



**Annual Report 2008 – 2009**

## **AMPLIFYING COMMUNITY VOICES DRIVING ENVIRONMENTAL CHANGE**

### *Over the last year*

**Over the last year**, Pacific Environment has worked with our community partners to address some of the most critical environmental issues facing us: climate change, biodiversity protection, and freshwater and marine conservation. We have taken on companies and governments to advocate for stronger environmental controls. We have linked people together around the Pacific to help communities gain a louder voice.

Most importantly, we have been effective. In the last year, we have helped protect the Arctic Ocean near Alaska from offshore oil drilling. We have shut down polluting chemical plants in China. We have prevented new fossil fuel imports into California while getting local governments to commit to aggressive actions to reduce greenhouse gas emissions. For over 20 years Pacific Environment has taken a community-first approach to solving the world's most challenging environmental problems.

Ours is not a typical conservation strategy – yet it has proven effective time and again. Pacific Environment has become a powerhouse of protection and social change in countries throughout the Pacific Rim. With our grassroots partners, we've preserved millions of acres of forests, conserved pristine watersheds, and protected threatened species like bowhead whales and Amur leopards. We've forced oil, gas, and mining companies to apply higher standards to resource extraction. Most importantly, we've supported local communities – the people most dedicated to long-term environmental protection – to shape their environmental future.

Pacific Environment protects the living environment of the Pacific Rim by promoting grassroots activism, strengthening communities, and reforming international policies.

# From the Executive Director

**This year**, I had the opportunity to travel to China to meet with our partners who had helped shut down three horribly polluting chemical plants in the middle of one of China's "cancer villages." As I met with the farmers along the Huai River who had demonstrated the courage to ask the Chinese government to take action against the polluters, I knew that every dollar we have invested into environmental projects in China has been worthwhile.

People often ask how we work in such complicated places as China and Russia. Even in the United States, it can be difficult to achieve environmental progress. We constantly fight with entrenched political and economic interests. Yet when we help our partners to win such huge victories – on life-and-death issues such as access to clean water – I know that we have chosen the right path to take on these challenges.

We have won some amazing victories in the past year. We have helped Alaska Native partners protect their traditional subsistence waters from oil drilling. We have stopped new liquefied natural gas terminals proposed off the coast of Southern California. We have helped protect the sacred Ukok Plateau in southern Siberia from a new pipeline. All this is due to the dedication and passion of our incredible partners and our amazing staff.

I thank you for the support you have provided to make our work successful. Your support is fundamental to our success addressing the most critical environmental issues of our day and to protecting the Pacific Rim.

Sincerely,



David Gordon, Executive Director



## ALASKA PROGRAM

In Alaska, we're working with partners in the native, fishing, environmental, and scientific communities to confront threats to our last frontier. Together, we're safeguarding critical habitat, including Alaska's Arctic Ocean, which provides key habitat for bowhead whales, polar bears, and walrus.

Did you know that there are 231 federally recognized tribes (approximately 40% of the nation's tribes) in the State of Alaska?

- Pacific Environment is spearheading a campaign to protect indigenous communities, bowhead whales, and polar bears from the negative impacts of offshore oil drilling;
- We successfully blocked exploratory drilling proposed by Shell Oil in the Beaufort Sea;
- We partnered with the Native Village of Point Hope and other environmental organizations to successfully challenge the 2007-12 Five-Year Plan for offshore leasing;
- We were appointed as the conservation representative to the Public Advisory Committee on the Aleutian Islands Risk Assessment, where we are working to strengthen shipping safety policies for the Aleutians;
- We contributed to the Arctic Marine Shipping Assessment, adopted by the eight Arctic nations in spring 2009, to advocate for strong measures to increase shipping safety in the Arctic.

## CALIFORNIA ENERGY PROGRAM

We believe California can meet its energy needs – and chart an independent energy future – by increasing the efficiency of our power plants and investing in renewable energy.

