Local-to-Global Action for Thriving Forests

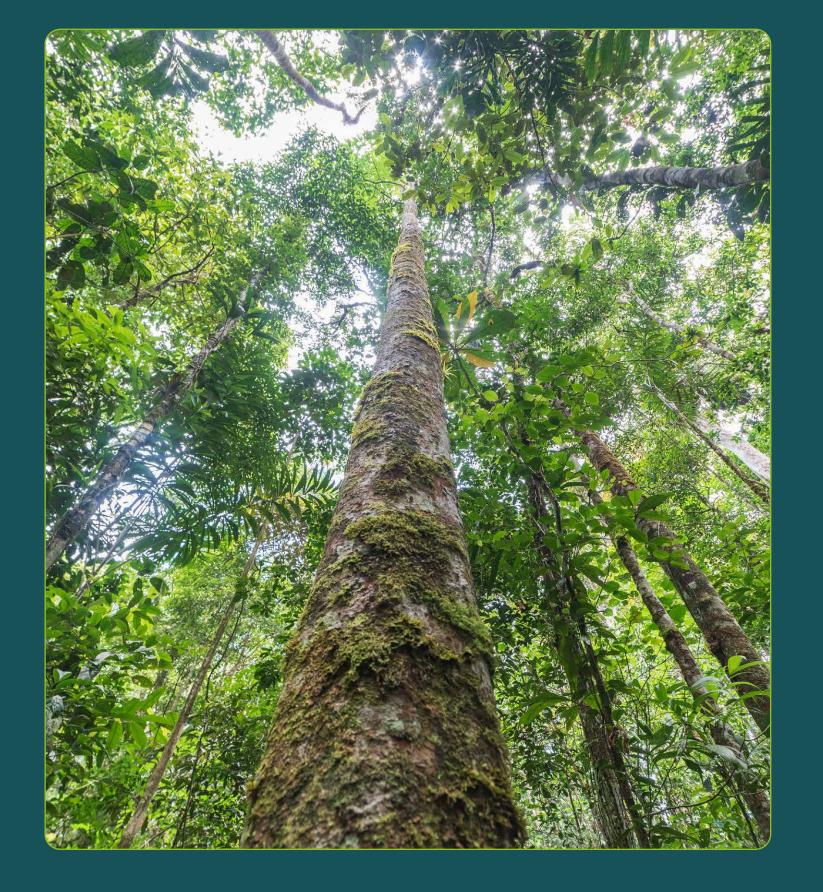


2022 Annual Report



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Introduction









At the Rainforest Alliance, we know that those who make their living from the forest have a powerful incentive to protect it.

With this principle in mind, we launched Forest Allies in 2021 to leverage corporate support for the bold local action needed to halt forest degradation and deforestation and mitigate the global climate crisis.

Protecting, conserving, and restoring the Earth's last remaining intact forests and key biodiversity areas is crucial to meet global climate and nature targets. Yet these critical landscapes often lack the private sec-

tor support needed to address the urgent threats they face—namely, locally-driven deforestation and degradation. One reason for this is that production in these landscapes tends to serve local markets and communities, rather than international supply chains. Forest Allies helps fill this gap by giving global companies a direct way to support these communities and the precious forests they steward.



How Forest Allies Works

Forest Allies is a community of practice that brings together companies, regional civil society organizations, and forest communities for targeted projects that protect, restore, and enable the responsible management of tropical forests around the world. By July 2021, we had active Forest Allies projects in six key tropical forest landscapes, from Guatemala's iconic Maya Biosphere Reserve to the biodiverse forests of Mintom in Cameroon.

Through membership in Forest Allies, business partners support the Rainforest Alliance's model of <u>Integrated Community</u>

Forest Management, which focuses on both protecting natural forests and partnering with communities to build thriving local

economies. Forest Allies members meet to exchange knowledge, best practices, and proven solutions for shared challenges. This direct connection is what makes Forest Allies so unique.

In the pages ahead, we will celebrate our 2022 activities and outcomes and explore our roadmap to scale this exciting initiative in the years to come.

