



ELCN
European Private Land
Conservation Network



LIFE16 PRE DE 005 – Development of a European Land Conservation Network (ELCN)
Action A.4 – Prospection for international state-of-the-art tools and techniques for private land conservation

Summary of the ELCN Chile Study Tour and 2nd ILCN Congress

Organised by



The ELCN team at the privately protected “Parque Andino Juncal”

1. Participants

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Laura Johnson – ILCN
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Jim Levitt – Lincoln Institute for Land Policy
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2. Introduction

From Saturday, 20 January until Tuesday, 23 January 2018, representatives of organisations involved in the project LIFE16 PRE DE 005 – “Development of a European Land Conservation Network (ELCN)” went on a study trip to various project sites in Chile. Directly after the study trip the LIFE ELCN team attended the 2nd Congress of the International Land Conservation Network (ILCN), which took place from Wednesday, 24 January until Friday, 26 January 2018 in Santiago de Chile. The study tour and the congress were organised by the ILCN team at the Lincoln Institute for Land Policy, located in Cambridge, Massachusetts (USA).

The purpose of the Chile Study Tour was to introduce the ELCN delegates to conservation tools and strategies in Chile and to discuss the potential of their international transferability. The study tour included meetings with landowners about their conservation decisions and challenges, as well as with legislators and lawyers regarding specific mechanisms for conservation. In particular, the newly passed Chilean “Derecho Real de Conservación” represents one of the first times a Civil Code Country has amended its constitution to include a ‘right of conservation’. The new property tool allows for landowners to choose to protect their properties in perpetuity. The “derecho real” as well as the “servidumbre voluntaria” could serve as models for European countries with civil code legal systems. Their application was studied at a number of sites with a range of landowners, challenges, and natural resources with the goal of showing how different tools may be used in different circumstances to maximise conservation outcomes.

3. Study Tour Timeline and Summary

Saturday, January 20, 2018 –Santiago to Emiliana to Viña del Mar

- Emiliana Organic Vineyards (<http://www.emiliana.cl/>)

The ELCN team visited the biggest organic vineyard in South America. The vineyard follows anthroposophical principles of biodynamic agriculture based on the concepts developed by Rudolf Steiner. These principles include organic farming (using compost and cow manure as fertiliser, avoiding pesticides, employing chicken to control insects and sheep for weed control), following the moon calendar when planting, the application of herbal remedies, and generally treating the soil and its vegetation as living beings. These principles lead to improvements in the fields of biodiversity, soil fertility, pest and weed resistance, and superior quality of wines. As one of the top five wine exporting countries worldwide, Chile nowadays has a multi-billion wine industry. Thanks to its remote location and its double protection by natural boundaries (mountains and the sea), Chile has to date not been affected by some vine pests that cause problems in other parts of the world (such as phylloxera), making it easier for vineyards to grow grapes organically.

Land conservation is an integral part of Emiliana’s philosophy, which centres on sustainability and environmental responsibility. For each hectare under production, the company has set aside 0.7 ha for permanent conservation. In total, only 831 ha of the estates’ 2,318 ha are planted with grapes, while 1,487 ha are covered by native vegetation, of which 606 ha are dedicated to biodiversity conservation (mostly oak woods). At least 10% of each individual vineyard has to be reserved as biological corridors. In 2001 Emiliana was the first vineyard in South America (and the 7th worldwide) to receive certification for its organic grape production. In 2003, it received the German biodynamic “Demeter” certificate. Today, Emiliana is organically certified under US, Canadian, Brazilian, Chilean, Japanese, Korean, Chinese, EU, and German law.

Sunday, January 21, 2018 – Zapallar to Los Andes

- Bosque el Boldo Reserve (<http://www.bosquesdezapallar.cl/>)

On the second day of the study tour, we visited the privately owned reserve “El Boldo”. The reserve, which is located on a scenic hillside overlooking the coastal town of Zapallar, is managed as a municipal park that during daytime is open to the public (although the number of daily visitors is capped at 40). The site was designated as a large-scale development project in 2001, when an investor planned to build 166 apartments, a convention centre, a hotel located and other facilities on the hill. However, the municipal council opposed the project and held a public vote on the zoning plan, which resulted in a large majority against the development project. As a consequence, the 110 plots that made up the project were transferred to a bank, which put them up for sale in a foreclosure auction.

A group of 22 residents of Zapallar, under the lead of Federico Ringeling, formed the non-profit company “Corporación Bosques de Zapallar” and successfully bid for all plots. To conserve the natural values of the hillside, the company self-imposed a restriction to only build 26 houses on the property, dedicating the remaining 84 plots (ca. 70 ha) to a privately protected reserve, thus ensuring the preservation of the native forest in perpetuity. In 2010, the company transferred all plots belonging to the park to the new limited partnership “Corporación Bosques de Zapallar en-comandita por acciones”, whose sole purpose is the perpetual oversight over the park. The non-profit company “Corporación Bosques de Zapallar” remains involved in the management of the park (construction and maintenance of visitor infrastructure, regulation of visitor access, public information and education). The company has received donations from organisations such as The Nature Conservancy, Planet Foundation and Rainforest Concern.

One of their future goals is to influence other regions around to develop a similar model in order to protect natural valuable areas. Federico has already established contacts with some landowners in the nearby areas suggesting a replication of their project.

