten participants were able to tour the nearby site of the Beacon Long Dock limited development project on the Hudson River shorefront, an effort spearheaded by Scenic Hudson. Ned Sullivan and Steve Rosenberg of Scenic Hudson led the tour of the site, and of the nearby Dia:Beacon, a breathtakingly beautiful museum for Dia Art Foundation's renowned collection of art from the 1960s to the present.

7. ACKNOWLEDGEMENTS

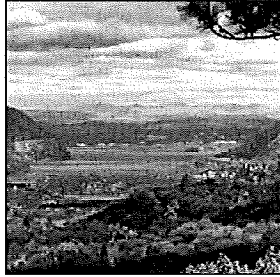
The meeting coordinators, Jim Levitt and his research associate, Diedre Peroff, would like to express their appreciation to Judith LaBelle and her excellent staff at Glynwood for the use of their beautiful facility and for their warm hospitality on several very wintry days in early March.

Thanks also to our highly professional associate, Kathy Fallon Lambert, who was diligent and comprehensive in her work helping us to prepare for and report on this meeting. As usual, Kathy offered wonderful insight and advice regarding the myriad facets of the effort.

Our deepest thanks to Andrew Bowman and Mark Shaffer at the Doris Duke Charitable Foundation for funding this meeting, and for their patient support as the meeting dates and format continued to evolve. We trust that the hard work of the meeting participants and the high level of insight offered at the conference was ample return for this patience and generosity.

Finally, we wish to thank Patrick Coady, who was kind enough, with persistent encouragement from Story Clark, to schedule his very interesting summit on conservation finance in New York on Wednesday, March 6, 2007 – the day following the adjournment of our meeting. By doing so, Pat allowed several individuals to participate in both gatherings. In addition, the high level of dialogue among finance professionals and conservationists at Pat's meeting was a particularly stimulating complement to our sessions at Glynwood.

APPENDIX 1



Roundtable on Conservation Finance Intermediaries

Glynwood Center, Cold Spring, NY
March 5 and 6, 2007

Participant Biographies

George Abar

George Abar is Vice President for Programs, Communications and Development. Prior to joining Island Press, George served as Legislative Director for U.S. Senator John Kerry, managing all legislative and policy work on the Senate office. Prior experience includes serving as Senior Director of Corporate Communications and Speechwriter at PBS, Vice President for Campaigns at the National Environmental Trust, and as campaign staff on Senate and Congressional races. In these positions, he worked on dozens of national policy issues in the areas of research, analysis, development, advocacy and communications. He holds a B.A. in History from Kenyon College (1991).

Elizabeth Bell

Liz Bell recently joined the Wilburforce Foundation as a Northwest Southwest Program Associate. She has over 20 years of experience working with land trusts, national conservation organizations, and the federal government in land conservation. For the past 10 years her work focused on strengthening the organizational and programmatic excellence of land trusts in the Pacific Northwest. Most recently, she assisted land trusts in the Intermountain West with the development of sustainable, focused land conservation programs.

Her work experience includes: Northwest Director, Land Trust Alliance; Director of Land Protection for The Nature Conservancy's Massachusetts Office; and Executive Director of the Essex County Greenbelt Association (MA). Liz was a 2004 recipient of the Conservation Leadership Award from the Wilburforce Foundation. She lives with her family in Seattle, Washington.

Andrew J. Bowman

Andrew is Program Officer for the Environment at the Doris Duke Charitable Foundation (DDCF). He started at DDCF in January 2005 after moving from Portland, Oregon, where he practiced law in various capacities. He began his land conservation career in the early 1990s when he managed *The Back Forty – The Newsletter of Land Conservation Law* while attending law school. More recently, he served as Private Lands Conservation Counsel for Defenders of Wildlife. In that role, he wrote and successfully promoted legislation in Oregon to help private landowners protect wildlife habitat.

Andrew has a master's degree in City and Regional Planning from the University of California at Berkeley and earned his law degree from Hastings College of the Law in San Francisco. He also earned an advanced legal degree in Environmental and Natural Resources Law at Lewis and Clark College in Portland.

Michael Catania

Michael Catania is the founder and President of Conservation Resources Inc., a non-profit conservation intermediary organization which provides financial and technical assistance to the conservation community in New Jersey. Earlier in his career, he served as Deputy Commissioner of the NJ Department of Environmental Protection under three Commissioners and two Governors.

Michael began his career with the non-partisan NJ Legislative Services Agency, where he drafted many of New Jersey's landmark environmental laws, including the Pinelands Protection Act, several of the Green Acres Bond Acts, the Conservation and Historic Preservation Restriction Act, and the Spill Compensation and Control Act. Michael also served as in-house counsel at NJDEP, where he established NJDEP's Division of Regulatory Affairs and oversaw the development and enforcement of all NJDEP rules and regulations. He was also the Executive Director of The Nature Conservancy of New Jersey for 12 years.

Michael currently serves as chair of the New Jersey Natural Lands Trust and President of a local land trust, the Schiff Natural Lands Trust, Inc. In 2003, he became the founder and Chairman of the Coalition for Conservation. He holds a BA and MA in Political Science from Rutgers University as well as a JD from Rutgers School of Law in Camden. Michael currently resides in Mendham Township, Morris County, New Jersey, where he and his wife Jan Rosenfeld own and operate a permanently preserved farm with their two children.

Story Clark

Story Clark is a private consultant specializing in land conservation strategy and financing, advising conservation organizations and foundations in the Rocky Mountain Region and throughout the United States. She has worked on land conservation and land use planning issues for 30 years in association with nonprofits, foundations and governments including the Gordon and Betty Moore Foundation, the Jackson Hole Land Trust, and county government. She is the author of an entry-level book on nongovernmental conservation finance for Island Press. Ms. Clark is a graduate of Hampshire College. Story and her husband, Bill Resor, live on their family ranch in Jackson Hole, Wyoming, and have two daughters.

Tom Curren

Tom describes himself as "a happily married father, farmer, and historian living on 108 acres of fields and forests in sight of Mt. Kearsarge in central New Hampshire." Since 2004, he has been creating and administering the first round of grants of the Northeast Land Trust Consortium at the Pew Charitable Trusts. In the prior 10 years, he directed a local land trust in New Hampshire that protected, largely through fee simple purchase, 17,000 acres of forests, shorefront, and fields. It was Tom's responsibility to create strategies for regional conservation, to negotiate with landowners, to raise funds (and motivate gifts), and to complete transactions and stewardship arrangements. On average, the land trust acquired more than \$3,000,000 worth of property and donations annually on an operating budget in the \$350,000 range.

Prior to working in conservation, Tom was vice president for marketing and development of the Crotched Mountain Foundation (a special education and children's rehabilitation hospital); director of development at the New Hampton School (where he was a member of a team that created a consortium of preparatory schools and foundations to fund the post-graduate education of college-bound inner-city students); farm manager, family treatment director, and director of development at Spaulding Youth Center (a residential treatment center for abused and neglected children); and a guidance counselor working for the Dartmouth-Hitchcock Mental Health Center in rural New Hampshire schools. For a time, he owned and operated a dairy farm.

Tom was exposed to the liberal arts at the University of Massachusetts and trained in the basics of community social work at the Dartmouth-Hitchcock Mental Health Center. He was educated by his father, a Bostonian, and his mother, a Vermonter, both of whom were post-war employees of a small regional airline, and who instilled in him a love of the natural and cultural landscapes of New England and New York.

Michael P. Dowling

Michael is a founding board member and Chairman of the Colorado Conservation Trust, a nonprofit organization dedicated to increasing the funding, pace, and effectiveness of conservation in Colorado. Mr. Dowling is also founder and president of The Dowling Foundation and a founding partner of Western Ranchland Investors, a for-profit generator of conservation development solutions for threatened agricultural and natural landscapes. Michael currently serves on the Colorado Climate Action Panel and is a former Chairman of the Colorado Wildlife Federation and former board member of the Colorado Coalition of Land Trusts. Prior to 1995, Mr. Dowling worked as an environmental consultant, as a management consultant with the international firm of McKinsey & Company, and as an entrepreneur and investment manager in the oil and gas industry. Mr. Dowling has a BS (with honors) from Yale College, an MFS degree from the Yale School of Forestry and Environmental Studies, and an MPPM degree from the Yale School of Management.

Michael is planning to end his unusually protracted bachelorhood in the Spring of 2007, and to have his first child within a remarkably short time thereafter.

Gene Duvernoy

Gene has devoted more than 25 years to the preservation of parks and open space from a variety of perspectives, including research, program development and management. Under his leadership, the Cascade Land Conservancy has developed into an organization with a national reputation for negotiating cutting-edge land transactions to preserve our region's major landscapes.

In May 2005, Gene was one of the founders of The Cascade Agenda, a regional framework to conserve more than 1.2 million acres of working forests and farmlands by linking significant conservation with housing choices and a vibrant economy. The Agenda has risen to be one of the key regional programs in the Puget Sound area.

Prior to joining the CLC, Duvernoy's parks and open space work included directing the King County Farmland Preservation Program and developing and implementing the 1989 King County Park and Open Space Bond Program. He has also held positions with government, research institutions and law firms as well as running his own consulting practice.

Gene Duvernoy has been instrumental in the conservation of about \$500 million of critical resource lands and landscapes over his career, including about 130,000 acres as President of the Cascade Land Conservancy. In 2004 the Municipal League of King County recognized his work with its Jim Ellis Regional Leader Award.

Gene lives in the Capitol Hill area of Seattle. He has a Masters in Business Administration and law degree from Cornell University, and an engineering degree from Carnegie-Mellon University.

Kim Elliman

Christopher “Kim” J. Elliman serves as CEO of the Open Space Institute and as a consultant to Barrett Associates, Inc. He has worked in both financial and environmental positions, including service as President of Gray, Seifert & Co., an investment management company; Managing Director of Barrett Associates, Inc.; and General Partner of Elmrock Group. He was Director and Chairman of Piggly Wiggly Southern, and Director of Fresh Fields Markets, and he held the post of President of the Overhills Group.

Kim has served on numerous non-profit and foundation boards, including the Geraldine R. Dodge Foundation, Overhills Foundation, Storm King Arts Center, Environmental Defense, and the Dalton School. Mr. Elliman has a bachelor's degree in literature from Yale University

Mark Elsbree

Mark W. Elsbree was appointed Vice President and Northwest Director of The Conservation Fund in December 2001. His duties include managing and implementing the Fund's comprehensive conservation programs in Idaho, Montana, Oregon, Washington and Wyoming. Mark established and has worked in The Conservation Fund's Northwest Regional Office in Sun Valley, Idaho since 1998. Prior to his tenure with the Fund, Mark worked for The Nature Conservancy of Idaho for 10 years serving in various capacities, including Acting and Assistant State Director for that organization. He has extensive experience in conservation real estate and conservation finance, completing numerous complex transactions during a 20-year career.