OUR FOUNDING MEMBERS





Our Reach



Forest Allies projects are spread across some of the world's most critical forest landscapes: the Amazon Basin, the Selva Maya, the Congo Basin, and the Indonesian Archipelago. Discover the scope and reach of each exciting project.

KEY TERMS

Community-Based Management (CBM)

An area sustainably managed by a local community with the goal of improving their livelihoods and the environment.

Communities implement improved forest management practices like agroforestry, conservation, and restoration and generate income from sustainably harvested timber and non-timber forest products. The area may be under collective or private ownership.

Strictly Protected Areas (SPAs)

An area that has been set aside for the purpose of conserving a specific set of environmental or cultural values, with the primary objective being the preservation of bio-cultural diversity. These areas are intended to have minimal influence from human economic activity and may or may not be managed by a local community. Adjoining buffer areas are not included in the definition of Strictly Protected Areas.

Improved Forest Management (IFM) or Improved Agroforestry Management (IAM)

A forest or agroforestry area managed by a local community according to a forest management plan that aligns with the principles and criteria of the Forest Stewardship Council's standards. Agroforestry refers to the ancient practice of strategically planting trees and vegetation alongside crops and/or livestock pasture to enhance productivity and the ecosystem.

Undergoing restoration

Community managed areas governed and managed in ways that achieve positive and sustained long-term outcomes for the recovery of the ecosystem and its associated conservation values. Ecosystem restoration encompasses a wide continuum of practices, depending on local conditions and societal choice.

Amazon Basin

San José del Guaviare, Colombia

In the central southern region of San José del Guaviare in Colombia, economic struggles—fueled by years of paramilitary violence—have driven communities to cattle farming, which has led to record deforestation rates. The Rainforest Alliance is working to break this vicious cycle. Together with ASOPROCEGUA (a local farmers' association), we're developing sustainable forest management plans and creating new opportunities for non-timber forest product enterprises.







1.9 million hectares of SPA

23,638 hectares under CBM

16,769 hectares under IFM

262 community members in one community group

Amazon Basin

San Martín, Peru

Indigenous communities have legal autonomy over 14 of Peru's 70 million hectares of tropical forest. Yet these areas have the fourth highest rate of deforestation in the country and 28 percent of the local population lives in poverty. In the San Martín region, the Rainforest Alliance is working with 14 Indigenous communities to develop successful, sustainable forest enterprises that fight deforestation and degradation while helping ensure a bright future for those that live there.







66,230 hectares under CBM

339 hectares under IAM

2,612 community members in 14 community groups

Congo Basin

Mintom and Bana, Cameroon

Cameroon is a vital part of the Congo Basin's forest ecosystem, which is home to some of the world's richest biodiversity. The Rainforest Alliance is helping forest communities in two landscapes—Mintom and Bana—develop thriving local enterprises and sustainable forest management plans that preserve this rich biodiversity as increasing pressure from large-scale rubber, palm oil, and cocoa farming operations put these critical areas at risk.







59,800 hectares of forest under CBM

1,000 hectares of forest undergoing restoration

742 community members

Indonesian Archipelago

Java, Indonesia

In 2015, the Indonesian government launched a social forestry program that aims to give local communities legal rights to sustainably manage 12.7 million hectares of state forests. The Rainforest Alliance is helping communities in Java develop successful sustainable forest enterprises that enable them to reap the benefits of this program and ensure its success.







437 hectares under IFM

328 community members in nine forest community groups

Indonesian Archipelago

Sintang, West Kalimantan, Indonesia

The central district of Sintang in West Kalimantan is home to some of the most biodiverse tropical rainforests on the planet. While 59 percent of Sintang is made up of forest areas, it suffers from one of the highest rates of degradation and deforestation in West Kalimantan. This is, in part, caused by rubber production, with 125,000 hectares of natural rubber cultivated by smallholder farmers throughout the district. Since 2021, the Rainforest Alliance has been working with the Sintang district government and other local partners to develop and implement a sustainability roadmap for rubber. In 2023, we will begin working directly with farmers and conduct a baseline assessment of the project to determine its full scope and scale.