Monday, January 22, 2018 – El Juncal

- Parque Andino Juncal (<http://parqueandinojuncal.cl/>)

On the third day of the study tour, the ELCN team took to the mountains. Starting from Los Andes and following the Aconcagua River up the “Ruta 60”, after a 90 min drive we found ourselves in an altitude of 2,500 m, looking at glaciers and mountaintops. The 14,000 ha Parque Andino Juncal represents two thirds of the Juncal River basin. It encompasses 24 glaciers and six wetlands. Because of its importance as headwater to one of the most important tributaries to the Aconcagua River, it was declared as Ramsar site in 2010. Getting an international recognition for the area had a great communication benefit and it meant a lot to the local community. The property has been in the Kenrick family since 1911. In 2003, Catherine Kenrick decided not to allow the development of mining, hydropower or other industrial activities on the premises of the largely unspoiled valley and to actively prevent any attempt to do so. She started what was later become the Parque Andino Juncal.

Due to the privileged position mining has under the Chilean laws, fighting the attempts of mining companies to start their operation in the park required some legal creativity. While nature conservation directly could not have been a reason to contest the mining claims, the fact that there is an ongoing economic project on that property, with the environmental value of 350.000\$ which could be harmed by mining was a legit claim in the Court. The park is, however, still having conflicts with the cattle operation and the exploratory mining activities on the neighbouring property. These economic interests represent an ongoing challenge. However, the Kenrick family seems very well connected with the authorities and with the local communities. This is a key point

for their present and future success. The park management staff is very keen to get experts on the ground who could carry on some studies and identify valuable flora and fauna species.

Tuesday, January 23, 2018 –Santiago

David Rockefeller Center for Latin American Studies (<https://ro.drclas.harvard.edu/>)

- Discussion of legal developments for private land conservation in Chile

The ELCN team met with Victoria Alonso (Fundación Tierra Austral), Francisco “Pancho” Solis (The Pew Charitable Trusts), Roberto Peralta (Peralta, Gutiérrez y Asociados Ltda. Abogados)) and Henry Tepper (ADS Ventures) to discuss the “Derecho Real de Conservación” (DRC), which recently amended Chile’s Civil Code and introduced a new legal property tools allowing to dedicate real estate to conservation in perpetuity. Before, Chile (similarly to Costa Rica, Ecuador, Brazil and other South American countries) had to rely on “servidumbres” to restrict land uses on private property for conservation purposes. This tool was used in large private land conservation projects, such as the creation of reserves by The Nature Conservancy in partnership with the Chilean Chamber of Commerce, but the tool had major shortcomings: “servient” (i.e. encumbered) properties had to be adjacent to the “dominant” property. In legal terms, it was an “appurtenant easement”, not an “easement in gross”. Also, the servidumbre was not created for conservation purposes (traditionally, it was mostly used to codify access rights to properties for mining, power or water uses), so its use for conservation could be challenged in court rather easily. To create legal certainty, the private land conservation community lobbied for the new DRC as explicit conservation tool.

The legal and political experts gathered gave great insights into their lobbying strategy and presented the reasons why their initiative was successful. The strategy, which was based in part on the precedent of introducing conservation easements in the US, took into account that Chile’s economy is dominated by the private sector and the majority of the land is privately owned. Extractive industries are very present (i.e. mining, timber, fisheries, agriculture) and the country is very much dependant on exports. However, sustainability is an aspect that is gaining importance for the exporting sector. NGO activity in land conservation started in the early 2000s. In 2003/2004 Chilean conservation leaders attended the Land Trust Alliance Rally.

In 2006 The Nature Conservancy initiated a project with the American Chamber of Commerce (Am-Cham) in Chile, which was an important entry point to working with the business sector. Because the private sector in Chile is so strong, it was important to start there, as Chileans politics tend to follow what the private sector wants or does not object to. This is also the reason why in Chile, the private sector is leading the conservation scene, rather than the NGOs.

In Chile government can only regulate land-use in urban areas and not on private areas elsewhere. Also, the capacity to do proper planning at the local level is very low. This is the reason why private land conservation tools such as the DRC was necessary.

Before the DRC was introduced to the Chilean Civil Code, a lot of political lobbying was necessary. It took the NGOs and lobbyist involved eight years in total to get the law through the Parliament. The lobbying strategy was built on the principles of finding common language, building trust, insistence and permanence. It took a lot of steady dialogue and weekly contacts with the Congressmen and their staff. It was important to communicate carefully – about the love for the land – to avoid the left-right political discussions. Also, it was important to offer information based on facts and verifiable sources, not personal opinion, so that the politicians so the lobbyist as a trustful resource of valuable information for them.

In order not to get distracted from the major lobbying goal – the establishment of the DRC – questions pertaining to its implementation were deliberately left out of the political discussions. Also, the conservationists wanted to avoid any chance of contaminating the conservation goals by seeing the law as a tax break for the rich.

Now that the DRC is part of the Chilean legal system, the challenge is to build sufficient capacity to put the new conservation tool to use and to create sufficient incentives for private landowners to encumber their properties with the DRC. Getting the law passed was the first step but there is still a lot of work to be done to ensure accountability: to ensure proper implementation; to develop standards; to put in place monitoring; as well as to introduce penalties.

Currently, the first land trusts are being created in Chile (one of which the ELCN team visited, see above). However, these institutions are still rather weak and lack proper funding. In order to strengthen existing land trusts and create new ones, public funding needs to be increased significantly, and charitable giving needs to become more attractive from a tax perspective. (At the moment, if somebody wants to donate money to conservation, taxes have to be paid for that donation. Only poverty reduction projects and scientific projects are not obliged to pay taxes.)

