

## **Effective Practices in Funding Land Conservation for Impact**

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### **Lincoln Institute of Land Policy Working Paper**

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## **Abstract**

The goal of this project is to help foundations more effectively support land conservation and assist the efforts of conservation practitioners working on the ground. In an effort to document proven successful land conservation and conservation funding activities, research involved interviewing selected leaders representing land conservation practitioners and philanthropic investors operating in the northeastern United States. Interviewees responded to a set of open-ended questions drawing from their own experiences in the land conservation arena. This report offers the research methodology, a summary of findings highlighting common themes, additional questions to consider and recommendations for next steps. Information generated from the discussions offers evidence-based information for making informed grantmaking and mission-related investment decisions regarding land conservation activities.

## About the Authors

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Espy is a graduate of Bowdoin College and holds Master's degrees from the Yale School of Management and Yale School of Forestry and Environmental Studies. He serves on the boards of the Maine Philanthropy Center and the Canadian Land Trust Alliance, and is a former chair of the Land Trust Alliance, a national organization serving land trusts throughout the United States.

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## Table of Contents

<b>Introduction</b> .....	1
<b>Methodology</b> .....	1
Focus Group Discussions.....	1
Selecting Interview Participants .....	2
<b>Summary of Findings</b> .....	2
Goals and Purposes of Activities and Investments .....	3
Funding Methodologies and Mechanisms .....	3
Types of Methodologies .....	3
Sources of Funding .....	4
Effective Funding Practices .....	4
Defining Success.....	5
Land Conservation Trends .....	5
Resources for Sharing Best Practices .....	6
<b>Additional Questions to Consider</b> .....	8
<b>Additional Tools to Consider</b> .....	8
<b>Appendix A: Questions for Conservation Practitioners</b> .....	10
<b>Appendix B: Questions for Conservation Investors</b> .....	12

# **Effective Practices in Funding Land Conservation for Impact**

## **Introduction**

“Effective Practices in Funding Land Conservation for Impact” focuses on researching and documenting proven successful practices in land conservation and conservation funding. The goal of the project is to help foundations more effectively support land conservation and assist the efforts of conservation practitioners working on the ground. The project involves researching the practices of conservation organizations and foundations engaged in land conservation projects with a wide range of conservation goals in diverse landscapes and communities throughout the northeastern United States. To gather this data, I interviewed selected leaders representing land conservation practitioners and investors operating in this region.

This report offers the research methodology, a summary of findings highlighting common themes, additional questions to consider and recommendations for next steps. Information generated from the discussions will offer evidence-based information for making informed grantmaking and mission-related investment decisions regarding land conservation activities.

## **Methodology**

The project was conducted under the direction of Jay Espy, recipient of the 2010 Kingsbury Browne Conservation Leadership Award. Espy served as mentor and editor for the project. To gather information, interviews were conducted with practitioners and investors working in the land conservation arena. The research consisted of a two-phase process. First, we interviewed a focus group for feedback on the scope of the project. Second, I interviewed a larger group of practitioners and investors based on the questions developed from the focus group discussions.

### **Focus Group Discussions**

To receive guidance in framing the scope of the project, Espy identified four conservation practitioners and two investors to initially contact for advice and recommendations. Selected colleagues represented the broader target audience.

The discussions lasted approximately one hour and focused on the following questions:

- What two or three conservation projects (past or present) in the northeastern United States do you view as being most effective? Why?
- Are there trends in conservation that you find most exciting and most worthy/need of future funding?
- What roles are philanthropists/conservation investors playing that you find most exciting and/or promising for the future?

The professionals interviewed in the preliminary discussions—along with Bradford Gentry and Tim Northrop of the Yale School of Forestry & Environmental Studies—also provided recommendations for land conservation practitioners and investors to interview for the project.

From the information gathered, Espy and I developed two sets of open-ended questions targeting each constituency. Fifteen questions<sup>1</sup> posed to conservation practitioners identified:

- Goals of their conservation work
- Sources of their funding
- The organization’s relationship with foundations
- Current trends in land conservation efforts

In turn, interview questions<sup>2</sup> with conservation investors focused on identifying the following information:

- Funding goals
- Areas of interest for funding
- Mechanisms for sharing best practices

### **Selecting Interview Participants**

We selected participants based on recommendations from our preliminary discussions with colleagues and with the goal of gathering information from a diverse selection of projects and organizations. Funders represented investment management firms, independent and operating foundations, membership and nonprofit charitable organizations, and public funding entities. Land conservation practitioners represented conservation organizations working in the Northeast ranging in size and scope. Espy provided an overview of the project and introduced potential participants to me by e-mail. Phone interviews were conducted with ten conservation funders and nine conservation practitioners.