- Working with our Southern California partners, Pacific Environment defeated a Liquefied Natural Gas (LNG) import terminal proposed offshore of Los Angeles. If built, this facility would have brought in foreign-sourced natural gas, and dramatically increased pollutants and greenhouse gas emissions in the Los Angeles region. Thanks to the work of the movement we have led since 2003, there are no longer active LNG proposals on the California coast.
- We worked with grassroots partners in Southern Oregon, where we have held the line on a proposed LNG terminal in Coos Bay and an accompanying pipeline that would slash through Southern Oregon's forests en route to California. We have testified against the project and helped grow opposition to the proposal from San Francisco to Coos Bay. Thanks to our advocacy, the City of San Francisco passed a resolution demanding that PG&E, a project sponsor, withdraw. The permitting agency has delayed making any decisions on this controversial project.
- In our own backyard, we worked with the Local Clean Energy Alliance (LCEA) to win one of the nation's most aggressive climate action plans in Oakland. The city agreed to reduce emissions by 36% by 2020 and 85% by 2050.

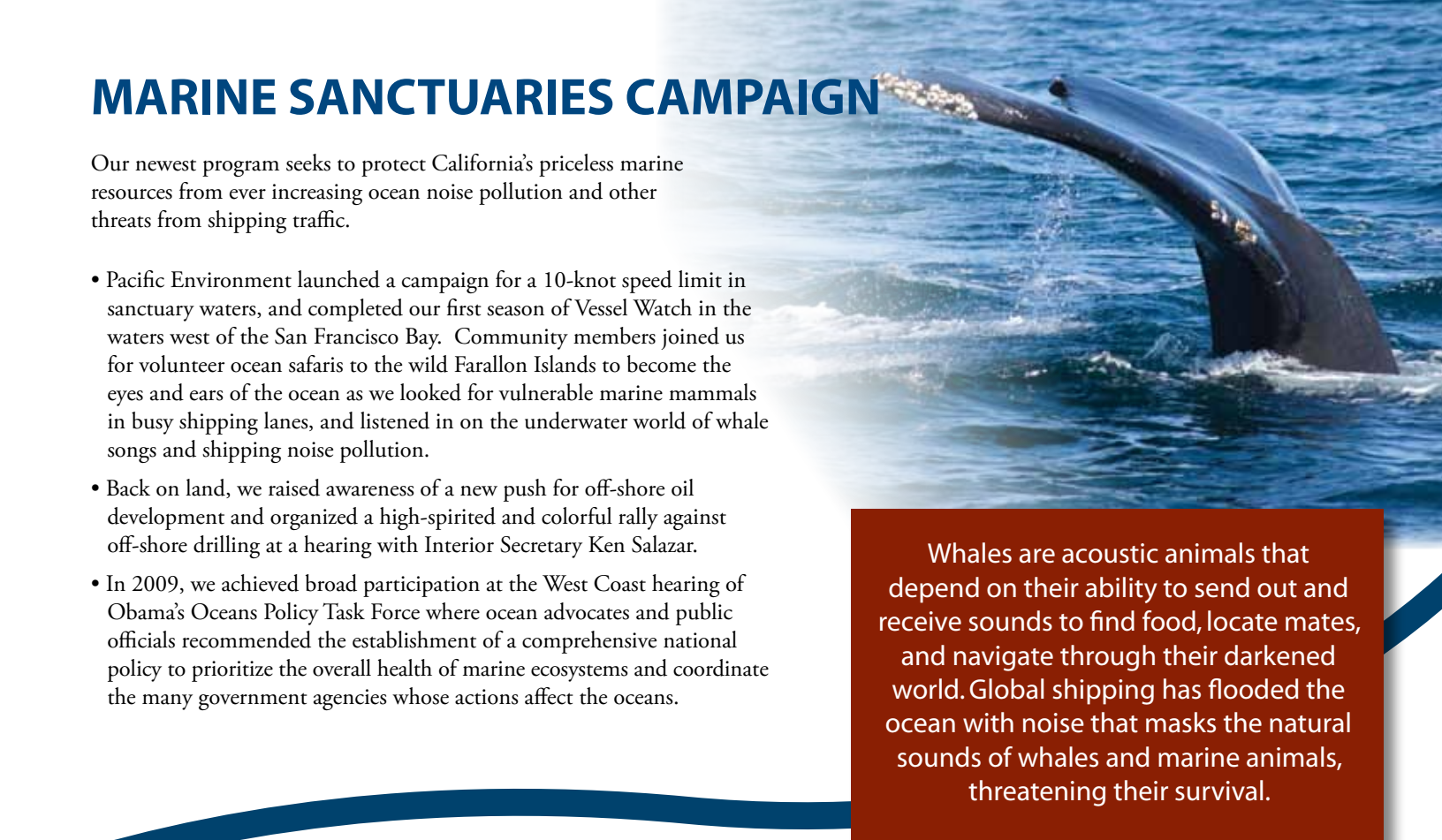


Did you know that despite an aggressive renewable energy law in California, the state's utilities are purchasing less of a percentage of renewable power now than they were when the law passed in 2001?

# MARINE SANCTUARIES CAMPAIGN

Our newest program seeks to protect California's priceless marine resources from ever increasing ocean noise pollution and other threats from shipping traffic.

- Pacific Environment launched a campaign for a 10-knot speed limit in sanctuary waters, and completed our first season of Vessel Watch in the waters west of the San Francisco Bay. Community members joined us for volunteer ocean safaris to the wild Farallon Islands to become the eyes and ears of the ocean as we looked for vulnerable marine mammals in busy shipping lanes, and listened in on the underwater world of whale songs and shipping noise pollution.
- Back on land, we raised awareness of a new push for off-shore oil development and organized a high-spirited and colorful rally against off-shore drilling at a hearing with Interior Secretary Ken Salazar.
- In 2009, we achieved broad participation at the West Coast hearing of Obama's Oceans Policy Task Force where ocean advocates and public officials recommended the establishment of a comprehensive national policy to prioritize the overall health of marine ecosystems and coordinate the many government agencies whose actions affect the oceans.