So there is a strategic need to modify Chile's tax code to create tax incentives for donations to conservation NGOs such as land trusts. But there is also the need to make the donation of a DRC tax-deductible, as it is in the US. This would make it more interesting for private landowners to place a DRC on their property. Only if those next steps are successful, the private land conservation community in Chile will have sufficient funds to apply the new tool and to ensure sustainable DRC stewardship (monitoring and enforcement) and management of privately protected properties

4. ILCN Congress

Wednesday, January 24, 2018

- Opening Plenary at Las Majadas (<https://www.lasmajadas.cl/>)

The opening plenary of the 2nd ILCN Congress took place at the “Conversation Center” of Las Majadas de Pirque, a conference venue on the outskirts of Santiago. The family-run facility consists of a historic palace in landscape garden and a new hotel (dubbed “The residence”). The founder of the Conversation Center, Pablo Bosch Sr., and its general manager, his son Pablo Bosch Jr. welcomed the congress participants and underlined the mission of the Center – to develop social capital through the facilitation of networking events such as the ILCN Congress. In his words: “It is a place to have meaningful conversation. Social capital is an important asset: it means protection for the individual, and it means efficiency for companies.” Jim Levitt of the Lincoln Institute of Land Policy concluded: “We are here to build social capital for natural capital!” After that he introduced the attendants to the ILCN and briefly outlined its history. He pointed out the rapid growth of the network that expanded from 30 people participating in its inauguration alongside the Land Trust Alliance Rally in Providence (RI, US in 2014) to over 90 attendees at the 1st Global ILCN Congress in Berlin in 2015, to 160 participants from 24 countries at the 2nd ILCN Congress in Santiago in 2018. He also gave an outlook to the 3rd ILCN Congress, which will be organised by the ELCN in Europe in early 2020.

Victoria Alonso gave an overview of the ecology and the status quo of nature legislation in Chile, to underline the importance of private land conservation: Chile has 14 administrative

units and an economic exclusion zone (EEZ) at sea twice the size of the mainland. The challenges for nature conservation in Chile are huge, and climate change is among the biggest ones. Climate change is already affecting Chile and an even further drop in precipitation is expected according to the climate change models. To respond to these challenges, nature conservation legislation was enacted in 1993. The implementation of the law is under the responsibility of the Ministry of Environment, but other ministries have a right of a veto on decisions. Things are decided based on a case by case EIA process. Since 2010, Environmental Courts rule over the infringement of conservation legislation. Chile has witnessed significant progress in its conservation agenda: various nature reserves now cover some 20% of the land area. They are managed by the National Forestry Service in 101 units and a total staff of 700 and a budget of 24M \$. With the recent agreement between the Tomkins Foundation and the national government, the area protected by national parks has increased by 4,5Mha. However, there is a lack of capacity and funding for efficient management of the protected areas. Marine protected areas have increased from 0 to 42% of the EEZ since 2012, but the budget for their management is 0 \$. The estimated gap in the budget for nature management is 75M \$. Legislation for the establishment of a Park Service is pending since 2011. Only about a half of the park units have even basic stewardship. There is no zoning and spatial planning outside of the urban areas. And there are still gaps in the network of protected areas in Northern and Central Chile – where land use pressure is highest.

- Reception at the headquarters of Transoceanica (<http://www.transoceanica.cl/>)
Welcome by the representatives of the family-owned company Christoph and Sonia Schiess who gave a short presentation on the future company headquarters, a nature-friendly real estate project they are currently developing.

Thursday, January 25, 2018

- Plenary

Introduction by Laura Johnson and Jim Levitt

Keynote speech by Minister of the Environment Chile, Marcelo Mena.

Workshops:

- [1A: How to fund for the long term: creating financial sustainability = First Choice](#)

[Moderator: Judith Labelle, Glynwood Inc](#)

[Tim Hughes, South Endeavor Trust, Australia](#)

[“It takes a great deal of boldness and a great deal of caution to make a great fortune and ten times as much wit to keep it.” Without capital there is no business. Income is harder you earn than you think. Cost control is critical. Working capital provides resilience. Debt magnifies success and failure. Forever is a very long time to fund for. Conservationists tend to underestimate the costs. Purchasing land is actually less of a problem – it is the management after where the real costs are.](#)

[Lessons learnt](#)

- [Enthusiasm passion and commitment are not enough](#)
- [Think costs](#)
- [Don't try to do too much or grow too quickly](#)
- [Making money is hard, really](#)

- If business income why will it work? Really work?
- If donations, are they really sustainable? Is the cost of fund raising realistic?
- If endowment income, are projected returns realistic? Reserves? Investment risk?
- When things go wrong, what is the plan?
- What is the succession plan? Is nature secure?

Flavio Ojidos, CNRPPN, Brazil

Continous Cycle Model was developed as a strategy of financial sustainability for the RPPNs. For this a scenario modeling was carried out and the case of 3 RPPNs was simulated, where the generated revenue annually contributes to the formation of a principal assessment endowment that secures the long term sustainability of the management. The model incorporates revenue-generating activities, like admissions fees, lodging, food sales, or events.

Roberto Peralta, Peralta, Gutierrez & Asociados, Chile

How you can take legal care of money?

People put money in what they love

Where to go: setting up and attractive and safe shelter for sustainable funding

How to proceed: ensuring conservation goals

Warnings: anticipating risks and managing them

What makes a shelter to be attractive?

- Valuable philanthropic purpose being achieved
- If alternative uses of funds for desirable purposes are less appealing (e.g leaving them to be inherited subject to estate tax or high income & Sales tax)
- Its cost effectiveness (e.g .tax benefits)
- A legal entity qualified to receive grants exempted from gift/estate tax and/or income tax, with low exposure and giving additional tax benefits to the grantor
- An entity evidencing the achievement and/or pursuance of valuable conservation goals, as shown in its actual performance, legal documentation (corporate, contractual), accounting and reporting (website, annual report)
- An entity not subject to taxable income with tax benefits for its grantors and reporting effectiveness in achieving conservation goals (results, impact)

**"because I'm doing good, everything I'm doing is good". False!*

- An entity legally bound to clear conservation goals in its governing documents
- Board members selected (and succeeded) according to their commitment and ability to further conservation values
- A legally binding funding (endowment and/or fundraising) and spending policy
- An entity subject to effective scrutiny (eg accreditation)