### **Summary of Findings**

Land conservation is conducted for a variety of goals and purposes that go beyond actual acquisition and protection of the land. A shift in paradigm seems to be occurring with the focus from “How can people conserve the land?” to “How can land conservation help support vibrant communities throughout the landscape?” A synergy between the two visions of protecting land and enhancing communities needs to include activities not only focusing on acquiring the land, but also considering the social, biological and economic factors vital to the long-term viability of the local communities.

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<sup>1</sup> See Appendix A: Questions for Conservation Practitioners

<sup>2</sup> See Appendix B: Questions for Conservation Investors

## **Goals and Purposes of Activities and Investments**

Practitioners and investors alike reported a variety of resources to address with respect to land conservation including:

- water quality and quantity;
- health and recreation;
- food security;
- climate change impacts and adaptation mechanisms;
- land protection via conservation easements and fee land;
- wildlife conservation;
- impacts of renewable development;
- public access to greenspace;
- ecological diversity;
- working landscapes and waterfronts;
- buffers to public land and farmland to prevent sprawl; and
- preservation of scenic and historical sites.

Funders referenced supporting activities generating broad conservation goals with a majority grounded in community engagement and sustainability including:

- building capacity and stewardship tools for the community;
- supporting on-the-ground research (i.e., impacts of climate change on plant and animal species, water quality) effectively shared with stakeholders to support innovative land conservation activities;
- encouraging innovation to spur greater progress at accelerating land conservation;
- preventing fragmentation and protecting buffers adjacent to public land and farmland;
- strategizing how individual projects fit into the overall initiative of large scale land conservation;
- identifying models for engaging communities; and
- broadening support for land trusts.

## **Funding Methodologies and Mechanisms**

### Types of Methodologies

Funders select grantees in a variety of ways including issuing request for proposals (RFP) and administering trustee-initiated grants and curated grants. While some methodologies may seem narrow in focus, some of the processes (e.g., curated grantmaking) ensure the foundation will find a lead grantee with the stature and capacity to administer the grant. As a result, this focused

process saves time and effort for both parties. However, a foundation will need to have the staffing capacity to administer the curated grantmaking process because the foundation must conduct more work upfront to establish parameters for the process.

### Sources of Funding

Funding mechanisms vary and depend upon the scope of each project. The overarching goal of support is to foster practices that stimulate additional giving. All practitioners expressed a need for foundation funding even if they had yet to receive such support. Groups that had not received funding from foundations reported a lack of staffing capacity hindered their ability to identify funding opportunities and submit proposals.

Both practitioners and investors viewed challenge/matching grants as most effective. Such grants help to leverage funds and increase legitimacy of a project. Program-related investments (PRI) seem to be the least used funding mechanism. While one practitioner noted PRIs proved to be a valuable tool for land acquisition another noted that it was difficult to conceptualize using it because it may indicate that the project (e.g. land acquisition) will generate income to pay back the loan.

Few funders offered a preference for providing support during any particular point during a project's life cycle because timing varies for each project. Yet, many practitioners found that support in the beginning of a project cycle proved positive for the same reasons challenge/matching grants are effective: the support offers legitimacy and leverages funding. In addition, one practitioner noted that operating support offered in the beginning of a project helps to develop the framework for land conservation efforts while subsequent funding is useful for acquisition capital.

### Effective Funding Practices

Communication. Commitment. Competence. Practitioners related how these three factors influence the success of a project.

Practitioners identified the need for foundations to clearly communicate their goals and expectations. There are several ways to ensure communication between a foundation and grantee. Suggested methods ranged from simply offering information about the best means of contacting foundation representatives (e.g., formal vs. informal contact, email, phone, etc.) to conducting one-on-one meetings to discuss the project. Requesting feedback from grantees through a formal assessment process about the funding experience will also help to foster relationships and success in future funding activities.