Selva Maya

Maya Biosphere Reserve, Guatemala

The Maya Biosphere Reserve is a 2.1-million-hectare area that anchors the largest remaining natural forest block in Mesoamerica. The Rainforest Alliance has been working in the reserve for decades to help communities build businesses that restore and protect the forests, helping create more than 15,000 jobs with a near-zero deforestation rate. Yet some areas of the reserve have experienced deforestation, largely driven by cattle grazing, which is why we are partnering with the local communities of La Pasadita and Cruce a La Colorada to scale our proven restoration model.







39,101 hectares under CBM

17,834 hectares of land under IFM

350 hectares of forest undergoing restoration

1,379 community members

Our Monitoring, Evaluation, and Learning Approach and Tool

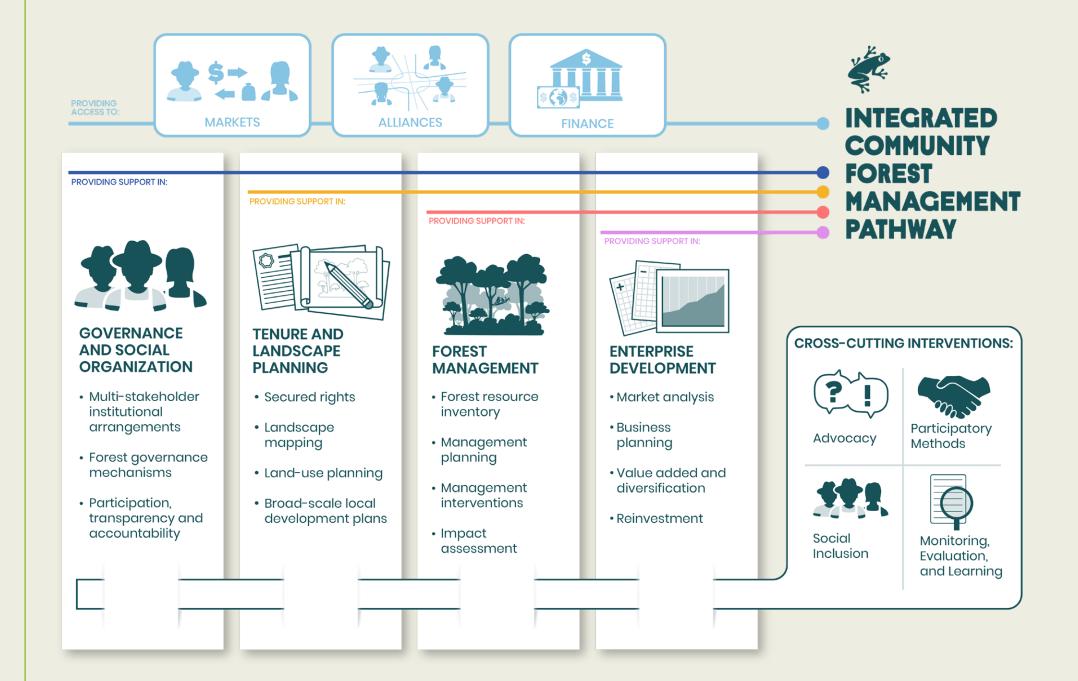


How We Measure Progress and Report Results

To measure the outcomes of our Forest Allies projects, we developed the <u>Integrated Community Forest Management Monitoring, Evaluation and Learning (ICFM MEL)</u>
<u>Tool</u> with support from <u>IIED</u>.

The tool is structured around **our four pil- lars of Integrated Community Forest Man- agement**:

- Pillar 1: Governance and social organization
- Pillar 2: Tenure and landscape planning
- Pillar 3: Forest management
- Pillar 4: Enterprise development



To learn more about the Integrated Community Forest Management Pathway, see our <u>Integrated Community Forest Management Position Paper</u>.



Our Methodology

The tool is comprised of introductory guidelines and 80 self-rating questions on the level of progress made per pillar (scored from 0-4). In addition, nine headline indicators with accompanying sub-indicators collect primary data on reach and outcomes across the four pillars.

Responses provide a snapshot of how Forest Allies partner community forest organizations are progressing in alignment with the Integrated Community Forest Management model.

A Collaborative Approach for Instant Feedback

The tool is participatory, meaning that it is implemented and completed directly by forest communities. Once a year, Rainforest Alliance staff or local partners work with community representatives over the course of a half-day session to discuss and complete the questions. The results are then shared and discussed with the communities immediately after, helping to inform their decision-making.