Ensuring conservation goals:

- Baseline management plan and conservation goals binding on all relevant parties
- Legal obligations under governing (bylaws) and contractual (easements/DRC) documents, tied to enforcement rights held by reliable independent parties (eg land trust,)

Anticipate risks and manage them:

- Grant some flexibility to the board of the funding entity in case of changing circumstances (eg impossibility of conservation goals), setting out certain criteria for

decision making and validation procedure (2/3 vote based on a favorable report by a prestigious independent entity)

- Permitted amendments to binding commitments have to further conservation values under the then existing circumstances
- Effective mediation and dispute resolution mechanisms are critical among relevant parties

- 1C Tax fundamentals for land conservation

Tilmann Disselhoff, project coordinator of the LIFE ELCN project, presented baseline data of the philanthropic sector in Europe and how it compares to the US. He listed the types of taxes that are most relevant for generally stimulating private land conservation: income tax, capital gains tax, gift and inheritance (estate) tax, value added tax, and real property tax. While income tax and capital gains tax pertain to individuals and companies making donations to charitable conservation organisations, estate and property tax influence the tax burden for landowners and their heirs, so these types of taxes can be used to incentivise the placement of land use restrictions on a property and thus decreasing its market value. Lastly, value added taxes play a role for charitable organisations that benefit from being exempted from this tax, which allows them to pursue their activities and implement their mission. In most tax constellations involving private land conservation, private landowners and donors, conservation NGOs and the tax authorities form an intricate relationship. The more elaborated the tax system supporting private land conservation, the more advanced and specialised the professional community working with the tax laws. While in the US, conservation tax legislation has become a field of work that many lawyers work with and in some instances, entire law offices concentrate on, this level of specialisation has not yet taken place in EU member states. Namely, the donation of conservation easements can be treated as in kind donation in the US, a concept that has not yet been tried in the EU.

Phil Tabas, General Counsel of The Nature Conservancy, focused his presentation on the tax deductibility of donations of conservation easements in the US. He showed how subsequent changes to the federal tax code that began in the late 1970s have created new incentives for private landowners to conserve their properties. As a result, the number and size of easements donated to government agencies and non-profit organisations vastly increased and the pace of private land conservation in the US accelerated dramatically.

Miguel Zamora of the Chilean Law Firm “Noguera, Larrain & Dulanto” showed that despite recent changes to the Civil Code of Chile (insertion of the “derecho real de conservación”), the donation of use right restrictions for a property are still not deductible from the landowner’s income taxes. The present legal situation for private land conservation in Chile shows that it is insufficient to create the legal basis for perpetual use restrictions, if the application of the new tool is not sufficiently incentivised.

As a result of the intensive discussion in this workshop, some participants agreed to form a global working conservation tax law under the auspices of the ILCN.

- 2C Legal primer I: A guide to servitudes/restrictions /easements in civil code countries
Jofre Rodrigo, co-director of the Land Stewardship Network of Catalonia (XCT), talked about the land stewardship contracts and its implementation in Catalonia. Since 2017, the Catalan Civil Code regulates land stewardship contracts for the first time in Europe. Under the new rule, a Land Stewardship Contract can be binding between parties or binding to the land. The latter means that an agreement can be attached to the land’s deed, therefore following the land title in the event of new ownership, similar to an easement or covenant. The Government of Catalonia together with the XCT is currently working to implement a public Register of Stewardship Agreements and a tax incentive framework for land stewardship that will be

linked to the register. All those contracts under the law that meet minimum requirements to ensure legal and technical quality, as well as effectiveness in preserving the natural values, might enroll in the Registry. All registered agreements will be eligible for future tax incentives, especially those that allow for maximum long-term security. Therefore, the development of the Registry will be another key milestone for the development of effective land stewardship practices in Catalonia.

- 2B Setting the bar: standards, practices, certification and accreditation

Sylvia Bates of the Land Trust Alliance (LTA) presented the “Standards and Practices”, a two-volume manual offering comprehensive guidance on all aspects of the day-to-day activities related to running a land trust. The Standards and Practices are available on LTA’s website in English, French and Spanish. All land trusts that are LTA members must adopt the Standards and Practices, which means they must aspire to adhere to them eventually. Land trusts can become accredited by the LTA. This involves a rigorous evaluation process, during which the land trust must prove compliance with key requirements of the Standards and Practices. Accredited land trusts tend to be better in defending their land against violations, more efficient in making decisions, and they save more land than land trusts without accreditation. Lisa McLaughlin of the Nature Conservancy of Canada explained how Canada adopted LTA’s Standards and Practices, but treats them as merely voluntary, non-binding guidelines. The concept of accrediting land trusts is generally considered a good idea in Canada, as the whole profession is suffering from a trust crisis after the bankruptcy of one of the largest land trusts in the country. However, the introduction of binding standards is complicated, because land trusts in Canada are very uneven in size, with most of the approximately 130 organisations being rather small. To gain experience with the process, the Nature Conservancy of Canada will run a test accreditation initiative for the next three years.

- 2A Water fund financing: crafting resilient and practical strategies

One important field of activity for private land conservation is to protect headwaters to keep having (clean) water for consumers/users. This can be accomplished through arrangements with private landowners in the source area, by means of a consortium where water distributors, water users and conservation groups collaborate (examples: Quito, Sebago Lake in New England). Funding for acquisitions can be generated using annual income (a levy on water consumption by end users) to build up an investment fund (70/30 split in deployment of the income – 70% to the fund, 30% to the annual operational budget).

- 2D: Climate change: planning and managing for an uncertain future

Moderator: Andrew Bowman

Climate change is happening faster than we predicted

There are some critical questions:

What should be our aim in terms of what we want to maintain when facing climate change?