Further, practitioners expressed a need for foundations to commit to long-term funding for projects. Without long-term support, practitioners may have difficulty in achieving programmatic goals. For instance, staffing may be spread too thin if funding for internal organizational capacity is shortsighted.



While practitioners strive to produce competent work, in some instances, the granting process may impede the effectiveness of a project's success. Practitioners identified several funding practices and protocols hindering the effectiveness and efficiency of the funding process and project outcomes.

- Refusing to pay sufficient overhead costs. Funding for operating costs is necessary to maintain the health of an organization, but it doesn't appear that foundations are fulfilling this need. The entire stability of a project may be compromised if the administering organization has ill-equipped or untrained staff.
- Micromanaging projects.
- Administering complicated application procedures or online applications that are not easy to use or understand.
- Requiring time consuming multi-phase application processes.
- Forcing collaboration in all projects and requiring rigid guidelines and objectives. In some instances, collaboration does not add any value to a project. Likewise, certain guidelines may not be in line with the organization's mission.
- Requiring grant reports with hard data and statistics. Many projects are not quantifiable in this manner and deal with increasing social benefits and learning rather than bucks and acres. Therefore it is difficult to represent statistically.
- A refusal to accept unsolicited proposals.
- Isolating organizations from each other. Practitioners feel it would be useful for foundations to foster networking among their grantees to help share best practices.

### Defining Success

There is no magic formula to gauge success. Rather, funders and practitioners define success in a variety of ways and recognize that there is a need to move beyond measuring it by the numbers of acres protected. Reviewing qualitative as well as quantitative information is critical. One useful tool used by The Nature Conservancy is the logic model. Through this model, the organization measures inputs, outputs and outcome at the onset of the project and throughout its life cycle. The results chain, a component of this model, helps to calculate both quantitative and qualitative data as guided by the metrics established at the beginning of the project.

Other factors considered by funders and practitioners at the completion of the life cycle of a granting period included:

Did their funding leverage other funding? Did the project create or enhance relationships with the community? Was the grantee or community empowered/educated through the course of the funding cycle?

### Land Conservation Trends

Throughout our discussions funders and practitioners identified several common emerging trends in land conservation:

### *Engaging the Community in Conservation*

All respondents noted the overarching need for the community to be engaged in land conservation activities. To be effective, collaborations should include nontraditional constituencies and largely unrepresented stakeholders.

### *Large-scale Land Conservation*

Strategies to conduct large-scale conservation must be strategic and be rooted in the community. Projects need to look beyond the parcel-by-parcel approach and identify ways to buffer current protected areas, prevent urban sprawl and protect farmland.

### *Climate Change*

How do you deal with the impending impacts of climate change? How will water security, species and critical habitat be impacted? How will renewable energy development impact the landscape?

### *Ecosystem Services*

Identifying positive benefits of land conservation needs to be communicated to the community. Specifically, both groups see a need to identify land conservation activities that can ensure water quality and quantity and bring dollars back to the local economy through mechanisms such as carbon finance.

### *Advocacy*

While advocacy was not high on the list of purposes for funding, the recent change in the Northeast's political climate is resonating with funders. If political actions begin to preclude land conservation activities, it may be necessary to engage the public.

### Resources for Sharing Best Practices

#### *Resources for Foundations*

Interviewees indicated best practices are shared in an ad hoc manner with networks developed to accomplish their needs. Face-to-face meetings and convenings offer the best venues for sharing best practices. For example, a 2009 meeting held in Wisconsin gathered 23 land and water conservation funders to share best practices for increasing public and private funding for conservation initiatives. Participants shared conservation priorities and mapped the focal priorities to share with the Department of Interior as the agency developed conservation efforts through America's Great Outdoors initiative. This initiative provided an excellent opportunity for professionals working throughout the United States to collaborate on land conservation efforts and build longstanding relationships and networks.