Whales are acoustic animals that depend on their ability to send out and receive sounds to find food, locate mates, and navigate through their darkened world. Global shipping has flooded the ocean with noise that masks the natural sounds of whales and marine animals, threatening their survival.



## CHINA PROGRAM

By providing small grants, strategic guidance, and capacity-building support to dozens of Chinese grassroots groups, Pacific Environment is strengthening China's homegrown environmental movement.

- Pacific Environment facilitated our fifth and the largest Water Pollution Coalition meeting ever, bringing together partners and allies from across China to brainstorm ideas and to develop strategies for collaborations. Many of the groups that were simply volunteer networks at the beginning of our support five years ago have grown into credible organizations working with stakeholders to resolve pressing environmental issues in their regions and beyond.
- We helped our partners at Green Anhui and villagers in Bengbu to shut down three chemical factories in late 2008, following a two-year campaign against their industrial pollution.
- We helped Green Camel Bell in Gansu Province and its director Zhao Zhong be recognized as an 'Environmental Hero' by *Time* Magazine, in recognition for their work to monitor and reform the practices of polluting factories along the Yellow River.
- We promoted marine conservation among our partners in coastal provinces. Our partner Green Eyes and South China Nature Society (SCNS) successfully rescued a Nurse Shark from a Cantonese restaurant, garnering widespread domestic and international media attention.

"Of eight prompted environmental issues, water pollution is considered to be the most important environmental concern in China. Sixty-seven percent of respondents consider it to be a very serious problem, and 90% worry that many parts of the world will increasingly suffer from fresh water shortages."

- Excerpt from report by  
*Circle of Blue*, August 2009



## RESPONSIBLE FINANCE CAMPAIGN

Our Responsible Finance Campaign holds public banks that attempt to invest in harmful extractive projects accountable to local communities and the environment.

The critically endangered Western Gray Whale population consists of only about 130 total individuals and about 20 breeding females.

Applications to public finance institutions such as the US Export-Import Bank for both renewable energy and irresponsible fossil fuel projects are skyrocketing following the global financial crisis.