Mark has a Bachelor of Arts degree in Government from Dartmouth College in Hanover, NH. Mark was appointed to the North American Wetlands Conservation Council in 2005, and he also serves as a member of the Neotropical Migratory Bird Conservation Advisory Group. Mark has received the National Conservation Leadership Award from the US Forest Service and the US Bureau of Land Management for his work in preserving wildlife habitat and recreational opportunities on the South Fork of the Snake River in Idaho. Currently, he is an active member of Trout Unlimited, Ducks Unlimited and Pheasants Forever. His outside interests include fly fishing, bird hunting, retriever training, skiing, whitewater, baseball and travel.

Jay Espy

Jay Espy is president and chief executive of Maine Coast Heritage Trust (MCHT), a non-profit organization dedicated to conserving lands that define Maine's distinctive landscape, protect its environment, sustain its outdoor traditions and promote the well-being of its people. Since 1970, MCHT has protected over 125,000 acres of outstanding scenic, ecological, recreational and cultural land, including 265 entire islands and hundreds of miles of shoreline. MCHT provides conservation services to landowners, local land trusts, government agencies and communities throughout Maine.

Before joining MCHT in 1985, Mr. Espy served as an environmental planner in the Washington, D.C. and Boston offices of ERT, Inc., an environmental consulting firm. He is a past-chairman of the Land Trust Alliance, an organization serving more than 800 member land trusts world-wide. He is also former vice-chairman of the Merriconeag Waldorf School in Freeport, Maine.

Mr. Espy is a graduate of Bowdoin College (1979, summa cum laude) and holds masters degrees from the Yale School of Management (1985, MBA) and Yale School of Forestry and Environmental Studies (1985, MES). He lives in Freeport, Maine with his wife, Lynne, and their three children.

Tony Green

Tony Green is the Managing Partner of The Pinehills, a mixed-used community in Plymouth, Massachusetts. The Pinehills has in recent years been the recipient of numerous national awards for outstanding achievement, including top honors from the National Association of Home Builders in 2003 as The Best Master-Planned Community in the Nation and in 2004 for Best Smart Growth Community. In 2006, the Pinehills was awarded the Grand Award for "Best Mixed Use Community" in the United States from *Builder Magazine*. The press report of the award noted the following: "founded on the idea that some land is appropriate for preserving and some for building, The Pinehills is unlike any other master planned community. More than 2000 of the 3000 acres of rolling hills and pine forest remain as open space with homes oriented to views of woods, water and golf, giving this 'new' community a timeless quality."

Tony has been active in real estate business since he began sweeping out houses for his father's real estate firm when he was 8 years old. He graduated from Harvard College in 1979 and earned a Masters in City and Regional Planning from Harvard's Kennedy School of Government in 1983.

Chris Herrman

For over 20 years Chris has been a leader in the land conservation movement. From 1986 to 1991 he led cutting edge advances in the stewardship arena and managed state-of-the-art conservation development projects at the nationally recognized Brandywine Conservancy. From 1991 to 1995 he honed his skills in organization management, board development and fundraising and established a permanent land conservation institution at Northcentral Pennsylvania Conservancy. Also during that period he served as the president of the Pennsylvania Land Trust Association, representing the state on the National Land Trust Council and campaigning for uniform conservation easement legislation.

From 1995 through 2002 Chris served the Land Trust Alliance and the land trust movement in the West. As the founding director of the LTA Northwest Program he worked to institutionalize professionalism at the region's trusts. This focus led to many successful strategic restructurings including expansions of service areas, mergers and other collaborative efforts. The success of the Northwest Program led LTA to expand its field programs around the West. In 1998 Chris became LTA's Western Region Director and established their Southwest Program and in 2001 he established their Pacific Program. In 2001 he was awarded the Outstanding Conservation Leadership Award from Wilburforce Foundation for his work to expand and strengthen the land trust movement in the West. Since 2003 Chris has been the West Slope Program Director for the Colorado Conservation Trust where he has developed innovative collaborative projects and worked to strengthen the conservation programs of west slope land trusts.

Peter Howell

Peter serves as the Director of Conservation Finance Program at the Open Space Institute (OSI), a New York based land conservation organization. Previously, he worked for almost a decade in environmental philanthropy. He was the program director for the environment at the Doris Duke Charitable Foundation, where he oversaw the distribution of almost \$100 million for land conservation in the United States. He also worked as a program officer at the Lila and Dewitt Wallace Funds, directing an \$18 million national initiative focused on creating and improving urban parks in 12 cities.

A former newspaper reporter, Peter worked for three years for a non-profit economic development corporation in the South Bronx, and was the Assistant Business Manager at *Time Magazine*. He serves on the boards of the Westside Montessori School in Manhattan and the LaSalle Adams Fund, which focuses its grantmaking on violence prevention in Washington, D.C. and land conservation in the Greater Yellowstone ecosystem. Peter has a BA in political science and comparative literature from Wesleyan University and an MBA from the University of Pennsylvania.

Judith LaBelle

Judy LaBelle is President of Glynwood Center. Glynwood helps communities deal with their issues of most pressing concern. Currently the primary focus of Glynwood's work is helping strengthen the regional food economy in the Hudson Valley and sharing what we learn with others facing similar challenges elsewhere. Prior to the creation of Glynwood, Judy was a partner at Berle Kass & Case in New York City, where she specialized in matters relating to the environment, real estate, land use and tax exempt organizations. She served as Deputy Director and Counsel to the Commission on the Adirondacks in the 21st Century and Corporate Counsel for the National Audubon Society.

In addition to leading Glynwood, Judy serves as a Director of the Scenic Hudson Land Trust and the Preservation League of New York State (of which she is the past Chairperson), and is a member of the Environmental Law Section of the New York State Bar Association (past member of the Executive Committee and past chairperson of the Committee on Parks and Historic Preservation). She is also an Assistant Adjunct Professor at the Columbia University Graduate School of Planning Architecture and Preservation.

Judy holds a Juris Doctor degree from New York University School of Law where she was a Root-Tilden Fellow, a Masters Degree from Rutgers University where she was a Fellow at the Eagleton Institute of Politics, and a Bachelors Degree from Carroll College. She was also a Loeb Fellow at the Graduate School of Design at Harvard University.

James Levitt

Jim Levitt is director of the Program on Conservation Innovation at the Harvard Forest, Harvard University. His current work focuses on present-day and historic innovation in the field of land and biodiversity conservation that is characterized by novelty, strategic significance, measurable effectiveness, transferability and an ability to endure. Prior to coming to Harvard, Levitt worked for nearly two decades in the private sector as a management consultant and project developer.

He has written and presented extensively on conservation innovation and conservation finance. Jim is the editor and a contributor to two recent books, *Conservation in the Internet Age* (Island Press, 2002) and *From Walden to Wall Street: Frontiers of Conservation Finance* (Island Press/Lincoln Institute

2005). He is a member of the Board of Directors of the Massachusetts Audubon Society, the Quebec-Labrador Foundation, and Horizons for Homeless Children, and was recently elected Fellow of the Massachusetts Historical Society.

Jim Levitt has a B.A., *cum laude*, with distinction in Anthropology from Yale College and a Master's in Public and Private Management from the Yale School of Management. Jim, his wife Jane, and their three children live in Belmont, Massachusetts. The family spends part of each summer on their forestland on Little Tunk Pond in Sullivan, Maine.

Mary McBryde

Mary is a Project Manager at The Lyme Timber Company, focusing primarily on the advisory services. She advises foundations, as well as family and corporate landowners, on a variety of land conservation projects and is responsible for structuring and negotiating multiple land and conservation easement transactions. Mary also assists with the evaluation of conservation limited development projects and conservation finance projects, including the creation and implementation of land conservation revolving loan funds. She is a former Land Protection Assistant with the Jackson Hole Land Trust where she implemented various land protection strategies, including the negotiation of conservation easements and coordinating the conservation buyer program.

Mary McBryde received a B.A. from Southern Methodist University in 1992 and a Master of Science in Forestry from the University of Washington in 1998.

Eliza Cope Nolan

Eliza Cope Nolan is a shareholder of Bernstein, Shur, Sawyer & Nelson, an eighty-five lawyer law firm with offices in Portland and Augusta, Maine and Manchester, New Hampshire. Her practice focuses on real estate transactions that have a conservation component. She has served as legal counsel to timberland investment entities and non-profit conservation organizations on projects that over the last six years have resulted in more than 1,750,000 acres in the Northeast being conserved with working forest or ecological reserve conservation easements, and another 50,000 acres being transferred to state ownership.

Eliza received her B.A., *magna cum laude* from Brown University, and her J.D. from Northeastern University School of Law. After law school, she worked in the estate planning area at two Boston law firms, and then as a project manager for the Trust for Public Land's Northeast Regional Office. She is a board member of CEI Ventures, Inc., a for-profit subsidiary of Coastal Enterprises, Inc., which manages two socially responsible venture capital funds, and of Oceanside Conservation Trust of Casco Bay, a land trust serving the southern half of Casco Bay, Maine. Eliza, her husband Jonathan, and their three children live in Portland, Maine.

Chris Page

Chris Page is the Senior Vice President of Rockefeller Philanthropy Advisors. He leads the organization's New York-based Donor Services Team helping individual and institutional donors develop their philanthropic interests and manage their grantmaking activities. Together, the team manages philanthropic programs in the U.S., Canada, Mexico, Europe, and the Caribbean for donors whose interests include the arts, community development, environmental conservation, education, and poverty alleviation.

Previously a Program Officer at the Ford Foundation, Chris served in its Rural Poverty and Economic Development divisions for seven years. He was a co-founder and chair of the Foundation's Affinity Group on Development Finance, a research and grantmaking collaborative comprised of representatives from 11 countries. Prior to joining Ford, Chris led the nonprofit Economic Development Council of Northern Vermont between 1978 and 1992. He is chairman of the board of Community Resource Group, Inc. (Fayetteville Arkansas), a nonprofit organization that helps poor communities in seven states of the mid-South to develop safe drinking water, adequate housing, rural transportation systems and consumer finance services. Chris also serves on the boards of the Northland Institute (Minneapolis, Minnesota) and CFED, formerly the Corporation for Enterprise Development, (Washington, D.C.). Chris holds B.S. and M.S. degrees from the Southern New Hampshire University's School of Community Economic Development.

Mary Scoonover

Mary Scoonover is a partner at Resources Law Group (RLG), a firm providing legal and consulting services in natural resource conservation, strategic philanthropy, and land use. RLG's clients include philanthropic institutions and individuals, businesses, public entities, and landowners. Ms. Scoonover's practice is devoted to complex natural resource management issues and conservation philanthropy. She helped design and implement: the California Coastal and Marine Initiative, an effort to better integrate coastal and marine protection; the Preserving Wild California program, an initiative to preserve significant elements of California's wildlands and ensure their permanent protection through acquisitions and supportive policies, organizations, and constituencies; and the acquisition, initial stewardship and restoration planning for more than 16,000 acres of salt ponds in the San Francisco Bay.