For the communities, these swift insights are extremely valuable as it allows them to course correct and implement changes right away.

In 2023, the tool will get an upgrade from an Excel-based format to a mobile application which will make for a more user-friendly evaluation process and improved data management.









"Implementing the ICFM MEL assessment tool directly with forest farmer groups is challenging but rewarding. The results of this assessment are very useful for measuring the aspects and levels of changes that have occurred in forest farmer groups over the course of a year, and by immediately discussing the results, farmers can already start to set their future agenda."

Mohammad Zainuri Hasyim

Manager of Community and Smallholder Programs, Asia Pacific and Forest Allies Project Manager for Indonesia

Monitoring & Evaluation Results

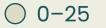
Here is the baseline data collected in 2022 using the ICFM MEL tool for all our projects. All 80 indicators were assessed.

HOW TO INTERPRET THIS DATA

- Performance is self-rated by communities. This baseline data is a snapshot of how they interpret current alignment with our ICFM model.
- A low score is not always indicative of poor performance. It may instead indicate the outcome is not currently a priority for the community.
- A non-applicable rating indicates the community does not perform these activities.
- In future assessments, these baseline results will be compared against newly gathered results to understand and measure progress.

Community Alignment with Indicators

Alignment Score: 0 0-25 0 26-50 0 51-75 0 76-100







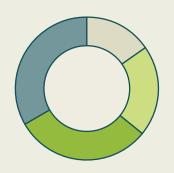
1.1.

Community forest organizations have clear improved internal governance that attracts and engages an active gender balanced membership.

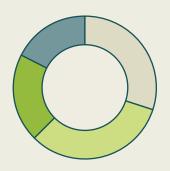


1.2.

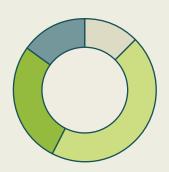
Community forest organizations have strengthened external relationships with business partners, and support networks that are conducive to achieving their vision and goal.



Community forest organizations are able to internally agree and recognise land use plans that ensure operational incentives for sustainable forest management.

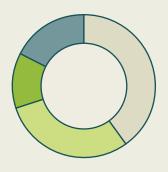


Community forest organizations have secured tenure arrangements governing land and forest access and use to allow uncontested community forest activities.

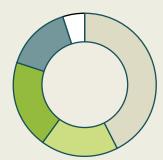


3.1.

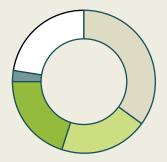
Community forest organizations have procured knowledge necessary to protect environmental values.



Community forest organizations have established the necessary management plans, gender equitable capabilities and relationships to manage the forest sustainably.



Community forest organizations have developed enterprises with value propositions giving attractive returns on investment at acceptable risk and transaction costs.



The enterprise managed by the community forest organizations is mobilising savings and investments to reinvest in diversifying and upgrading its value proposition to benefit men, women, and youth.

Our Impact

Total hectares under community management:

189,206

Total communities:

43

Total hectares undergoing restoration:

727

Total co-funding (USD):

\$3,980,000

Total hectares of forest under improved management (IFM or AFM):

65,991

Total livelihoods:

5,323

Total seedlings distributed:

292,838

Total leverage funding (USD):