Investors identified the following events, tools and associations useful for developing relationships with colleagues and learning more about land conservation practices:

- Consultative Group on Biological Diversity: <http://www.cgbd.org>
- Environmental Funders Network: <http://www.environmentalfundersnetwork.org>
- Land Trust Alliance: <http://www.lta.org>
  - Land Trust Alliance Accreditation Program: <http://www.landtrustaccreditation.org>
  - Land Trust Alliance Rally: <http://www.landtrustalliance.org/training/rally/>
- Lincoln Institute of Land Policy: <http://www.lincolnst.edu>
- Maine Land Trust Network: <http://www.mltn.org>
- New Partners for Smart Growth: <http://www.newpartners.org>
- Northern Forest Center: <http://www.primakers.net>
- PlanIt X—the Planning Tool Exchange: [http://www.orton.org/tools/planning\\_tool\\_exchange](http://www.orton.org/tools/planning_tool_exchange)
- PRI Makers Network: <http://www.primakers.net>
- Regional Association of Grantmakers: [http://www.givingforum.org/s\\_forum/index.asp](http://www.givingforum.org/s_forum/index.asp)

*Resources for Conservation Practitioners:*

Conservation organizations need to harness more philanthropic dollars. For this reason, practitioners must invest in fundraising training and strategically develop boards with the goal of developing leadership, networks and mentoring opportunities for staff.

Practitioners identified the following sources and activities useful in learning about funding opportunities:

- Attending relevant conferences, such as the Land Trust Alliance Rally
- Discussions with board members, community foundations and development staff
- Climate Adaptation Knowledge Exchange (CAKE): <http://www.cakex.org>
- Environmental Grantmakers Association: <http://www.ega.org>
- Foundation Center: <http://www.foundationcenter.org>
- Land Trust Alliance: <http://www.lta.org>
  - Land Trust Alliance Accreditation Program: <http://www.landtrustaccreditation.org>
  - Land Trust Alliance Rally: <http://www.landtrustalliance.org/training/rally/>
- PlanIt X – the Planning Tool Exchange: [http://www.orton.org/tools/planning\\_tool\\_exchange](http://www.orton.org/tools/planning_tool_exchange)
- The [ConservationCommon.org](http://www.ConservationCommon.org)

### **Additional Questions to Consider**

Inevitably, additional questions to address on the topic surfaced during the course of the interview process including the following list.

- Is a highly involved foundation a benefit or hindrance? While we asked investors about their required level of involvement in a project, we did not ask the same direct question from practitioners.
- Is there a need to keep the conversations between practitioners and investors isolated? Do investors prefer to have uninhibited conversations among themselves, so that there are highly controlled experiences and relationships?
- How can foundations help increase mentoring and leadership training for practitioners?
- How is conservation funding related to trends in conservation practices? Do funding practices challenge/complement/shape current trends?

### **Additional Tools to Consider**

Additional tools and/or research that might be considered in the future to assist practitioners and investors alike include:

- A list of resources including networks, tools and events useful for practitioners and investors. Information can be expanded from the resources identified by interview participants.
- Creation of case studies featuring examples of successful methodologies and methods to gauge success.
- Identify common threads between what types of funding mechanism best support specific types of conservation work.
- Creation of a venue (questionnaire, focus group) for grantees to review their grantee experience through an assessment process. Some funders have made more extensive effort to evaluate their giving. For example, Land for Maine's Future (LMF) commissioned the New England Environmental Finance Center at the University of Southern Maine's Muskie School of Public Service and the Margaret Chase Smith Center for Public Policy at the University of Maine to conduct an external review of their giving to evaluate the social, economic and developmental impacts of their programs. The subsequent report offered LMF an opportunity to identify strengths and weaknesses of the program.
- Given the changing political climate and need for advocacy, there is a need to clear up confusion about giving for lobbying activities and the types of practices restricted. It would be helpful to identify the legal restrictions imposed on investors and share this information with them.
- Creation of a venue to increase sharing of best practices between public funders and private funders

- Exploration of social media networks to learn about conservation trends from grantees. Are there lost opportunities if funders are not using such venues for information? For example, climate practitioners use Yammer sites and have created websites, e.g., Climate Adaptation Knowledge Exchange (CAKE) to share information. Are investors aware of such mechanisms? How can practitioners best market this information to investors?
- How can we increase diversity within foundation staff and board? Given the trend to work with nontraditional communities, it will offer a richness to the discussion among funders during the decision-making process.

## Appendix A: Questions for Conservation Practitioners

### Effective Practices in Funding Land Conservation for Impact

**Project Goal:** *Help foundations most effectively support land conservation and assist the efforts of conservation practitioners working on the ground.*

#### Goals of Conservation Work

1. What are your environmental and social goals with respect to land conservation?
2. What are the primary resources and/or issues that your work seeks to address? (e.g., agriculture, restoration, habitat, affordable housing, etc.)
3. What type of work do you find offers the most environmental impact/benefits?
4. How do you measure the success of your project?
5. Can you highlight a project that has proven to be most successful and/or effective? What were the elements of the project that proved to be beneficial? Did the project involve a foundation? Why/Why not? If no, do you think the project could have been even more enriched with the support of a foundation?
6. Beyond your own work, do you have a favorite example of a highly effective conservation project? What were the elements that generated its success?