Previously Ms. Scoonover was a Deputy Attorney General in the Public Rights Division of the California Department of Justice, where she litigated public trust, eminent domain, and land-use cases and advised on complex, multiparty natural resource management conflicts including Owens Lake and Lower Owens River, Mono Lake, the San Francisco Bay and Delta, and the California coast. Ms. Scoonover represented the State of California at trial and in appeals leading to the U.S. Supreme Court ruling affirming the Tahoe Regional Planning Agency's actions protecting the clarity of Lake Tahoe. She earned a B.A. and a J.D. from the University of California at Davis.

Mark Shaffer

Mark Shaffer is the Director of the Environment Program at the Doris Duke Charitable Foundation. The mission of the Environment Program is to preserve wildlife (native flora and fauna) in the United States by supporting efforts to complete the nation's conservation system. The Foundation supports the identification and protection of lands critical to conservation, via the states' comprehensive wildlife conservation strategies. Prior to coming to DDCF, Mark was a senior staff member at Defenders of Wildlife in Washington, D.C.

Paul Sihler

Paul Sihler is the Partnership Coordinator for a unique collaborative effort by a group of land trusts located in the Northern Rockies. The collaborative effort, known early on as The Heart of the Rockies Initiative, seeks to develop collective priorities for land conservation at a landscape scale and then to leverage the power of multiple organizations with a shared vision and goals to enhance the collective capacity within the region to conserve the most critical lands.

Previously Paul was employed by Montana Fish, Wildlife and Parks where he worked in the Director's Office on policy and special projects and later as a Division Administrator. Paul has spent much of his career initiating or facilitating collaborative processes, including the Governor's Whirling Disease Task Force, the Governor's Bull Trout Restoration Team, and a negotiated rulemaking process for game farms. Earlier in his career, he staffed the House and Senate Natural Resource Committees of the Montana Legislature and worked for The Keystone Center, a nonprofit dispute resolution organization.

Paul holds a Master's degree in Natural Resource Policy and Management from the University of Michigan and is a member of the Ecosystem Management Initiative's Alumni Affiliates Network. Paul also holds a BA in Political Science and Environmental Studies from the University of Washington.

Peter Stein

Peter Stein is a General Partner at They Lyme Timber Company in Lyme, New Hampshire and is responsible for the development and structuring of large scale timberland purchases and limited development projects in cooperation with regional and national land conservation organizations as well as conservation advisory work with foundations, family and corporate landowners.

Prior to joining the Company in 1990, Peter was Senior Vice President of the Trust for Public Land where he directed their conservation real estate acquisition activities in the Northeast and Midwest.

His current and former Board memberships include Island Press, Hubbard Brook Research Foundation, Land Trust Alliance, Appalachian Mountain Club and Vermont Natural Resources Council. Peter Stein and The Lyme Timber Company have been recognized for their Maine conservation investment projects by Maine Coast Heritage Trust and Friends of Acadia. In addition, Peter was recently appointed to the Land Trust Accreditation Commission, an independent project of the Land Trust Alliance, which will develop and implement a national accreditation program for America's land trusts.

Peter Stein received a B.A. with highest honors, from the University of California at Santa Cruz, 1975 and a Loeb Fellowship in Advanced Environmental Studies at Harvard University in 1981.

Ned Sullivan

Ned Sullivan is president of Scenic Hudson, Inc., a 38-year-old nonprofit organization and separately incorporated land trust dedicated to protecting and enhancing the scenic, natural, historic, agricultural and recreational treasures of the Hudson River and its valley. Based in Poughkeepsie, N.Y., Scenic Hudson has protected 17,700 acres of land in 10 counties and created or enhanced 28 parks and preserves for public enjoyment.

Most recently Mr. Sullivan was commissioner of the Maine Department of Environmental Protection from 1995 to 1999 and deputy commissioner of the New York State Department of Environmental Conservation from 1987 to 1995. From 1982 to 1987 he was a vice president and managing director at the Bank of Boston, where he directed the Project Finance and Municipal Utilities divisions.

Mr. Sullivan holds degrees from Williams College and from the School of Management as well as the School of Forestry and Environmental Studies at Yale University.

Peter Szabo

Peter Szabo, through the management and consulting firm that he founded in 1998, Bloomingdale Management Advisors, provides assistance with strategic planning, program design, and evaluation to nonprofit organizations and foundations. His approach combines critical thinking, active listening, analysis of quantitative and emotional data, and process facilitation.

He has worked with a range of nonprofit organizations, with a particular concentration of clients who are involved in land and wildlife conservation. These include the Doris Duke Charitable Foundation, the Cedar Tree Foundation, The Nature Conservancy, World Wildlife Fund, Island Press, and Open Space Institute, among others.

His B.A. is in History and Political Science from the University of Rochester, and he holds a master's degree in Management and International Relations from Yale. From 2003-2004, he was a member of the Socio-Analytic Reading Group, led by Dr. Lawrence J. Gould. Peter has an ongoing interest in leaders and leadership, group dynamics, organizational/system dynamics, and the particular psychodynamics of preservation, specifically, land and wildlife conservation.

Staff Biographies

Kathy Fallon Lambert

Kathy is the founder of Ecologic: Analysis & Communications, a consulting practice specializing in the translation of ecosystem science for policymakers and the public. She is also the former executive director of the Hubbard Brook Research Foundation (HBRF) where she designed a program called "Science Links" to help bridge the gap between long-term research from the Hubbard Brook Experimental Forest and related public policy. The HBRF Science Links program is currently focused on the four pollutants under deliberation within the "multi-pollutant" legislative framework: sulfur, nitrogen, mercury, and carbon. In 2001, the flagship Science Links project "Acid Rain Revisited" galvanized public attention around this long-standing issue that many had dismissed as solved by the passage of the 1990 Clean Air Act Amendments. As a consultant, Kathy has worked on science and policy projects with HBRF, BioDiversity Research Institute, Harvard Forest, Institute of Ecosystem Studies, Bard College, Natural Resources Council of Maine, Vermont Institute of Natural Science, Connecticut River Joint Commissions, Conservation Law Foundation, and the Climate Variability and Change Working Group of the Northeast Ecosystem Research Cooperative. She has published over 20 articles and papers in magazines and peer-reviewed scientific journals. Kathy holds a B.A. from Dartmouth College and an M.F.S. from Yale University. She is a Switzer Fellow, Leopold Schepp Scholar and recipient of the U.S. EPA Environmental Merit Award.

Deidre Peroff

Deidre Peroff is currently living in Somerville, Massachusetts and has been working as a Research Assistant to Jim Levitt and the Harvard Forest for over a year. She grew up in Prairie Village, Kansas and received a Bachelor's degree in Geography: People and the Environment and a certificate in Environmental Studies from the University of Wisconsin-Madison in June of 2003. Since then, she has taught environmental education from coast to coast and to people of all ages. Specifically, in Madison, Wisconsin; Tishomingo, Mississippi; Idyllwild, California; and Belmont, Massachusetts at Habitat Wildlife Sanctuary. Deidre is currently applying to graduate schools and plans to continue studying conservation.

APPENDIX 2

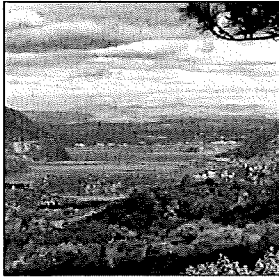


Photo: Scenic Hudson

Roundtable on Conservation Finance Intermediaries

Glynwood Center, Cold Spring, NY
March 5 and 6, 2007

Pre-Conference Essays

Liz Bell

Some of the conservation finance intermediaries I am familiar with mobilize capacity and capital in geographically specific places. The flexibility to invest in people and place, as needed, in order to achieve and sustain land conservation priorities, strengthens overall results.

I don't know that intermediary form matters, except to the extent its tax status should be as flexible as possible to maximize capital opportunities. I suspect that a variety of type available within the land conservation community is positive.

From my vantage point, 'best practices' by intermediaries include successfully bridging a more typical arm's length transaction with an NGO by becoming deeply involved with a long-term commitment to grantee and place. More intermediaries, in more places, growing NGO's able to consider conservation finance is needed.

Not an impediment but a significant influence will be climate mitigation and adaptation, affecting both markets and place-based investments. Market innovation may create a plethora of opportunities for access to and expenditure of capital. In the short-term, assisting NGO's with strategy development for meaningful investments in place-based conservation will challenge investors and NGO's alike.

Michael Catania

I believe that a conservation finance intermediary organization is an organization which performs one or more of the following functions:

- (1) serves as a venture capital firm for non-profit conservation groups to help them identify and secure funds, especially from new sources, for land acquisition, restoration, and related capital conservation projects
- (2) provides financial assistance to other non-profit conservation organizations through grants, re-grants and/or loans

- (3) serves as a honest broker/matchmaker/clearinghouse to connect prospective sellers or donors of land or interest in land with the appropriate conservation group
- (4) serves as a creator/facilitator/advisor for public-private partnerships in complex or large land transactions, and
- (5) provides technical assistance to other conservation organizations, public agencies and landowners with respect to conservation finance matters.

I believe that the key impediments to the success of new conservation finance organizations include the following:

- (1) Availability of leaders/staff with the right connections and personality
- (2) Access to start-up funds
- (3) Access to new or increased sources of capital
- (4) Acceptance by the conservation community in the geography where the organization operates
- (5) Need for a business model that can generate long-term sustainable funding
- (6) Difficulty in “re-inventing the wheel” in new geographies, and
- (7) Difficulty in “sticking to your knitting” in the early years.

Story Clark

Definition of a Conservation Intermediary

Conservation intermediary organizations have as one of their primary functions raising and re-granting or re-lending funds to other conservation organizations. Their missions promote long-term conservation outcomes by, among other means, supporting local conservation organizations. Intermediaries are regional, whether small as in the case of the Compact of Cape Cod working exclusively on Cape Cod in Massachusetts, or large as in the case of the Open Space Institute administering loans in many eastern states. Intermediaries work closely with funders, most notably foundations. Organizations with intermediary functions as their primary mission rarely undertake their own land protection projects. This honest broker role keeps positions clear and discourages competition. By developing specific geographic or technical expertise, intermediaries extend the reach of donor services and assist less sophisticated organizations with funding, in developing financial skills, and by tackling regional conservation issues.

While a small group of conservation organizations are primarily intermediaries, others offer intermediary services as well as other services. The Land Trust Alliance and regional land trusts, for example, sponsor foundation-funded re-granting programs. Approximately 16 organizations administer external conservation revolving funds. For the most part, these organizations are land trusts or training centers first and intermediaries second or third.

One important characteristic of a successful intermediary is the quality of its leadership. Without the urgency of specific land projects and often providing less visible support, these leaders must successfully articulate to donors' longer-term transformative outcomes. So as not to compete for funding with their client organizations, they must attract new funding and creatively leverage it to continually demonstrate their impact. Donors and recipients must see the advantage.