How should we identify the specific areas we want to maintain?

Mark Anderson, Director of Science, The Nature Conservancy, USA

There is an evident interaction of climate change and land protection. Plants and animals must adapt or relocate. The Key concepts he presented were: Conserving Nature's Stage, Climate –Resilient Sites, Connected Landscape.

Climate was not the best predictor of biodiversity. If we want to conserve diversity, we should take into account the land, which is correlated with diversity. The climate keeps changing, we should make sure that we conserve the land. There are some factors that make land preserve diversity: lands with more microclimates. Different species live in the same climate, but these microclimates would allow different species to be in the same area. Most resilient places on climate change are those places with more microclimates. Resilient places are those sites with high microclimate diversity and connectedness representing all geophysical settings. How to sustain movement between the resilient sites is a key topic to be taken into consideration. Natural benefits: carbon, water, air

Trees work like a community they share 40% of the carbon they store. Old trees accumulate carbon for centuries and contain large quantities of it.

Kristijan Civi, Eurosite, Netherlands

EU Network of protected sites (Natura 2000) and climate change

Natura 2000 – a network of sites selected to ensure the long term survival of Europe's most valuable and threatened species and habitats. It is based on 2 policy documents that give the legal framework how the Natura 2000 sites should be designated. Impact of climate change must be factored into the management of Natura 2000 and it is primarily aimed at site manager and policy makers. He also presented latest evidence of risk to species and habitats of EU interest and underlined the benefits in mitigating. Ecosystem ~~systems~~services are more in the focus of EU. He introduced the concept of adaptive management: a structured, iterative process of optimal management. Natura 2000 sites are critical spaces for nature. The focus of the network is to reduce non-climate pressure and increase resilience to climate change and to monitor to distinguish between natural&climate effects and management failures. EU funds provide opportunities

Lisa Micheli, Pepperwood Foundation, USA

A 3,117 acre plot of land owned by the Pepperwood Foundation, located in the Mayacamas Mountains, the coast ranges of California, Sonoma County - 80% of the land is privately land.- Mediterranean climate that includes cool wet winters (Nov-Apr) and hot dry summers (May-Oct). Streams are intermittent. During the wet winter, standing water can be found in numerous small ponds.

Main area of interests: Conservation Science; Nature Education; Community Building

A top priority is to bring science and community together (collaborative approach) to identify gaps and to forge solutions to the region's most pressing conservation challenges and focus on better understanding relationships between climate change, drought, and fire. Partners include the Bureau of Land Management, the US Forest Service, University of California, and CAL FIRE. Their measurements are on: climate, plants, water, wildlife. The big challenge they are facing is how to plan in a world that is more dynamic than ever imagined.

One of the main expectations for the future is- to make global climate models local. **There should be a Climate Adaptation Roadmap.**

In order to conserve diversity in the changing climate, we should protect enough land to provide corridors for migration and to cover different geology. This is where land conservation is crucial.

3A: Catalyzing philanthropy

Tantauco park is a voluntary park of 118 000 ha with no legal basis. It is an example of a Chilean family doing conservation as an example to others. The park is a biodiversity hotspot according to Chilean Strategy from 2003. Parc represents a barrier for harmful activities. Creating parks can revolutionaries local economy. National Parks have a tradition and they work. Patagonia is a huge world Park Area.

Parks are a good motor for tourism: good conservation and diversity of landscape in the region attracts tourists. Supporting conservation revolutionarises the local economy: 1\$ invested in conservation delivers 10\$ in local economy.

There is a need to get people of Chile to understand the nature protection (i.e. in parks) to motivate them to contribute to conservation in other places. This would create the conservation community. There is a need to develop philanthropy and build bridges between people with knowledge and funders. There is still opposition to conservation at the local level, but paradigm shift is starting to happen. Working with the local community is ongoing. Channelling funding through the authentic local actors helps increase the acceptance.

It is not always science that is leading the philanthropic investmemnts – sometimes it is just a gut feeling.

Main challenge is how to show that a model is working. Also there is no legal framework to support private initiatives. Showing the success of existing initiatives will attract and inspire other people with money to follow the example – telling stories is a good tool.

- 3B Thinking strategically: responding to changing needs and conditions

Jennifer Gooden of the University presented first findings of her dissertation on the accountability and democratic legitimacy of conservation easements. She stressed that due to its private nature of the tool, it often eludes public scrutiny. This is a major shortcoming of private land conservation, in particular when transactions are publicly funded. In order to justify public investments, better information is needed when purchases or donations of easements happen. However, the need for better accountability is in conflict with privacy rights pertaining to private contracts. This conundrum must be addressed by the private land conservation community if it does not want to risk losing public support for its work.

- 3D Working lands conservation: sustaining our farms and ranches

Biodiversity on grasslands depends on active management by farmers, so it is important keep farmers farming! Conservation-oriented farming can give better results all round, both for nature as for the farm business and product quality. It is important to show this to other farmers – good practice spreads through imitation. Peer to peer networks of farmers work well and are successful in facilitating replication. Evidence from surveys shows that financial incentives are not the most important factor for farmers in their decision to conserve high nature value grassland. Instead, ethical values (such as love of land and wildlife, producing something qualitatively good) are the main drivers getting farmers to take conservation action. It is important to measure/monitor two sets of parameters: the ecological impact of the conservation-oriented farming, and its technical-economic impact (output per hectare, cost per hectare, survival rate of livestock etc.). Farmers want, and have the right to, the full picture! For conservation-oriented farming, it is crucial to develop and market high-end products and diversify income, e.g. by developing agri-tourism, so as to ensure financial viability and rewards.