\$2,550,000



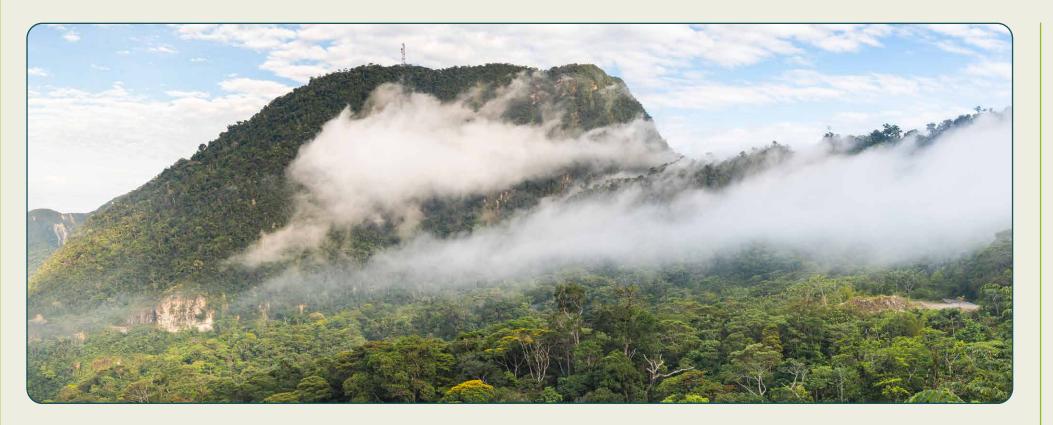
KEY TERMS

Co-funding

Areas where we have existing projects and Forest Allies funding complements activities to enhance or enable additional outputs. Co-funding is not dependent on Forest Allies funding.

Leverage funding

Project money that has been secured using Forest Allies funding or outputs as a critical enabler.



Improving our Approach: Data Collection for Pillars 2 and 4



Though it is not shown here, we are also collecting data for Pillar 2 (tenure and landscape planning) and Pillar 4 (enterprise development). However, during the baseline data collection, the data we analyzed did not meet our quality standards in order to provide full baseline outcomes.

We are reassessing our approach to gathering this data and looking for simplified ways to measure progress.

Community of Practice

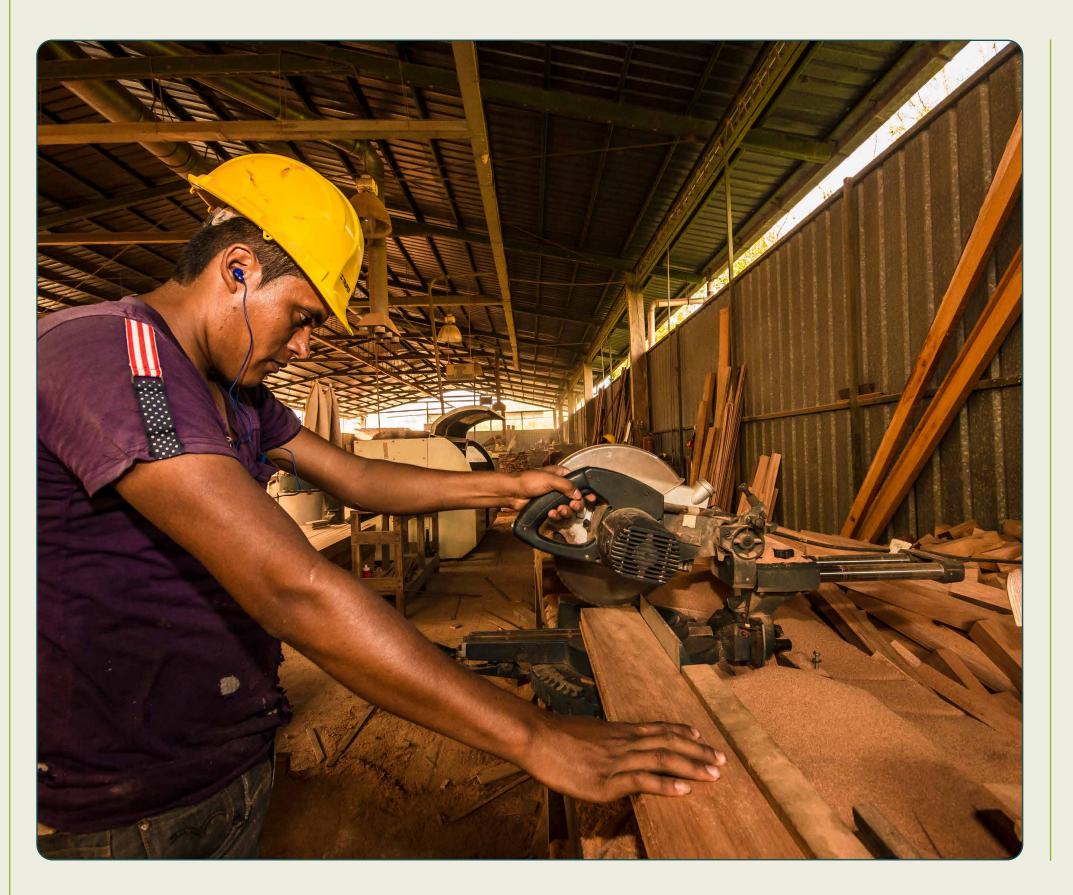


A Local-to-Global Community of Practice

What makes Forest Allies unlike other initiatives out there is its focus on direct action—connecting global companies with local forest communities and civil society groups who would typically not have the opportunity to collaborate. Together, these partners create a "community of practice" (CoP).