Key Impediments to the Growth and Success of the Community of Conservation Finance Organizations Over the Next Decade

Organizations that finance conservation run the gamut from commercial banks to philanthropic foundations to intermediaries. Naturally, threats to land conservation impede their ability to achieve successful outcomes. Such impediments include pressures and land fragmentation caused by development, impacts of neighboring land uses, pollution, global warming, invasive species and the lessening power of the conservation dollar as real estate and stewardship costs rise. Listed below are specific impediments to the community of conservation finance organizations in the realm of conservation finance.

- Relative Scarcity of Philanthropic/Public Dollars for Conservation – Conservation is heavily dependent on philanthropic and public dollars, which do not nearly meet current community and ecological demands. In addition, the percentage of all philanthropic/public dollars spent on conservation is miniscule. By any measure (not the least of which is global warming) conservation does not get its necessary share. Part of the reason is inadequate communication of the essential connection between a healthy planet and a healthy population. Handicapping communication efforts is the incremental, decentralized nature and long-term accumulative impact of the loss of natural or open land, which does not alarm the general public as other more sudden crises do.
- Limited Access to Private Dollars – If conservation can harness for-profit funds, opportunities abound. A clear path to accessing these funds is not yet set. One major impediment is the limited monetary return from conservation resources. With scarcity, however, comes value. Still, ecological service and other new markets are emerging slowly and won't fill the funding gap anytime soon.
- Limited Engagement of the For-Profit Sector in Finding Solutions – By in large professionals entering the conservation field come from scientific and other nonprofit sectors. Yet the business of conservation is more and more about money. Better engagement of the for-profit sector is a necessary step in understanding and utilizing for-profit financing techniques.
- Scarcity of Training Programs – While the Land Trust Alliance and some others offer short, entry-level training in conservation finance, mid-career training and integration of conservation finance in environmental studies programs for undergraduate and graduate students is very limited. Many students enter the conservation workforce annually without these increasingly essential skills.
- Slim Organizational Financing Capacity – Because financing is relatively new to many conservation organizations and because staffs lack the skills, many are hesitant to use financing to leverage their funding. As a result, they have difficulty aggregating multiple types of funding and assembling large-scale projects.

- Lack of External and Internal Communication – Greater financial investment comes with a broader understanding of the value of conservation. Conservationists are learning to preach beyond the choir, but change is slow. Most skilled are the smaller, community-based organizations that depend on local and diverse communities for their workforce and funding, and thus by necessity communicate their mission broadly and convincingly.

Learning from successful models within the conservation movement is also slow. LTA provides a forum for limited exchange, but LTA is spread too thin to fully embrace this subject. There are few other institutionalized means of sharing: few mentoring programs, no journal reviewing advances in the field, no centers for conservation finance, few conferences, little effort to identify less visible, successful models or to scale them up or down, and few grants to promote learning. As an example, tax-free financing, a common financing vehicle, is used to great advantage only by two conservation organizations that I know of. With a few notable exceptions, everyone is too busy *doing*, to teach or share in a way that truly helps to raise the bar, and there is no compensation incentive to do so.

- Lack of Collective Articulation of R&D Needs to Funders and Seed Money– Without quantification and articulation of the R & D needs in the area of conservation finance funders may be discouraged from entering the field. This creates a vicious circle, which impedes the flow of seed money to jumpstart the field. When foundation program-related-investments were first available, foundations took the lead in promoting them in the community development sector and invested in developing organizational capacity and financing systems. Foundation-funded conferences were held, consultants engaged. Conservation finance needs the same leadership to address the current limitations in its systems and to make best use of its most basic techniques.

Since the topic of this roundtable is intermediary organizations, I thought I should address specific impediments to their success. Intermediaries are a subset of the community of conservation finance organizations and face different challenges than say a well-capitalized philanthropic foundation that finances conservation. Though the leaders of these organizations can best articulate these, below is a list of likely impediments for intermediaries in advancing conservation finance.

- Special Circumstances Needed to Establish an Intermediary Organization – A new conservation intermediary must make room in an often-crowded organizational landscape and deftly step in between funders and recipient organizations. This has been possible when a donor (usually a foundation) launches a new funding initiative. The new intermediary is tolerated because it bears gifts, i.e. new money. The reputation of the leadership also eases the transition. Once established these clever leaders must continue to bring demonstrable benefits to conservation. They must show client organizations and donors that adding another layer of bureaucracy to the funding landscape will create greater benefits. In the end it is all about adding value.

For intermediaries, greater funding, which enables more success on the ground, means expanding the universe of funding or competing for existing sources with client organizations. Innovations in conservation finance such as ecological service payments will likely create new niches for intermediaries as new market tax credits have. But, once again, it's about bringing new money to the table and that can be challenging.

- Limited Capacity of Client Organizations – While smart intermediaries create their own luck by keeping one step a head of the pack with new financing programs, R&D and access to funders, they also rely on their client organizations to bring them quality projects to fund and finance. Sustainable land protection must be part of well-designed pro-active plans meeting and sustaining public values. Not all organizations have the skills, means or vision to construct such projects.

This was the case for one intermediary with available loan funds and only one local organization with the skill level to apply for financing.

- Underutilization of Available Loan Capital – Partly due to the very real limits on takeout funding and partly because of the limited the capacity of client organizations to find it, loan capital is generally underutilized. This is a shame because it is available money that, because it is used multiple times, achieves more conservation for less.
- Cost of Service Delivery – In addition to re-granting and relenting funds, intermediaries have administrative, carrying and client support costs. In the current environment where client groups are generally unsophisticated about finance, the cost of working with these groups to ensure safe loans and quality outcomes can be significant. Though some intermediaries generate offsetting revenue from interest payments on loans, it is never enough to cover all costs. Some sophisticated foundations recognize that these costs are essential to get the money in the field and pay for them. They also recognize that it is the smaller, less skilled organizations that don't have access to other capital and should be served by intermediaries. But providing essential support services is costly.

It may be that with very low-cost money, high lending volumes, appropriately adjusted interest rates and a declining need to support to client groups as they learn the financing ropes, intermediaries could approach a self-sustaining business model. However, this model might tempt them to work only with sophisticated borrowers, which defeats the valuable purpose of getting funds to those who need it most. To date no intermediary in my knowledge has achieved self-sufficiency. With the current volume in loans, such a steady state will not be possible in the foreseeable future, if ever. However with more university and mid-career training, more R & D refining the financing model and better access to takeout funding, the burden on intermediaries and thus the ongoing philanthropic contribution could be reduced.

Tom Curren

The Northeast Land Trust Consortium is a pilot project of the Pew Charitable Trusts, functioning thus far in the New England States, but envisioning future activity in New York, New Jersey, and Pennsylvania. Our goals are: to support the protection of key conservation lands by providing matching funds to partner conservation organizations; to increase the capacity of local and regional conservation groups to envision, plan and execute conservation acquisitions by providing on-site consultation and expertise; and to promote the sustained stewardship of conservation properties by encouraging recognized standards of organizational best practice. The Consortium is actively seeking to develop funding partnerships at Pew with other philanthropic investors.

I would say that the key impediments to the growth and success of conservation finance are fourfold: lack of vision among members of the conservation community; lack of cooperation and coordination among funders and practitioners; lack of fundraising skills on the part of the staff and boards of local land trusts, and lack of stewardship capacity of local land trusts.

Put another way, I believe that the coming decade will see an enormous evolution in conservation because of the breadth of our present opportunities and the magnitude of our capacity to improve those opportunities by marshalling the power of billions of dollars in public and private support.

Gene Duvernoy

Cascade Land Conservancy established an LLC to conserve important properties that are outside the traditional conservation methods or philanthropic and public funding programs. Cascade Conservation Corporation (CCC) is a for-profit subsidiary of CLC. It is registered as an LLC in Washington State, with a focus on the Puget Sound Metro area. One of the methods used by CCC is conservation development. CCC acquires property, conserves the property of conservation merit in perpetuity while joint venturing to appropriately develop the remainder of the site. To date, it has completed a 300 acre project in the suburban/rural interface near Seattle that conserved half the property, with benefits for open space, forest habitat and a local fish bearing creek. The remainder of the site was developed for residential use and benefited from low-income site design techniques. CCC also acquired a 2 acre property next to a Seattle park originally on the market with 7 home sites. The property was reconfigured and a small 2 site lot was sold, while the majority of the property was transferred to the park. Of interest, CCC is now exploring a major project where tens of thousands of acres of development potential will be transferred from forest resource lands to intensively develop a several thousand acre foot print on site. CCC also is negotiating joint venture agreements with a national affordable housing group to provide workforce housing on sites that will include conservation of significant public value.

Another program CLC has established is a private placement offering, the Conservation Investment Fund. This fund offers investors a modest return on their investment while giving CLC access to capital to purchase properties that are at risk of near-term conversion. The investor funds are used to purchase CDs which serve as collateral for a favorable line of credit exercised to acquire properties. Because of the low cost of money these properties can be affordably held while long term conservation options are fully developed and implemented.

Retaining forest lands is one of the key conservation challenges in the Pacific NW. We are rapidly losing our forest lands near metro areas. We need to rap up the development and implementation of innovative conservation financing programs.

These efforts face several issues. The frequent turnover of these lands by companies puts conservation financing at a disadvantage in the competitive securities market. First, we need to find investors willing to take lower than market returns or those interested in longer investment periods that more closely match timber harvest revenue (Typically 10-15 years). In other areas, values on resource lands that are in proximity to urban and suburban areas are rising at a rapid rate making it difficult to compete with the development value of the property.

Mark Elsbree

My perspective is that a conservation finance intermediary is an organization or institution that provides funding through either grants or loans to non-profit conservation organizations using funds that originated from sources other than the intermediary itself. Intermediaries can provide an important function by placing conservation funding with the appropriate organizations in an efficient manner. They serve both the funder and the conservation organization and can provide a valuable bridge between these two entities.

The major barriers here include the funding itself, not just quantity but also quality, i.e., the lack of available capital for the purposes for which the non-profits organizations actually need (and can use) the monies. Additionally, the intermediaries themselves can be a barrier at times by raising the

standards required for the funding so high as to make it inaccessible or overly inefficient to the non-profits. At times intermediaries do not understand the business workings nor the associated risk management of the non-profits well enough to offer the funding in such a manner that it is attractive to the non-profits.

Jay Espy

With respect to Question 2 (definition of a CFIO), I am not sure I can actually define it – or whether there is a specific definition. In my experience, Maine Coast Heritage Trust has engaged in various partnerships and used a number of creative techniques, funding sources and legal entities to cobble together the necessary financing to accomplish its direct land conservation goals. An organization such as the Colorado Conservation Trust seems to me to quite clearly meet the definition but so, too, might Lyme Timber Company. Additionally, a land acquisition revolving loan fund administered by a land trust, an LLC teaming a for-profit investment partner with a conservation organization, a non-profit supporting organization engaged in limited development (such as Lincoln Land Trust’s “Rural Lands Foundation) or a free-standing entity that brings investors together who seek a return on investment while supporting conservation all could be defined as CFIO’s. In the final analysis it seems essential to me that any CFIO have at its core a commitment to meaningful conservation outcomes – and a track record to match the commitment. How it operates could vary widely, depending on the nature of the financial backers (along a spectrum from traditional “investors” to philanthropists). Its geographic scope likewise could vary widely depending largely on the nature of the resource it seeks to conserve (ex. timberlands vs. neighborhood open space), the social/political community it seeks to serve (ex. region, state, county) and the size and breadth of the pool of financiers (whether they be investors, philanthropists or public funders) that can be attracted to the effort.