- Keynote speech by Humberto Delgado Rosa, Director for Natural Capital, DG

Environment, European Commission

Humberto Delgado Rosa introduced the audience to the centrepiece of European biodiversity policy, the Nature Directives and its network of protected areas, Natura 2000. Although being in the responsibility of public authorities, Natura 2000 has great repercussions for private landowners and can only be implemented successfully if the private sector is fully engaged in the activities necessary to maintain or reach a good conservation status of the habitats and species targeted by the site designation. In this light, Delgado Rosa stressed the importance of private land conservation initiatives such as the ILCN and the ELCN for achieving the biodiversity objectives of the EU.

- Reception at Transoceanica

Friday, January 26, 2018

Plenary:

Workshops:

- 4A Working with private sector to advocate conservation.

The workshop presented several examples of businesses investing in conservation: Bank of Australia, a small customer-owned bank. Land conservation is an integrated part of their business and appreciated by their customers. So this provides them with a niche in the market. An external audit has shown that the land they conserve delivers 50M\$ in ecosystem services. It is a challenge to communicate this in a simple and sound way to make it meaningful.

Other examples included BHP and Arauco from Chile, Danone activities in Argentina and Delta airlines. Different companies get involved for different reasons: public image; corporate-social responsibility; market demand for more sustainability; attracting and maintaining the good quality staff; creating a sense of pride by the employees and customers (in service industries).

Also the models through which the companies fund their conservation actions differ: some set up foundations; some fund conservation/restoration projects of others; some purchase land and develop sustainable tourism projects; some try to create endowments for funding in perpetuity.

- 5A Harnessing private investment capital to accelerate and expand land conservation: the role of impact investors = Second Choice

Moderator: Leigh Whelpton, Conservation Finance Network, USA

Impact Investment - Investment made with the intention to generate measurable social and environmental impact alongside a financial return

If 1% of global assets under management were allocated to conservation impact investments, would address shortfall

Funding and Financing

Simple: philanthropy (individual, foundation, corporate), planned giving, public funding, bargain sales, seller financing, transfer fees, conservation buyer

Moderate: fee for service, business partnerships, conservation development, borrowing money (from individual, conservation lender, foundation or bank)

Difficult: ballot measures, natural resource damage payments, impact investing, ecosystem service markets (carbon, wetlands, habitat), mitigation banking, water utility payments, tax incentives.

Peter Stein, Managing Director, The Lyme Timber Company
Harnessing Private Investment Capital to Accelerate and Expand Land

The Lyme Timber Company is a private timberland investment management organization that focuses on the acquisition and sustainable management of lands with unique conservation values, founded in 1976. Their approach was oriented to investing in forestland and rural real estate, positioning itself as a private forestland and ecosystem service investment. The Company's current portfolio includes 650,000 acres located in New York, California, Florida, Tennessee, Wisconsin, Colorado, Maine, South Carolina, Virginia, Louisiana, Alabama, Delaware, and West Virginia. To date it conserved approximately 750,000 acres of its historical portfolio through the sale of working forest conservation easements and other conservation instruments. They have expertise in accessing advantageous debt arrangements as the public and philanthropic funding were not sufficient. The dominant conservation payer were public agencies

Impact investing: investment activity designed to have a positive, measurable impact on social or environmental issue (environment, social and governance, sustainable investing, ethical investing, values investing, mission-related investing, program-related investing, program-related investing, double/triple bottom line, blended value, venture philanthropy, mission investing, social venture investing.

Half of the investors are investing for financial return. The other half are interested in the reports.

Factors that support Lyme's conservation investment strategy: every year impact report. IRIS metrics were developed to provide a common reporting language (Ex of metrics: number ha in their ownership that was conserved, extend of common boundary)

Impact Story: Northwest Wisconsin

From an ecological perspective, large connected assemblages of protected lands are more valuable than small, disconnected and isolated blocks of protected lands. Many investments fill holes in important conservation landscapes and buffer and leverage past conservation investments.

Conserving a large land base through working forest conservation easements not only protects ecological resources, but also ensures a stable climate for forestry-related businesses. Thanks to economies of scale, large forested ownerships are more economical to manage than smaller, disaggregated ownerships. 40% of the capital return to the investors within 4 years.

James Fitzsimons, The Nature Conservancy, Australia
Murray Darling Basin Balanced Water Fund

The Nature Conservancy Australia established the Murray-Darling Basin Balanced Water Fund to provide: water security for Australian farming families, protecting culturally significant wetlands that support threatened species

The Fund invests in permanent water rights in the Southern Murray-Darling Basin and allocate those rights in a smart way. When water is scarce and agricultural demand is higher, more water will be made available to agriculture. When water is abundant and agricultural demand is lower, more water will be allocated to wetlands. It is a win-win, aligning the interests of people and nature. The Fund's capital - \$22 million in equity and \$5 million in debt.

Environmental returns: to conserve the lands and waters on which all life depends; water allocations to maximize environmental, social and cultural; cash donations to support infrastructure for environmental watering; niche - private wetlands piggybacking on government flow events; social.

Complementing other environmental watering – focus on private land and under-watered systems and supplement public environmental watering programs

Lessons learnt:

Enabling factors: water reform, water market impact investors

Multi disciplinary expertise required> economic modeling, climate and rainfall modeling, valuation and auditing, legal and ecological

Structure of the fund appropriate for investor target audience

Size of commitment required

Trade offs in establishing the structure

Investor education

John Earhart, Global Environment Fund, USA/Africa

A global alternative asset manager established in 1990 that has grown into one of the leading investment firms dedicated to the energy, environmental, and natural resources sectors.

They used the sector knowledge and core values to identify and partner with leading companies, and experienced management teams, whose business models deliver energy and resource efficiency by “lightening the footprint” of traditional industries. To date, GEF has invested approximately \$1.0 billion in companies operating in these sectors worldwide.