#### Sources of Funding

7. To accomplish your mission, what are your funding sources? From each of these sources, what specific areas of your work (e.g., operation, stewardship, acquisition, etc.) do they fund? How does funding from foundations impact your mission?
8. Foundations support conservation in different ways. What experience have you had with the following funding methods: direct grants (capital, operating, capacity building, challenge/match) and program related investments (PRIs) or other mission-related tools as well as indirect support, such as hosting convenings, sponsoring research and/or engaging in advocacy? Which of the methods has proven most beneficial and under what circumstances? When is it most useful in the life cycle of the project to receive each type of funding?
9. What sources do you use to learn about funding opportunities?

#### Foundations

10. Can you offer an example where a foundation has been very helpful in furthering your goals?
11. Have you experienced a relationship with a foundation that has been long-standing and beneficial? What was the process that fostered the relationship?

12. In your experience, what obstacles or barriers have foundations posed that have prevented you from being effective and/or efficient in your work, or that have offered no practical benefit?
13. Do you have recommendations for foundations to improve the way that they work with conservation practitioners to increase their capacity to further land conservation?

### **Conservation Trends**

14. Community engagement seems to be a recurring theme to further land conservation efforts. Do you engage the community in your work? When is it beneficial/not beneficial to engage the community in a project?
15. What other trends are emerging in land conservation and what types of land conservation projects/ventures are in most need of investment in the future?

## Appendix B: Questions for Conservation Investors

### Effective Practices in Funding Land Conservation for Impact Spring 2011

**Project Goal:** *Help foundations most effectively support land conservation and assist the efforts of conservation practitioners working on the ground.*

#### Goals of Funder

1. How would you describe your primary interests in supporting land conservation? In your work to support land conservation, do you seek to fund any specific purposes (e.g., providing recreational opportunities, protecting productive lands such as farms, forests, working waterfronts, enhancing community and economic development, affordable housing, leadership development, advocacy, etc.), geographic focus (e.g., states, regions, etc.) or natural resources (e.g., wildlife habitat)?
2. When you support a conservation project, what are the goals and objectives the foundation is seeking to attain? (i.e., project vs. place; technical practices, broad conservation results, etc.)
3. We understand that there are different approaches to funding land conservation. What of the following types of mechanisms do you use to support conservation projects: loans, direct grants (i.e., capital, operating, capacity building, challenge/match), program related investments (PRIs) or other mission-related tools as well as indirect support (e.g., hosting meetings, sponsoring research and/or engaging in advocacy)?
4. There are several ways to select grantees for funding support. In administering grants, what is your funding methodology (e.g., request for proposals, foundation-initiated proposals, etc.) for supporting land conservation? What works? What needs work?
5. What funding practices do you find are most effective? What funding practices are least effective?
6. Do you prefer to step in at certain time in a project's lifecycle with support? What level of involvement are you seeking in your investment/philanthropy?
7. How do you evaluate and define the success of an invested project?

#### Areas of Interest

8. To what extent do you engage in funding fee or conservation easement acquisition, advocacy, organizational capacity building, other? What are the pros or cons of funding these various activities?
9. What degree of your support is designated towards land conservation compared to other fields of interest?
10. What emerging trends do you see in the conservation field? In the future, what types of conservation projects/ventures do you feel will be most needing of investment?



## **Sharing Best Practices**

11. How do you keep abreast of best practices in conservation? How do you learn about best practices in conservation funding?
12. Do you follow social media to learn about conservation trends? If so, what types?
13. Do you think it is important for foundations to share best practices? If so, what mechanisms do you use to share your successes and failures with other funders?
14. What strategies are you using to increase your impact on conservation?
15. Are there one or two conservation projects you would point to as being most successful or effective? What were the elements of the project that contributed to its success?
16. Given the purpose of our study, is there any additional information you think we should be gathering or further ideas you'd like to share? Are there other aspects of conservation work you the funding community should be engaged in?