It seems to me that a major impediment to CFIO’s as with all conservation efforts will be access to capital. Clearly, creative efforts, both in traditional fundraising and new “conservation finance” techniques, have brought a great deal of new capital to land conservation over the past 10 years. Whether capital attraction can keep pace with rising real estate valuation and development pressure in the future remains an open question.

Tony Green

Being a conservation finance intermediary is not my primary perception of our approach to development. However, that approach, which looks to use preserved land to create views and recreation for the land on which we do build, does mean that we protect land through landowner associations, open space covenants, and conservation restrictions with municipalities, state government or open space organizations.

The biggest impediment to the success of conservation finance organizations is the escalating cost of land available for protection

Chris Herrman

Colorado Conservation Trust is a statewide non-profit organization that employs strategic leadership and targeted funding to help keep the special places of Colorado special forever. Colorado’s extraordinary lands are in peril. Every year tens of thousands of acres are lost forever. That’s why we

feel a sense of urgency to unite the forces of conservation throughout the state to help conserve two million acres of the Colorado you know and love in the next decade. Our role is to bring together conservation dollars, the great works of local, state and national conservation groups, and the latest information and expertise to make the greatest impact on Colorado's threatened landscapes. Colorado Conservation Trust is where philanthropy and effective action come together. We are the only organization in Colorado working with all conservation groups on all kinds of conservation lands.

The primary challenge facing Colorado Conservation Trust is the cultivation and recruitment of new donors. To succeed CCT must constantly bring new money to the table while continuing relationships with existing donors. On the broader level, conservation intermediaries must have strong partners to conduct the on-the-ground projects, funding sources to bankroll those projects and supportive elected officials and policies to facilitate the work. An overarching goal for all conservation intermediaries must be to increase the percentage of charitable dollars that go to support conservation on an annual basis. The land conservation community has done an admirable job of increasing public funding for conservation and developing supportive public policies, now the conservation intermediary organizations must accomplish the task of vastly expanding private investment in the cause.

Judy LaBelle

Glynwood is currently exploring the development of innovative financial techniques to encourage the protection and productive use of agricultural land, particularly in metropolitan regions where nearby populations provide a ready market for regional food but also create development pressure that drives up land prices. We anticipate that the approaches developed will rely on intermediated capital from varied sources.

Although we generally think of "conservation finance" as trying to avoid development (at least on most of the land involved), with regard to agricultural land it is critical to encourage economically viable agricultural uses. This may well require that the conservation finance organizations involved find ways to strengthen the farmers' management capabilities as well as the regional infrastructure they need. This will be further complicated by the small scale of ownership and the diversity of types of production.

James Levitt

A conservation finance intermediary organization (or CFIO, if you will pardon the acronym), as I see it, has three essential attributes.

First, a CFIO provides other (usually smaller) conservation organizations access to new or incremental sources of capital for land and biodiversity conservation. This capital can come from large foundations, individual philanthropists, legal settlements, untapped public sources, or a private sector initiative such as a limited development project. This incremental capital may, but does not necessarily, pass through the CFIO in the form of a revolving loan fund or other account.

Second, a CFIO is typically characterized by the use of some deliberate or strategic process for deploying this capital. This may be in conjunction with a highly public or relatively private decision-making process, but often aims to achieve conservation objectives on a regional, or "landscape"

scale. In the course of this work, there is typically some "match-making" going on between prospective donors and recipient (or "partner") organizations.

Third, a CFIO typically is in the business of building organization capacity, either by choice or by necessity. Capacity-building by choice can, for example, involve the placement of interns in partner organizations, the provision of training to partner organization executives, or the convening of a regional process to plan conservation goals and objectives. Capacity-building by necessity often involves the gentle but insistent demand that partner organizations that are the recipients of loans or grant funds upgrade their financial accounting and accountability systems.

There are a wide variety of strategic strengths and weaknesses at present, and opportunities and threats that will likely be significant in the future, for conservation finance intermediary organizations. Among the most salient opportunities is the chance to work collectively to share ideas and practices, and perhaps craft initiatives that will help the community of CFIOs grow over time. Among the most salient threats to growth is the inertia that would prevent this from happening.

Mary McBryde

Conservation finance intermediaries comprise a small but diverse group of entities that provide a range of financial and communication services to foundations and the land conservation community. These third-party entities serve as a bridge between the foundation community and the land conservation community by overseeing and managing the allocation of foundation dollars, designing re-granting programs to meet a specific foundation's interests, and engaging in communication and outreach efforts. Intermediaries also frequently provide other services to the NGO community including technical assistance and land transaction assistance (due diligence, transaction expertise, creative financing, loans, etc). One of the major benefits of an intermediary is bringing together key players across a region or landscape and serving as a central and unifying source for information and financial resources.

Although increasingly utilized, there are many parts of the county where intermediaries do not exist and little is known about such entities. Greater efforts should be made to inform a broader audience (among NGOs, funders and others) about these organizations and the critical roles that they are playing and have the potential to fulfill in the future. Because intermediaries allocate capital across a large region and among multiple NGOs, neutrality and the ability to fairly serve a diverse group of players is important. It may be challenging to find new leaders with both the necessary financial expertise and interactive skills to guide an intermediary and successfully perform these functions. In part, increased growth and success of intermediaries is linked to a larger need within the land conservation community, particularly at the regional and local level, to evolve into a more financially sophisticated movement and to continue exploring innovative ways to conduct and finance land conservation. Additionally, the conservation community must improve the way in which we communicate the needs and benefits of land conservation to society at large and how we explain the importance of our efforts. This is obviously a much larger issue, but our ability to more effectively "market" land conservation is critical to long term success of land conservation and will have a direct impact on the future growth and success of conservation finance intermediaries.

Eliza Cope Nolan

A CFIO is a for-profit or a non-profit entity whose mission is to support land conservation by serving as interim owner prior to transfer of the targeted conservation interests to a permanent landowner or

steward. Whether for-profit or non-profit, CFIOs exist because public agencies and many conservation organizations do not have readily available funds to pursue acquisition on the seller's timetable, and even when they do, cannot move sufficiently quickly, confidentially, or perhaps in an as efficient a manner, to accomplish public or private conservation objectives.

For for-profit CFIOs, the mission is to make profitable real estate investments that involve due diligence and holding periods that (1) are too complicated, too short (or lengthy) and/or costly for non-profit intermediaries; (2) require specific land management skills; and (3) have a reasonable exit scenario for the CFIO in the event that the conservation objectives cannot be met. In addition, CFIOs may hold interests in the land indefinitely, if the interests produce a stream of income or are otherwise a profitable investment.

In addition, some CFIO's may serve non-profit intermediaries through strategic loans that provide some return to the CFIO, and with limited risk to the CFIO. Finally, although CFIOs may deliberately focus their efforts to a particular geography or size of project, depending upon their resources and experience, they are not necessarily limited by those factors.

KEY IMPEDIMENTS TO *(OR REQUIREMENTS TO FURTHER)* GROWTH AND SUCCESS

- Demonstrated record of investment success to investors in for-profit CFIOs so that flow of money is maintained and new investors are attracted.
- Demonstrated record of conservation success to investors in, and contributors to, all CFIOs
- Maintain significant charitable tax benefits to encourage contributions to nonprofit CFIOs
- Scale and geography – making sure that there are CFIOs that serve a range of conservation project sizes within a variety of geographic area
- Maintain existing and develop other sources of private and public conservation funding sufficient to leverage the work of CFIOs and to provide acquisition sources for permanent stewardship of conservation interests
- Demonstrated track record of conservation successes – public buy-in to the mission
- Strong economy and low or competitive interest rates
- Maintain and develop strong relationships with permanent stewards (e.g. state agencies and non-profits interested in long term ownership)
- Maintain efficiency in transaction costs, and
- Develop and strengthen partnerships.

Mary Scoonover

Resources Law Group creates large-scale, strategic conservation on behalf of philanthropic, governmental, and private sector clients. RLG advises clients on means to accomplish conservation goals, and designs and implements programs that do so. It advises clients on land use planning,

endangered species, and other natural resources law and policy issues, as well as real estate transactions that achieve conservation goals. It seeks innovative approaches that lead to the most effective and enduring conservation solutions.

Since 2000, RLG has worked with the Resources Legacy Fund (RLF), a 501(c) (3) public charity working at the intersection of public and philanthropic institutions to design and implement natural resource initiatives, pool philanthropic dollars, and leverage public funding to advance conservation in the West and marine environment. RLF's contributors include foundations, individual donors, and government entities. RLF is supported by Resources Legacy Fund Foundation.

RLF's and RLG's programs incorporate multi-disciplinary approaches to affect strategic, measurable conservation outcomes aligned with funders' goals. They provide bridge financing, make grants and loans, enter into contracts, act as fiscal sponsor, conduct research and analyses to address conservation problems, seek policy and legislative advances, increase public funding for conservation, leverage public funding for high priority investments, provide training and mentoring, and design and manage individual projects as well as statewide campaigns and landscape-level conservation initiatives.

Paul Sihler

I don't work for a conservation finance intermediary organization, but from my perspective such organizations fill a critical niche between the philanthropic community and conservation practitioners. They are "connectors" who are able to link a set of multiple philanthropic agendas with the on-the-ground organizations that have the ability to actually deliver conservation. They coalesce private funding, develop and support public and private strategies that increase the rate of conservation in specific geographic areas, and disburse funding to meet the capacity, capital and revolving loan fund needs of conservation organizations that can achieve a set agenda.

Impediments over the next decade:

- A general decline in federal funding for land conservation to leverage private and other public funding, and
- The need for additional effective, broadly applied, models for for-profit-investment in private land conservation (this is more of an opportunity)

Peter Stein

(From a presentation given at the LTA Rally in Nashville, Tennessee in the fall of 2006). Conservation Finance Intermediaries are relatively new 501(c) 3 organizations which leverage private donations for land conservation, provide access and information on land conservation opportunities to private donors, and create financing structures which advance local, regional and national land conservation efforts.

How do they work best with donors and foundations?

1. Trusted, credible aggregator of land trust information/project opportunities
2. Due diligence
3. Intermediary for re-grants, PRIs, credit enhancement tools

4. Anonymity
5. Community foundation model (donor advised funds, area of interest funds)

How do they work best with land trusts?