Case study: Kilombero Valley Teak Company, established in 1992, one of the most innovative forest management projects in Africa, bringing a wide range of social, economic and environmental benefits to a remote area of Tanzania. At the heart of the project is the planting and sustainable harvesting of plantation teak and the protection and management of over 20,000ha of native forests and wetlands and a wide range of wildlife and flora within. KVTC has established an integrated processing plant for the production of timber and value added product, bringing much needed long term employment and social development for the region.

Second Study Case: Compagnie des Bois du Gabon (CBG), offers a unique combination of genuine environmental concern, social development to benefit local communities, economic sustainability, and an outstanding customer satisfaction record.

Limiting impact

- Thorough Knowledge of Area
- Optimal Operational Planning
- Full Traceability
- Scientific Research
- Fauna Conservation & Monitoring Program
- Waste Management
- Reduced Impact Logging

CBG pays special attention to the quality of its relationships with local communities and to limiting the impact of our activities on them while sharing benefits.

- Setting up a permanent consultation platform
- Making a development fund available for the benefit of local economy
- Support in village maintenance
- Collaborative work to preserve sacred and remarkable sites
- Priority recruitment among nearby villages

- 5B How networks can advance land conservation practice, scope and scale

Networks seem to be having their moment. Land conservation networks are being established and growing all over the world. There is a momentum and enthusiasm. This session presented the following networks:

- European Private Land Conservation Network (ELCN)
- Argentinian Network of Natural Private Reserves
- Asi Conserva Chile
- Australian Land Conservation Alliance
- Land Trust Alliance USA

Some lessons learned include:

- Networks work because people believe in them, institutionalization is more difficult
- Institutional branding can be important – a network logo – for sense of identity and pride
- Open doors in private reserves to the members of the network to exchange experience
- It is good to have formal procedures defined, but it is good to have a balance between being flexible and strict
- Focus on the positive “it can always be worse”
- Grow step by step – not too fast
- Follow a set of objectives
- Have in mind long term financial sustainability
- Network needs to show its added value – it has to be useful
- Networking is a lot of work – acknowledge this from the start
- Learn by doing and have successful track record
- Have a good balance between being a leader and listening to members

- 6B Understanding the Global Context: Linkages with the IUCN and UNDP

Brent Mitchell (Quebec Labrador Foundation) announced that the IUCN intends to issue guidelines on PPAs, which will include standards to avoid pseudo-PAs. A first drafting meeting on Vilm Island, Germany took place in June 2017 (Tilman Disselhoff was present for the ELCN). A first draft of the guidelines will be circulated soon, also to the ILCN.

Lance Gloss (ILCN intern) is preparing a report for the UNDP on how private and civic entities effectively secure protected area status for biodiverse lands. It will have about 30 country profiles.

- 6C. Designing mitigation strategies

Moderator: Hari Balasubramanian, EcoAdvisors

Victoria Alosa, Templado, Chile

Mitigation is seen as an opportunity for financing conservation. Any project has to make a great effort to prevent or to minimize impact and then restore. It would be an idea to have a zero impact of the footprint. This is a requirement that has to be respected by each project.

Consider community impact or social compensation.

Investing some money or resources connected with impact on environment, some offset connected with the conservation.

Biodiversity offset is the last step in the mitigation process.

Offset principals: adequate – it is applicable only after mitigation hierarchy is implemented. Demonstrate no net loss; effective – additional, like for like; acceptable – stakeholders to be engaged in design; enduring

Most offsets fail because of: inadequate policy requirements. If offsets are extensive they drive increased avoidance minimization and restoration, which is a good outcome. But offsets have to be well regulated, guided and enforced. Offset system may provide important funds for conservation if well managed.

Gustavo Iglesias, The Nature Conservancy, Argentina, presented the Compensation mechanism applied to infrastructure projects starting from their project in Santa Cruz river covering 47 000 ha. The Environmental Ministry of Argentina requested this study, in order to get an alternative to increase the amount of conservation

Based on the identification of Ecosystems and critical areas affected they estimate how to compensate this areas based on 5 criteria: representatively (how much the surface of the area could be affected), rarity (if there is a particular ecosystem that is singular in the area); remanence (how much of the ecosystem remains in the area), transformation rate by land use (how we use the land), critical area (surfaces cover by priority areas identified using Marxan procedures, wetlands, river basins and estuaries and IBA). This criteria were allocated with some indexes and maps were created.

All this info is important to be used as based information to be used in compensation

Gustavo emphasized some questions to consider:

- Is your project part of regulatory framework? Is it mandatory or voluntary?
- How effective is the conservation outcome/
- Has your project been criticized for institutionalizing negative environmental impacts, and if so how has your organization responded?
- What are the specific kinds of mitigation involved? (eg restoration, land protection, climate change adaptation or mitigation efforts)
- What is the overall regulatory framework for your mitigation program including the process for selecting projects that will receive the mitigation action? (offsite, onsite)

Robert Bonnie, Duke University. USA

Mitigation through Collaboration: Mitigation Policy in the United States

The mitigation system in the US is very collaborative. The Government cannot do it by itself, it plays an important role, but needs collaborative approach with other entities - federal partners, state partners, non-profit organizations, landowners.

Mitigation banking was a way to help save some species. The interest in mitigation banking has increased.

First question they started from was how to minimize the impact.

The Government should set up rules and establish what and how should be mitigated

Graham Chisholm, Conservation Strategies Group, USA

Regional Conservation Investment Strategies: California's New Pilot Program to 'unlock Advanced Mitigation for Public Infrastructure

California has strong state framework for addressing project impacts. \$200-300 million spent annually on mitigation

The Limits & Challenges of Project-by-Project Mitigation - prior to 2017 there were limited tools to advance mitigation.

Voluntary not regulatory program would be more successful.