CoP members meet regularly to exchange knowledge, best practices, and solutions around key topics such as ecosystem services or access to finance. Members leave these workshops invigorated by collaboration and new perspectives.

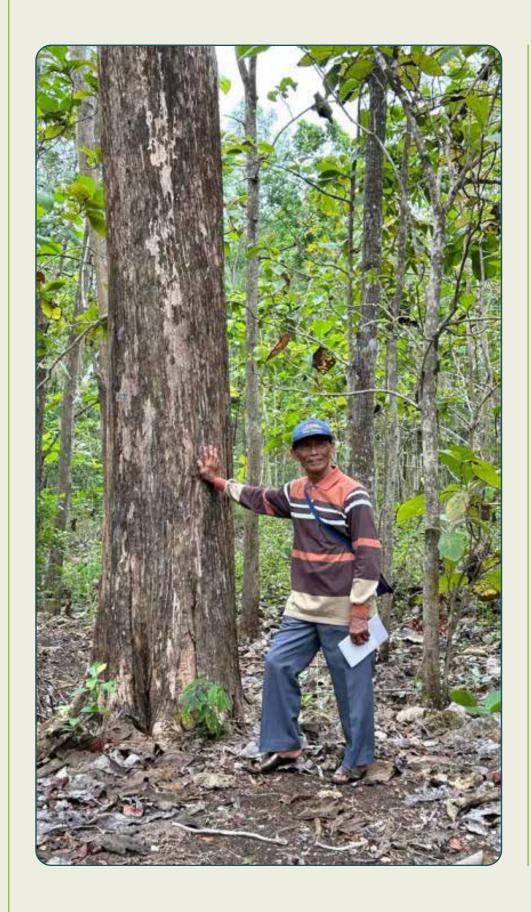




Finding Solutions During the Virtual Forest Allies Meeting

At the virtual meeting of our Forest Allies project in Guatemala in July 2022, we were joined by FORESCOM Sales Manager Glyde Marquez and General Manager Elmer Mendez for a panel-style discussion on access to markets for timber and non-timber forest products. Based in Flores, Guatemala, FORESCOM is our lead community forest organization that works with local communities to develop sustainable forest products.

Glyde and Elmer shared their experiences, successes, and challenges in getting community forest products into international markets and later participated in breakout groups with members from the Rainforest Alliance, Proctor and Gamble, and Kingfisher to discuss innovative solutions to building value chains and bringing products to market.



Visiting our Forest Allies in Java

In October 2022, Rainforest Alliance and Procter & Gamble staff had the opportunity to visit our Forest Allies project in Java, Indonesia where we've teamed up with the Forest Stewardship Council® (FSC) and members of an Indonesian forestry cooperative, Wana Manunggal Lestari. The cooperative, which is located in the mountains behind Yogjakarta, are now testing and piloting a new FSC standard that aims to make FSC certification more accessible for local communities.

500 hectares of forest will be FSC certified through the project, which local villagers see as a good opportunity.

"[It] will help us to diversify our markets and increase farmers' income," confirmed Ibu Darmi, president of the cooperative and community leader of 35 community forests in the Yogjakarta area.



Ready to become a part of our Forest Allies community?

Join our next Forest Allies Community
of Practice meeting!

Accountability Framework Assessment







Bridging Supply Chain Gaps with the Accountability Framework

Companies that join the Forest Allies CoP also benefit from an in-depth Accountability Framework assessment to analyze any social and environmental due diligence gaps in their supply chains. The Accountability Framework is a globally respected roadmap to achieving responsible supply chains that the Rainforest Alliance co-led the development of in 2019. The Framework is organized into 12 Core Principles across seven different action areas, each with sub-principles.