1. Source of new support (re-grants) (NRDA)
2. Community foundation model (grant-making side)
3. Foster collaborative approaches
4. Administer revolving loan funds
5. Technical assistance/organizational development

How do they work best with public agencies?

1. Matching grants
2. Revolving funds
3. Mitigation projects
4. NRDA settlements

How do they work best with all of the above?

Example: OSI's Northern Forest Protection Fund. OSI's first foray into supporting conservation through loans and grants to partners began with the Northern Forest Protection Fund (NFPF), launched in 2000. Stretching 26 million acres across Maine, New Hampshire, Vermont, and New York, the Northern Forest supports diverse trees, rare wildlife, and critical watersheds.

With the timber industry shifting to forests abroad, large tracts in the Northern Forest are now up for sale—and at risk of fragmentation and development. OSI, with support from Jane's Trust and the Doris Duke Charitable and Surdna Foundations, has turned this challenge into an opportunity by providing nearly \$15 million in loans and grants to help protect more than 1.4 million acres of land to date. In 2005, OSI provided \$4 million to protect 245,000 acres.

Ned Sullivan

The Scenic Hudson Land Trust, Inc. (SHLT), a wholly owned subsidiary of Scenic Hudson, preserves land through acquisition of fee interests and conservation easements. Its primary focus includes Hudson waterfront property, the Highlands, and farmland in riverfront communities. SHLT has served as an intermediary in a number of land protection deals, purchasing properties that are then taken over by New York State, local land trusts, or municipalities for long term management. In some cases, SHLT is reimbursed for the properties, in others, SHLT maintains an ownership interest in the property while another entity takes on management responsibilities. Examples include a waterfront property in the city of Yonkers which now serves as the home for the Beczak Environmental Education Center. Scenic Hudson paid 75 per cent of the cost of the property, while Westchester County paid the rest and made park improvements. Scenic Hudson purchased Kenridge Farm, a 176-acre property in Cornwall-on-Hudson, and then sold it to the Museum of the Hudson Highlands for public use, while retaining an easement. Scenic Hudson jointly owns riverfront properties with cities along the Hudson, with Scenic Hudson acquiring the land and the city making park improvements. Scenic Hudson has also purchased land adjacent to federal and state parks and transferred ownership to the state or federal government. We averted construction of a Wal-Mart adjacent to the FDR Home and Library in Hyde Park, purchasing 334 acres of land that will be transferred to the National Park Service.

The major impediments to conservation finance organizations are: a) competition with other worthy public purposes for philanthropic, state and federal money; very few foundations or individuals contribute funds for land preservation in our region, despite its world class beauty, cultural and historic legacy, and; b) the sprawling pattern of development is consuming farmland and open space at a far more rapid pace than conservation organizations can protect key properties; c) local public agencies lack the commitment to preservation or understanding of conservation tools available to them through comprehensive planning, zoning, and purchase or transfer of development rights.

Peter Szabo

I am familiar to a greater or lesser extent with OSI's Northern Forest Protection Fund and New Jersey Conservation Loan Fund, Conservation Resources, and Keystone Conservation Trust. Based on this experience, conservation finance intermediaries seem to offer the following description/definition:

Their purpose is to bring more and new kinds of capital to land protection. Being intermediaries, they are by definition between sources of capital and users of capital, adding value in a range of ways, from knowledge of finance, to knowledge of land protection, to political knowledge, etc.

The capital they bring may take several forms: a) permanent/take-out capital for land protection to a particular geography (large or small) ideally over and above what is already available in that geography, b) loan capital to a particular geography to offer bridge financing, c) serving as a vehicle for natural resource damage and other settlement funds to funnel into land protection, or d) serving as a kind of "community foundation" for individual donors who want to support land conservation but are unfamiliar with the field. At times their capital comes with conditions attached which direct its use toward certain purposes (e.g., sustainable forestry).

Again, they function as an intermediary. In most cases (TCF's loan funds might be an exception), they either do not have direct land protection activities and interests in the geography in question, or they do not do direct land protection at all. This positions them to act as "honest brokers" for providers of capital looking for the best opportunities in relation to their particular criteria, rather than looking for specific organizations/organizational missions.

Their geographic scope varies. It ranges from regional within a state (OSI's western Massachusetts fund), to statewide (CRI, CCT), to regional (OSI NFPF, RLF). There do not appear to be any national conservation finance intermediaries yet and significant gaps in geographic coverage remain (Mid-west, south central, southwest, Pacific northwest(?)).

Their organizational form varies from stand alone to being part of another organization. If approached appropriately (the OSI case), there does not appear to be any reason why a conservation finance intermediary cannot reside within an organization. If it is located within in organization, a condition for success is probably that the intermediary not inhibit its positioning as an honest broker by financing its own deals.

Two apparent impediments to conservation finance intermediaries' growth in the decade ahead are: 1) Understanding and financing on the part of capital sources (mainly foundations and large individual donors) especially in particular parts of the country where there are now gaps, and 2) to a much lesser extent, talent available and interested enough to run and staff intermediaries.

APPENDIX 3

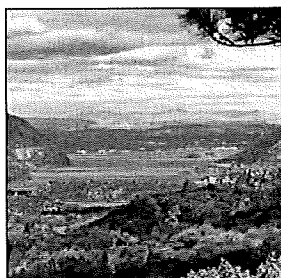


Photo: Scenic Hudson

Roundtable on Conservation Finance Intermediaries

Glynwood Center, Cold Spring, NY
March 5 and 6, 2007

AGENDA

Sunday, March 4, 2007 **Welcoming Dinner**

6:00 p.m. to 9:00 p.m.: *Informal Buffet Dinner at the Glynwood Center.* Roundtable participants will arrive at the Glynwood Center during the afternoon and early evening on Sunday, March 4. That evening there will be an informal buffet dinner provided, and a chance to socialize and catch up with colleagues from around the country.

Monday, March 5, 2007 **Meeting at the Glynwood Center**

8:00 to 9:00 am: *Continental breakfast.* A light breakfast will be provided at the Glynwood Center. Several participants driving up from New York will have an opportunity to check in and get settled before we convene our meeting at 9.

9:00 am: *Welcome.* Mark Shaffer and Andrew Bowman, Doris Duke Charitable Foundation (DDCF). Mark and Andrew will offer a brief overview of DDCF's interest in sponsoring the workshop, and their aspirations regarding the meeting's outcome.

9:15 am: *Review of Meeting Format and Organization:* Jim Levitt, Harvard Forest

9:25 am: *Round of Introductions/ Consideration of "What are Conservation Finance Intermediaries (CFIs)?"* All participants.

10:30 am: *Coffee Break*

10:45 am: *Case Example 1: Conservation Resources, Inc. (CRI).* Michael Catania. Michael will discuss the evolution of Conservation Resources as a CFI. He will discuss the principal challenges which CRI has

faced in its first four years of existence, the successes and setbacks it has experienced to date, as well as the opportunities and challenges which he anticipates the organization will face in the future. In addition, Michael will also discuss how CRI has played a role in the implementation of the New Jersey State Wildlife Action Plan through the provision of technical and financial assistance to other non-profit conservation groups, and how this role might serve as a model for other conservation efforts.

NOON: *Lunch Break*

12:45 pm: Case Example 2: *Colorado Conservation Trust.* Chris Herrman and Michael Dowling. Chris and Michael will focus on the 2000 start-up of CCT and the organization's re-aligned strategies based on a state-of-the-state of conservation report completed by the organization in 2005. The report set a statewide goal of preserving an additional 2 million acres of the Colorado landscape in ten years, a goal that required a doubling of the actual pace of conservation efforts at the time. They will discuss how the range of services offered by CCT, including a fair amount of capacity-building with local land trusts, has helped CCT and the land trust community set a pace that makes the 2 million-acres-in-ten-years goal appear achievable.

2 pm: Case Example 3: *The Heart of the Rockies Initiative.* Liz Bell and Paul Sihler. Liz, who helped to coordinate HRI in its early days, and Paul, who has come on board more recently, will explain how the organization has adapted to the rapidly changing financial fortunes of its principal funders. The case discussion should give participants some perspective regarding the striking challenges that a young landscape conservation program faces in the context of changes beyond the organization.

3 pm: *Coffee Break*

3:30 pm: Case Discussion 3: *OSI's trajectory.* Peter Howell. With a substantial endowment from the Wallace family, OSI has faced quite different growth challenges than many other conservation finance intermediary groups. Peter will make a presentation on the development of the Open Space Institute of New York, and the various stages and overarching strategies associated with OSI's growth in the past decade. He will also consider OSI's recent efforts to learn from the Community Development Financial Institutions that have helped develop affordable housing in the United States, as well as the applicability of those lessons to the broader community of conservation finance intermediary organizations.

4:45 pm: *Summary Thoughts on Day 1 Discussions.* Jim Levitt.

5:00 pm: *One-hour adjournment*

6:00 pm: *Gather for wine and beer*

6:30 pm: *Dinner at the Glynwood Center;* with brief remarks on Glynwood's focus on food and agriculture by *Judith LaBelle.*

Tuesday, March 6, 2007

8:00 am: Continental breakfast. A light breakfast will be provided at the Glynwood Center.

8:30 am: Donor Organization Perspectives. *Mark Shaffer, Andrew Bowman, Tom Curren, and Chris Page.* This panel will offer their perspectives on the prospects and challenges facing conservation finance intermediary organizations. After brief introductory comments by each, an interactive discussion with fellow participants will explore opportunities for growth of conservation finance intermediaries at the level of individual organizations, as well as at a community-of-practice level.

9:30 am: Brainstorming CFI Strengths/Weaknesses/Opportunities/Threats (SWOTs): *Jim Levitt.* The goal of this session is both to articulate SWOTs, and to organize roundtable participants into sub-groups that can focus on strategies for addressing particular “problem sets” that emerge from the SWOT discussions.

10:30 am: Coffee Break

10:45 am: Breakout Groups focusing on how to address identified problem sets.

12:15 pm: Lunch.

1:00 pm: Report of breakout groups on problem sets, with suggested solutions

2:00 pm: Prioritize suggested solutions, consider next steps

2:30 pm: Adjourn

3:00 pm: Optional field trip to Scenic Hudson’s Long Dock Beacon limited development project along the Hudson River in Beacon, NY. *Ned Sullivan.* For those of you who can join us, Ned Sullivan will lead us on a tour of this remarkable project, which includes the development of a green-certified hotel and conference center, a 16-acre waterfront park that includes interpretation of the development and ecology of the Hudson River Valley. For more information on this project, which was recently awarded a \$1.5 million grant to advance the riverfront restoration, see www.scenichudson.org/press/announcements/details.cfm?ID=225&topic=all&type=REL .

APPENDIX 4:

OUTLINE OF:

Presentation by Michael Catania Conservation Resources, Inc. to the Roundtable on Conservation Finance Intermediaries March 5th and 6th, 2007

CRI: A Unique New Organization

- ❖ Non-profit organization founded in 2003.
- ❖ A clearinghouse to match non-profit and local government sponsors of land acquisition, restoration and stewardship projects with philanthropic and regulatory contributors seeking to support projects.
- ❖ CRI is one of the new “conservation intermediary” organizations which have been created in several states.