- Backed by the findings of internationally prominent marine scientists, Pacific Environment catalyzed an international NGO effort to successfully persuade Sakhalin Energy (Shell and Gazprom) to suspend its planned 2009 seismic testing off Sakhalin Island, Russia, in the vicinity of the primary feeding area of the critically endangered Western Gray Whale, whose observed numbers in the feeding area plummeted in 2008 following loud industrial noise from Exxon Neftegas Ltd.'s adjacent operations.
- We led campaign efforts to improve the climate change policy of the US Overseas Private Investment Corporation to include greenhouse gas reduction commitments that go beyond those of any mainstream public or private bank. OPIC pledged to reduce emissions from projects it supports by 30% within 10 years and by 50% within 15 years.
- We worked with a coalition of organizations to promote enhanced financing terms for responsible renewable energy and to oppose dubious technologies. This will help ensure that support is provided to environmentally sustainable technologies, not problematic technologies such as so-called "clean coal."

To better support the environmental groups of Siberia and the Russian Far East, Pacific Environment established the Russian Far East Conservation Fund. The fund provides a long-term sustainable funding mechanism for grassroots environmental groups and specific conservation initiatives. For more information about the fund, please visit [www.lastgreatwild.org](http://www.lastgreatwild.org).

## RUSSIA PROGRAM

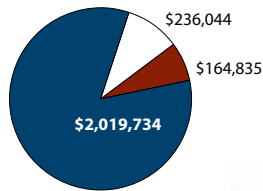
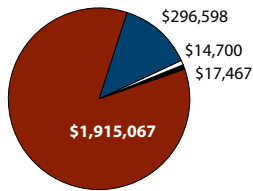
Driven by high prices for fossil fuels and other natural resources, Russian and international companies are exploiting the country's oil, gas, mineral, timber, and marine resources at an alarming pace. Over the past 20 years, Pacific Environment has grown the environmental movement in eastern Russia by providing direct support, engaging in joint advocacy, and building local, national, and international coalitions.

- In Kamchatka, Pacific Environment supported community-based anti-poaching brigades in new watersheds and has expanded a successful mini-grants program to support salmon conservation in remote indigenous communities.
- We worked with partners in Krasnoyarsk Region and the Sakha Republic to fight planned large-scale dams that would displace thousands of local residents and flood 2.5 million acres of valuable forests and grazing lands. To date, Evenk communities in Krasnoyarsk region have effectively stalled plans for the Evenkiskaya Dam, citing social and environmental concerns.
- Our partners in the greater Altai region continued mapping sacred sites to secure future protection from development projects, including on the pristine Ukok Plateau, a World Heritage Site.
- We protected endangered Amur tigers in Primorye by supporting local anti-poaching brigades and education efforts and protecting tiger habitat.
- We are supporting an important project in the Arctic to monitor climate change impacts to Pacific walrus, specifically by monitoring walrus numbers and behavior at six known walrus haul-outs on the Arctic coast.



## 2008 – 2009 Financial Statement

### Statement of Activities and Changes in Net Assets



#### SUPPORT AND REVENUE:

Grants	\$ 1,915,067
Contributions	\$ 296,598
Program Service Fees	\$ 14,700
Interest Income	\$ 17,467
<b>TOTAL</b>	<b>\$2,243,832</b>

#### EXPENSES:

Program Services	\$ 2,019,734
Support: Management & General	\$ 236,044
Support: Development	\$ 164,835
<b>TOTAL</b>	<b>\$2,420,613</b>

#### Staff

David Gordon  
*Executive Director*

Galina Angarova  
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*Communications Manager*

Yang Chu  
*China Program Associate*

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Marcy Straw  
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#### FOUNDATION, CORPORATE & GOVERNMENT SUPPORT

Alaska Conservation Foundation  
The Annenberg Foundation  
L.P. Brown Foundation  
The California Endowment  
Cisco Systems Matching Gift Program  
Citigroup Global Impact Funding Trust  
Conservation, Food and Health Foundation  
Earth Share of California Ecology Center Fund  
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