Regional Conservation Investment Strategy was prepared by public agency, and was intended to be nimble, landscape-scale conservation tool. These plans can be approved for up to 10 years and extend for 10 years period. Once approved enables Mitigation Credit

Agreement and advance mitigation. They were focused on species needs but can be used for other mitigation needs. They are state tool, but could serve other regulatory needs
The great victory would be if counties would ultimately adopt these plans.
Mitigation credit agreement can cover multiple sites.

Benefits of regional conservation investment strategies and mitigation credit agreements:

- Flexible and comparatively inexpensive tool
- Provides regional context for conservation and mitigation
- Voluntary – anyone can use it
- Supports public infrastructure with efficient mitigation delivery
- Can create mitigation credits for habitat enhancement actions (in addition to traditional protection and restoration)
- Unlock advance mitigation for public agencies for first time

5. Lessons learnt

- Communication

Events such as the ILCN Congress are wonderful and enriching, but very resource-intensive. Are there better more efficient ways to communicate? Opinions were divided about the success and attractiveness of webinars. In the same vein, some commented that the ILCN website and newsletter are not exciting. Instead, the use of Whatsapp and Twitter may be better suited to reach out to network members, signalling information which can be found on the website.

There is a lot of information on the ILCN website, but it's not easily searchable, and not synthesized nor systemised. The ILCN still sends information from a central hub to the spokes. It ought to have better information flow from spoke to spoke.

- Internal governance structure: Steering Committee; Advisory Council

The ILCN Steering Committee functions well. In contrast, the ILCN Advisory Council has been largely neglected. Members of Advisory Council who want to join Steering Committee ought to get an opportunity to do so, while Steering Committee members who want to take a step back ought to be able to shift to Advisory Council. Also, the role of the Advisory Council might be redefined as a think tank. It could even be broadened to include not just organisations but also researchers and academic experts. After an ILCN Congress, the Steering Committee could set the priorities for the next one and coordinates its convening, while the Advisory Council prepares the next Congress in terms of content, focusing on a few relevant topics. In order to better define priorities, a survey what the needs are within ILCN might be useful, so that the agenda is less a reflection of what the 'leadership' thinks is interesting to do. Based on this, a strategic plan could be drafted to determine what we want to have achieved in X years, then work back from there, deciding which resources are needed to achieve that result and how we are going to measure success in achieving the goal. To ensure continuous funding, a Development Committee should be set up to look for resources and funds to keep ILCN going. There is a vital importance of permanent staff – without them, ILCN would never be where it is today!

- Going broader: outreach by ILCN

How do we broaden the reach of ILCN? New members from South Africa, China and Indonesia present at the Congress need to be drawn in more closely, so that these new connections are not lost. How to go deeper with the contacts we already have? ILCN can be a 'network of networks':

- In the US, LTA is the network. It includes 1,100 of the 1,700 land trust. The rest is often connected in state-level networks.
- Canada has no functioning national network, but there is a project (by the Nature Conservancy of Canada) to try to set one up in next two years.

- Chile has two regional networks and Tierra Austral will try to revitalise the national one (Así Conserva Chile).
- Argentina has an informal [network](#) gathering of about 50 organisations.
- Brazil has a network (RPPM). The national day of private protected areas was celebrated for the first time on Jan. 31, 2018.
- Colombia and Guatemala both have functioning national networks
- Belize has an informal network of NGOs and private landowners.
- Costa Rica has an association of owners of private nature reserves
- There is a Latin American network, but it is not very solid – it organises congresses from time to time but the last one, in Paraguay, was cancelled.
- In Australia, the expansion of the national network (Australian Land Conservation Alliance – ALCA) is going well. The ten key private land conservation bodies are now in it. Landowners are not represented in the network, but have been attending meetings.
- China has apparently launched a network of land trusts in Nov. 2017.
- Europe: No formal network exists yet, although there are loose groupings of NGOs working on private land conservation in some countries. **ELCN has the aim to create a trans-European private land conservation network.** ELO represents land owners at the EU level, but in practice its membership leaves out many landowners, especially smaller ones.
- Countries with functioning networks like Colombia and Guatemala should be better involved in the ILCN Congress and could send representatives to the Advisory Committee. Also, the global census by the ILCN should be used to identify promising organisations to contact in countries where ILCN is non-existent.
- Regional meetings could be used to broaden the ILCN. ILCN emissaries could bring expertise and practice for a particular topic to a geographic area where ILCN is still weak. This would be a way of helping stimulate networks in areas where they don't yet exist.
- As to the type of member organisations, ILCN consists almost entirely of conservation professionals. Should we not invite landowner organisations to join?
- Brent Mitchell commented that the IUCN already has a well-organised network of Indigenous Community Conserved Areas. So the added value of ILCN trying to develop an indigenous protected area component might be limited.
- As a general note, further thought needs to be put into how to best link the ILCN with the IUCN group on PPAs.

- Going deeper: Thematic/topical networks

Networks can be geographical, but can also be topical: bringing people/organisations together around a common theme. Or even based on biomes like the Mediterranean ecosystems, which only exists in 5 regions in the world. Relationships within the ILCN could be strengthened by focusing on a few core topics and setting up task forces for them. Examples for such thematic tasks forces:

- Financing: How to fund operations, acquisitions and recurring day-to-day management of private conservation land? Fee-based access? Premium prices for quality produce? Crowdfunding? These were topics that came up all the time during the ILCN Congress, both in the dedicated workshops and in other settings. It could be a topic for webinars/internet forum debate. The establishment of a conservation tax lawyer group is a first step in this direction.
- Offsetting/no net loss/habitat banking: How can it be used to advance private land conservation without legitimising environmental damage?
- Working lands: What motivates farmers to bring biodiversity into their business model? Money or love of the land? What does this mean for us and our work?^[SP2]