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CRI's Unique Services

- ❖ Matches prospective donors/sellers of land and conservation easements with an appropriate public or private agency or conservation buyer
- ❖ Establishes and advises public/private partnerships to complete complex land transactions
- ❖ Serves as consultant to OSI's New Jersey Conservation Loan Program and several family foundations
- ❖ Matches both philanthropic and regulatory contributors with appropriate conservation projects
- ❖ Re-grants from public agencies, private fdns, corporations, and individuals
- ❖ Plays leadership role on conservation finance policy

Major Challenges

- ❖ Preparation and Implementation of a focused business plan
- ❖ Raising start-up funds to allow CRI to quickly focus on raising capital
- ❖ Gaining acceptance of the role of CRI by the conservation community, and by existing and potential donors
- ❖ Identifying an appropriate and sustainable way to offer free technical assistance to the non-profit community
- ❖ Persuading NJDEP and other regulatory agencies to allow the regulated community to make contributions to CRI in connection with penalty settlements, nrd claim settlements, supplemental environmental projects, and mitigation projects and other permit conditions
- ❖ Finding a way to begin making grants within a reasonable period of time
- ❖ Successfully branding and marketing CRI's services to the regulated community without having responsible parties be CRI "clients"

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Meeting the Challenges

- ❖ Preparation and Implementation of a focused business plan
 - Geographic Funds/ Web-based catalog concept
 - Focus on Regulatory Contributions
 - Selective acceptance of consulting roles
- ❖ Raising start-up funds to allow CRI to quickly focus on raising capital
 - Focus on numerous small sources of start-up funds
 - Marketing of concept to major foundations
 - Goal of diverse funding from key individuals, corporations, foundations
- ❖ Gaining acceptance of the role of CRI by the conservation community, and by existing and potential donors
 - Face-to face meetings
 - Mailings to non-profit community
 - Pro bono management of 2003 open space ballot question campaign
 - Early provision of free technical assistance to key groups
 - Early facilitation of new contributions to key groups

- ❖ Identifying an appropriate and sustainable way to offer free technical assistance to the non-profit community
 - Original model of below market technical assistance revised in favor of free technical assistance
 - Assumption that technical assistance actually serves the interests of donors
 - Revised model of subsidizing cost of technical assistance via a surcharge on both philanthropic and regulatory contributions

- ❖ Persuading NJDEP and other regulatory agencies to allow the regulated community to make contributions to CRI in connection with penalty settlements, NRD claim settlements, supplemental environmental projects, and mitigation projects and other permit conditions
 - NJDEP identified as key agency
 - Face to face meetings with DEP Commissioner and key staff
 - Continued “missionary” work with program staff
 - Facilitation of settlements which did not provide direct return to CRI
 - Outreach to EPA

- ❖ Begin grant making within a reasonable period of time
 - Early attempts to identify one or more major sources of foundation or corporate funds to re-grant
 - Inherent delays in finalizing regulatory settlements
 - Facilitation of grants to other groups even if funds did not go through CRI
 - Creation of Small Grants Program

- ❖ Successfully branding and marketing CRI’s services to the regulated community without having responsible parties be CRI “clients”
 - Development of “honest broker” role
 - Branding of GIS/GPS services and products
 - Development of Regulatory Contribution Agreement
 - Outreach to law firms, trade associations, etc.

Conservation Donors/Sellers: 600 acre Higgins Farm

Advising Complex Transactions

- ❖ Culvermere property
- ❖ Mosle Preserve and Recreation Area

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Consulting Services

- ❖ Small Family Foundations: The Beneficia Foundation
-

OSI NJCLF

- ❖ Cold Brook Watershed: Lance Estate, 35 acres
 - ❖ Codario Farm
 - ❖ Frenchtown Greenbelt: 153 acres
-

Philanthropic Contributions: Small Grants Program

- ❖ Waterfront South: Tree Keepers Nursery
 - ❖ Codario Farm
 - ❖ Frenchtown Greenbelt: 153 acres
-

Regulatory Contributions

HERE'S HOW IT WORKS:

- ❖ Any party considering a regulatory contribution can select a project featured in our geographic funds
 - ❖ CRI can also conduct a custom search to identify a short list of potential projects
 - ❖ CRI can identify projects in a specific watershed management area or county or to meet other specific regulatory needs
 - ❖ CRI can help facilitate agency review and approval of the proposed project
 - ❖ CRI has developed a regulatory contribution agreement which is executed with the regulatory contributor
 - ❖ The regulatory contribution agreement is then incorporated as an attachment to the settlement document with the appropriate regulatory agency
-

Services Provided by CRI Under a Regulatory Contribution Agreement

CRI executes a grant agreement with the project sponsor, which includes a project schedule and a payment schedule

- ❖ CRI then oversees project implementation and serves as a fiduciary to disburse funds as appropriate
- ❖ CRI also provides technical assistance to insure timely project completion
CRI requires audits of funds disbursed, and provides periodic reports on regarding project completion

Also provided by CRI under a Regulatory Contribution Agreement

- ❖ In the event that the funded project is not feasible for any reason, CRI will assume responsibility for identifying a substitute project acceptable to the relevant regulatory agency, and for overseeing the implementation of that substitute project.

Completed and Pending Settlements

- ❖ CRI has already identified projects for 4 completed NRD settlements and one dispute resolution settlement, which have provided a total of \$1.25 million.
- ❖ CRI has also identified projects for:
 - ❖ 6 pending NRD lawsuits
 - ❖ 1 pending wetlands mitigation project
 - ❖ These projects could provide up to \$20 million for land acquisition and restoration projects
- ❖ CRI'S role has been accepted by DEP and EPA
- ❖ Projects include:
 - ❖ Signal Hill and Keidjan: two separate NRD settlements provided \$300,000 toward purchase of 44 acres
 - ❖ Friendship Creek Preserve: NRD settlement provided \$150,000 toward purchase of 250 acres
 - ❖ Potter Creek: Dispute resolution provided \$210,000 toward purchase of 118 acres
 - ❖ Raritan Riverfront Park, Edison Township: NRD settlement provided \$593,000 toward restoration and public access

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Re-grants

- ❖ Pinelands Conservation Fund, New Jersey Pinelands Commission
 - *To permanently protect, through the purchase of land or interests therein, important natural, cultural, historic or agricultural resources in the Pinelands.*
 - Focus efforts on:
 - Sub-regional plan areas (\$3 million)
 - \$2 million for Medford Evesham
 - \$1 million for Toms River (Jackson Twp)
 - Remaining 502 Target Areas and 18 Planning Areas (\$2.5 million)

- Contingency Areas 1) in Preservation Area, Special Agricultural Production, Agricultural Production and Forest Areas or 2) to supplement above (\$500,000)

❖ CRI's Role

- Identify land or easement acquisition projects.
- Recommend a specific amount of funding for each proposed acquisition project to the PLPC, or the PLPC & the Commission
- Maximize the cost effectiveness of land or land interest acquisitions.
- Close the deal.

❖ See: www.ConservationResourcesInc.org/pinlandsPCF.htm

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Implementing the State Wildlife Action Plan

❖ Raritan Piedmont Wildlife Habitat Partnership

○ Grassland Focal Area Planning

- Research Habitat Requirements
- Determine Current Population Numbers
- Set Target Population Goals
- GIS Assessment
- Peer review of Plan (Randy Detmer USFWS, David Wilcove, Julie Lockwood)
- Identification of Land Preservation Projects and Grassland Restoration Projects
- Implementation by the various partners
- Monitoring

❖ Target Population Goals from the Partners in Flight Continental Plan

- Double Population for species that have severe declines of 50% or more.
- Increase Population by 50% for species that have undergone moderate declines (15% - 50%).
- Maintain/Increase Populations of watch list species.
- Maintain Population with stable or increasing populations.

...

Doris Duke Charitable Foundation awarded \$1 million to CRI to implement the Grassland Conservation Plan

- \$650,000 For Land Acquisition Projects
- \$100,000 For Grassland Restoration Projects
- \$80,000 for RPWHP Coordinator
- \$24,000 For New Jersey Audubon Landowner Outreach

- \$15,000 For Conserve Wildlife for Landowner Outreach
- \$15,000 For D&R Greenway Land Trust for Landowner Outreach
- \$50,000 for Demonstration Loan Program

...

Conservation Resources, Inc.: Major Successes and Setbacks

❖ Successes

- High degree of acceptance by conservation community and donors
- CRI has largely “stuck to its knitting”
- Successful start-up fundraising
- NRD settlement and regulatory contribution template established
- Involvement with OSI NJ Conservation Loan Program
- DDCF RPWHP grants
- Pinelands Conservation Fund
- Public Funding and Tax Incentives

❖ Setbacks/Continued Challenges

- Delays in finalizing NRD settlements and new competition for settlement funds
- Corporate mergers and cutbacks precluded several new grant programs
- New major philanthropic contributions lagging
- Securing revenue streams for CRI

Conservation Resources, Inc.: For More Information

- ❖ VISIT OUR WEBSITE AT: WW.CONSERVATIONRESOURCESINC.ORG
- ❖ CALL MICHAEL CATANIA OR JON WAGAR AT: (908) 879-7942
- ❖ CONTACT US BY E-MAIL AT:
 - Michael@ConservationResourcesInc.org
 - Jon@ConservationResourcesInc.org

APPENDIX 5:

OUTLINE OF:

COLORADO CONSERVATION TRUST:

Two Million Acres in the Next Decade

Chris Hermann, CCT Western Slope Office

MARCH 2007

CCT FUNDED PRIORITY AREAS

- West Mountain Valley
- Gunnison
- Mesa
- Roaring Fork
- Eagle
- Northern San Juan
- Front Range Northern Backdrop

OTHER STRATEGIC CONSERVATION AREAS

- White River
 - Southern San Juan
 - Black Canyon
 - Lower South Platte
 - Upper Arkansas
 - San Luis Valley
 - Purgatoire
 - Yampa
 - North Park
 - South Park
-

Crossroads Report

Cover shot of the CCT publication: *Colorado Conservation at a Crossroads: Land Conservation accomplishments, and the needs, challenges and recommendations for the next decade*

Colorado Population Growth

<u>Year</u>	<u>Population</u>
1970	2,209,596
1980	2,889,733
1990	3,294,394
2000	4,301,261
2010	5,149,140
2020	6,137,456
2030	7,155,287

Development Projections

Developed Acres	1970	2000	2030 projected
Large-lot/exurban	1,104,000	2,064,000	2,938,000
Urban & suburban	287,000	462,000	599,000
Total Developed Acres	1,391,000	2,526,000	3,537,000
Total acres Converted from Rural to Developed		Between 1970 & 2000: 1,135,000	Between 2000 & 2030: 1,011,000

Housing Densities (1970, 2000 and 2030 projected (shown on maps))

Land Conservation to Date

- By 2004: 1.6 million acres protected statewide
 - 60 percent protected by conservation easements
 - 46 land trusts protected 80% land
 - 40 local government programs
-

Acres Protected and Identified for Protection, by Region

(see graphic in CCT report: *Colorado at the Crossroads*)(see also graphics of *funding projections and projected shortfalls, by region of Colorado*)

Funding

- Increase public funding for land conservation by \$50 to \$75 million per year.
 - Increase private funding for conservation by \$10-\$25 million per year.
 - Expand and increase local dedicated revenues
-

Effectiveness

- Establish statewide conservation priorities
 - Increase land conservation capacity.
-

Tools

- Refine the Colorado Conservation Easement Tax Credit Program
 - Provide counties with the flexibility to increase the minimum lot size subject to development review to a size greater than 35 acres.
-

2,000,000 acres in the next decade
LET'S GET GOING

APPENDIX 6:

PRESENTATION OUTLINE OF:

LANDSCAPE-LEVEL CONSERVATION THROUGH THE LENS OF CONSERVATION FINANCE

PAUL SIHLER & ELIZABETH BELL

MARCH 2007

Key Finance Elements

- Capacity and Special Project Funding
 - Capital Investments
 - Revolving Fund
 - Public Funding
 - Private Funding
-

The Heart of the Rockies Initiative

- I. Background
 - II. Building A Program
 - III. HOTR & Conservation Finance
 - IV. Lessons Learned
-

Collaboration by Land Trusts Rocky Mountain West

- Collaboration not a new organization
 - Started forming in 2000; established in 2002
 - 22 land trusts in MT, ID, WY, AB. and B.C
 - National, state and local organizations
--Initial focus on GYE and then COC&IP
-

Heart of the Rockies Initiative

- American Land Conservancy
- Bitter Root Land Trust
- Clark Fork-Pend Oreille Conservancy
- The Conservation Fund – ID, MT, WY
- Five Valleys Land Trust
- Flathead Land Trust

- Gallatin Valley Land Trust
- Green River Valley Land Trust
- Inland Northwest Land Trust
- Jackson Hole Land Trust
- The Land Conservancy of BC
- Montana Land Reliance
- The Nature Conservancy – ID, MT & WY
- Nature Conservancy of Canada – AB & BC
- Prickly Pear Land Trust
- Rocky Mountain Elk Foundation
- Trust for Public Land
- Teton Regional Land Trust
- Wyoming Stock Growers Agricultural Land Trust
- Vital Ground Foundation

Pre-Conditions to Collaboration in the Northern Rockies

- Land Trust Capacity
- Iconic Landscape w/ ecological processes
- Foundation Vision/Interest (Scientific Foundation)

HOTR....Forming

External convener, 2000

- Kendall & Wilburforce Foundation meetings
- Land trusts, advocacy groups, agency and independent biologists and foundations
- The case for a landscape approach and need for collaboration
-

HOTR.....Forming

Why should my organization participate?

\$\$\$ -- “Build it and they will fund it”

- To tell a more compelling story – how my organization fits in the larger context
- Potential for more meaningful conservation - connecting the landscape
- Can I afford to not participate?

Initial Strategic Investment by Foundations

- Regional assessment of capacity needs
 - GIS consultant for collaborative mapping
 - 2 year funding to hire coordinator
 - Capital investment of \$8.2 M in GYE by DDCF
-

Heart of the Rockies Initiative Today

- **Voluntary Participation**
 - **Meets 1-2 times/year**
 - **Charter**
 - **Executive Committee**
-

Heart of the Rockies Initiative

HOTR Business Practices

- **Collaborative conservation planning**
 - **Advance the rate of conservation**
 - **Increase land trust efficiency and effectiveness**
 - **Networking and collaboration**
 - **Adaptive management**
-

II. Building A Program

- **Conservation Planning**
- **Where to Invest?**
- **How Much Needs to be Conserved?**

Capacity Building

- **Solid Foundation of Individual Organizations**
- **New Skills**

Collaborative Case Studies

- **South Fork Snake River**
 - **Swan Valley**
-

Conservation Planning

Can we raise the scale of conservation to a landscape level thru collaboration?

Criteria for Identifying Focal Areas for Collaboration

- **Biological Value: Migration corridors, wetland and riparian areas, seasonal habitats, habitat for rare or uncommon species**
- **Agricultural Value: Landscapes with a critical mass of productive land for farming, ranching or timber**
- **Community Value: Support for private land conservation**

Population Growth: since the 1990s the Mountain Division has led the nation in growth

Greater Yellowstone Ecosystem in 1900 (map)

Greater Yellowstone Ecosystem in 1950 (map)

Greater Yellowstone Ecosystem in 1999 (map)

Conservation Plan for Greater Yellowstone Ecosystem

- 20 million total acres
 - 2.8 million acres of private land with high conservation value
 - 10 year goal to conserve 1 million acres
 - Farm and Ranch land
-

Conservation Plan for Crown of the Continent & Idaho Panhandle

- Over 27 million total acres
 - 2.2 million acres of private land with high conservation value
 - 10 year goal to conserve 516,000 acres
 - Commercial timberland
-

10 Year Goals Require Increasing the Rate of Conservation by 50%

10 Year Goal: 151,600 ac/yr

Base Rate: 101,895 ac/yr

Gap: 49,705 ac/yr

Estimated Conservation Make-up (acres): 51% Purchased CE, 37% Donated CE, 12% Fee Title

Capacity Building for Land Trusts

- Competitive grant process funded by Wilburforce, DDCF & Paul G. Allen Fdn.
- 125 grants/contracts totaling approximately \$1 M awarded between 2000-06
- Training – LaSalle Adams Fund

Land Trusts and Staff
See presentation graphic

Financial Snapshot
See presentation graphic

New Skills

- Basic financial training emphasizing borrowing;
 - Developing knowledge and expertise related to local bond initiatives;
 - Land trusts with limited major donor programs – a barrier to collaborative fundraising
-

Collaborative Project: Upper/South Fork of the Snake River, ID

Upper/South Fork of the Snake

- Nationally recognized partnership by The Conservation Fund, Teton Regional Land Trust, The Nature Conservancy, BLM and ID Fish & Game
 - Completed 53 projects on private land protecting 14,400 acres since 1991; complements 22,000 acres of federal and state managed land
 - \$36 million of federal and private funding and donated value
 - Ties together a network of conserved lands along 22 miles of South Fork of the Snake
-

Swan Valley, MT

Conserving the Core Lands

Partnership: TPL, Swan Ecosystem Center, MT Fish, Wildlife & Parks, TNC, The Wilderness Society, land trusts & Plum Creek TC

Conserving Periphery Lands

Large-scale Working Forest Transaction

- Federal funding

- **New state funding initiatives: Governor Schweitzer, 2007 legislative proposals**
Potential sources of capital: Private Equity, Foundation funding, Individuals/conservation buyers, Donated conservation easements
-

III. HOTR & Conservation Finance

- **GYE Revolving Loan Fund**
 - **Local Bond Measures**
 - **State-level Funding Measures**
 - **Conservation Easement Defense**
 - **Collaborative Major Donor Strategy**
-

Revolving Loan Fund

- **\$7 million PRI from Packard Foundation; Administered by Resources Legacy Fund**
 - **Initially for GYE; the extended to COC&IP**
 - **5 loans to 4 different organizations totaling \$5.3 million; several more pending**
 - **Future: Renew PRI and create blended fund**
-

Local Bond Measures

- **\$10 M in Gallatin Co., MT in 2004**
 - **\$10 M in Missoula Co., MT in 2006**
 - **\$10 M in Ravalli Co., MT in 2006**
 - **Future: Lewis & Clark Co., MT and possibly Flathead Co., MT**
 - **Challenge = Rural counties with small tax base**
-

State-level Funding Initiatives

In Montana:

- **Reauthorized \$5M/year habitat program in 2005**
 - **“Working landscapes” legislation (2007)**
 - **Transferable tax credits proposal (2007-09)**
 - **WCS/DDCF grant for State Wildlife Action Plans (2007-08)**
-

State-level Funding Initiatives (continued)

- **Wyoming Wildlife & Natural Resources Trust enacted in 2005 (\$14 million to date)**
 - **Idaho transferable tax credits proposal (2007-08)**
-

Easement Defense Issue

- \$250,000 in legal fees for easement litigation
 - Median defense endowment is \$192,000
 - Total funds available: \$12 million
 - Risk = bad legal precedent
-

Captive Insurance Solution?

- Joint project with Land Trust Alliance funded by LaSalle Adams Fund
 - Completed feasibility study w/USA Risk Group
 - At an average premium of \$41.62 per CE, insurance coverage could provide a maximum payment limit of \$500,000 with a \$10,000 deductible
 - Requires \$4.4 million capitalization
-

How is this Relevant to Conservation on Finance?

- Legal Defense Endowments: How much is enough? (Insurance = Actuarial Assessment)
 - Opportunity Costs: How else might that capital have been spent? (Project funding? Revolving money?)
 - Economic Inefficiency for Land Trust Population (Insurance pools risk across the population)
-

Collaborative Fundraising Strategy

- Working w/ Training Resources for the Environmental Community
 - Major donor-based
 - Initial donor conversations suggest opportunity
 - Key Challenges: developing a model, collaboration, capacity
-

IV. Lessons Learned

- Be nimble and adaptive
 - Capacity investments are critical
 - Conserving large landscapes requires huge public & private investment and lots of time
 - The need for planning to inform conservation finance
 - The need for new conservation finance tools
-

APPENDIX 7:

OUTLINE OF:

Presentation to the Roundtable on Conservation Finance Intermediaries

Mark Shaffer, Doris Duke Charitable Fund

MARCH 2007

The Glynwood Center
March 5th & 6th, 2007

Conservation Finance Intermediaries

- **Challenge**
 - **Situation**
 - **Tools**
 - **Opportunities**
-

Challenge

- **Conserve Enough Habitat to Maintain U.S. Native Biodiversity**
 - **Need ±25% of Nation in Conservation Status**
 - **Conservation Finance Intermediaries**
-

Situation

- **50% of Necessary Land is in Public Ownership**
 - **50% of Necessary Land is in Private Ownership**
 - **Estimated Cost of Remaining Necessary Land**
 - **\$250-\$500 Billion (2002 \$\$)**
 - **\$5-\$8 Billion per Year for 30 Years**
-

Tools

<i>Current Annual Expenditures</i>	<i>Fed/State</i>
Land Protection (Lerner et al., in press)	Approx. \$3B/yr.
Mitigation (ELI, forthcoming)	Approx. \$2.6B/yr.
Bond Obligations(1992-2001) (TPL, pers. comm.)	Approx. \$2.1B/yr.

Opportunities

- Increase Targeting of Existing Expenditures
 - Expand Local/State Funding
 - Find the Missing Money (Federal?)
 - Opportunities
 - Conservation Intermediaries
-