A <u>Framework assessment</u> is not an audit, but rather a tool that helps companies ensure they have adequate policies and practices in place to identify, assess, and mitigate sustainability risks in their supply chains while meeting internationally recognized best practices. The assessment acts as a launch pad for future conversations about improving due diligence practices. For companies, this has been a major advantage of Forest Allies membership.



"The Rainforest Alliance's assessment of Kingfisher's alignment with the Accountability Framework has allowed us to identify areas where we can help strengthen our responsible forest management policies and procedures. This will help us deliver on our commitment to become 'Forest Positive.'"

Karl Arpon

Environmental, Social, and Governance Engagement Manager, Kingfisher plc

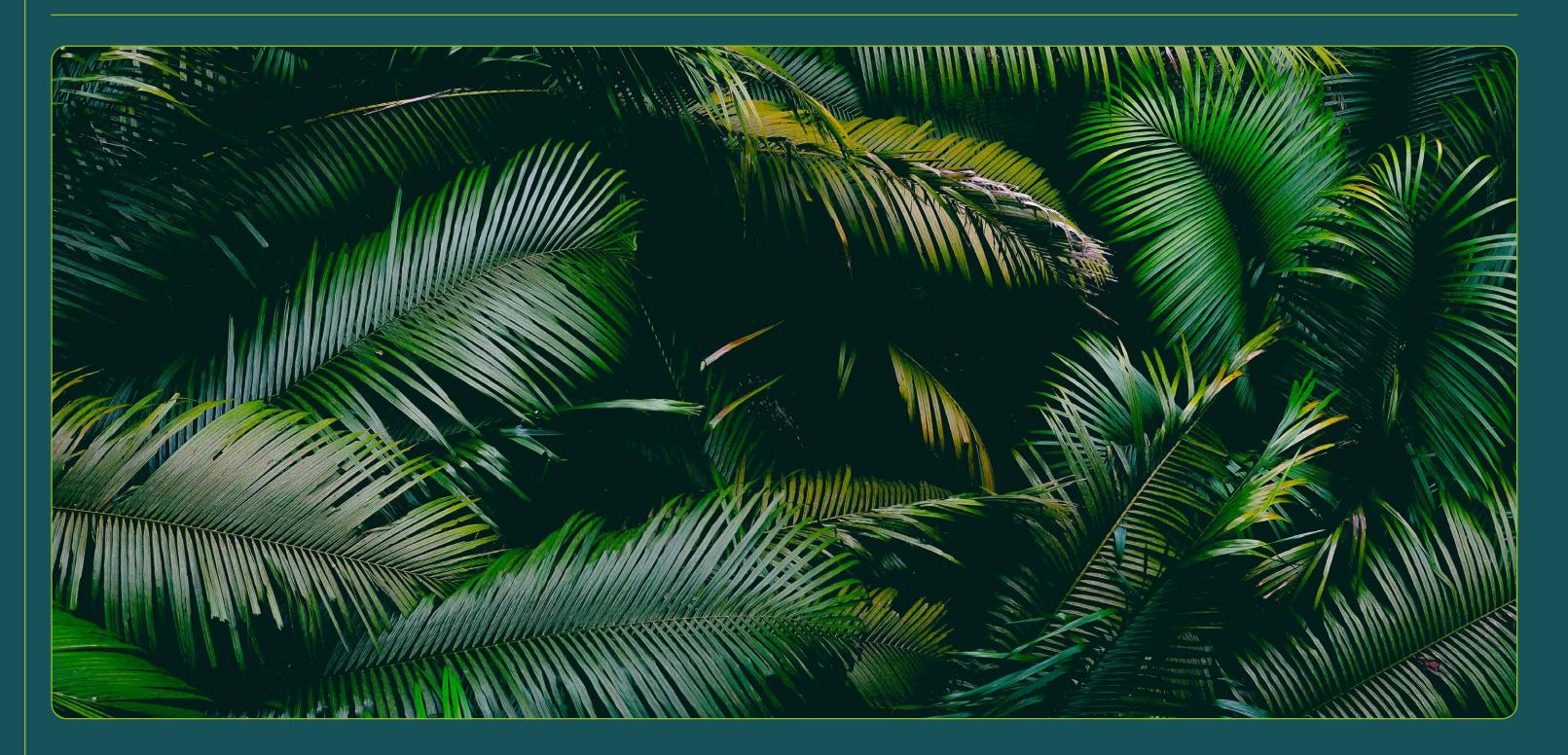


"The Rainforest Alliance team applied the Accountability Framework to assess P&G's approach to forest-related supply chains. The Framework helped us assess sustainability goals, supply chain monitoring, supplier engagement, and non-compliance approaches as part of our responsible sourcing programs."

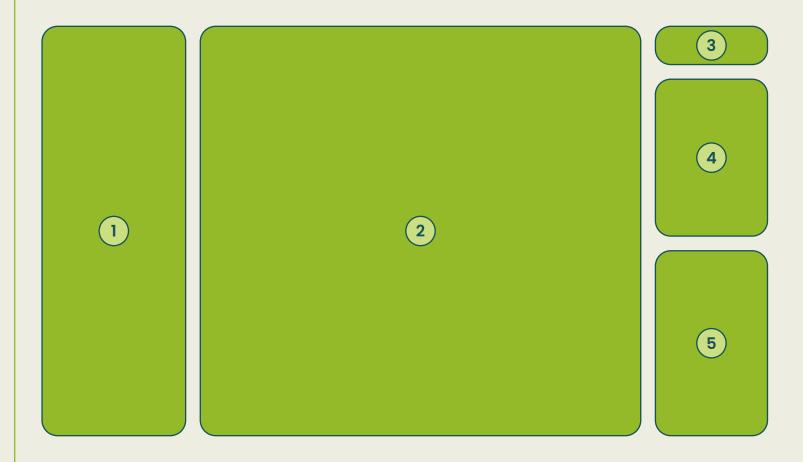
Tonia Elrod

Vice President of Responsible Sourcing, Procter & Gamble

Financials

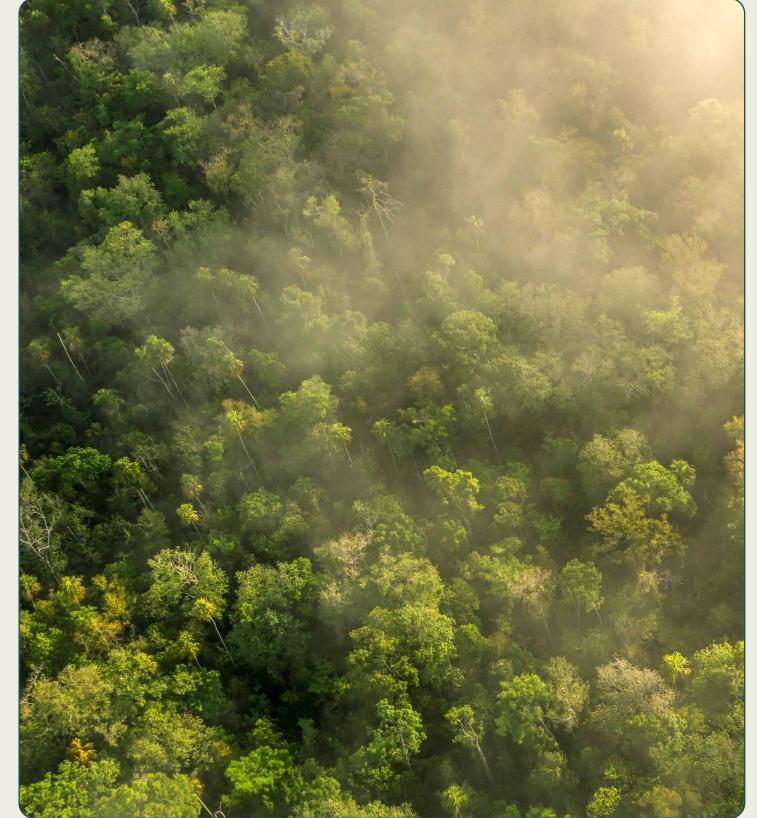


2022 Spending

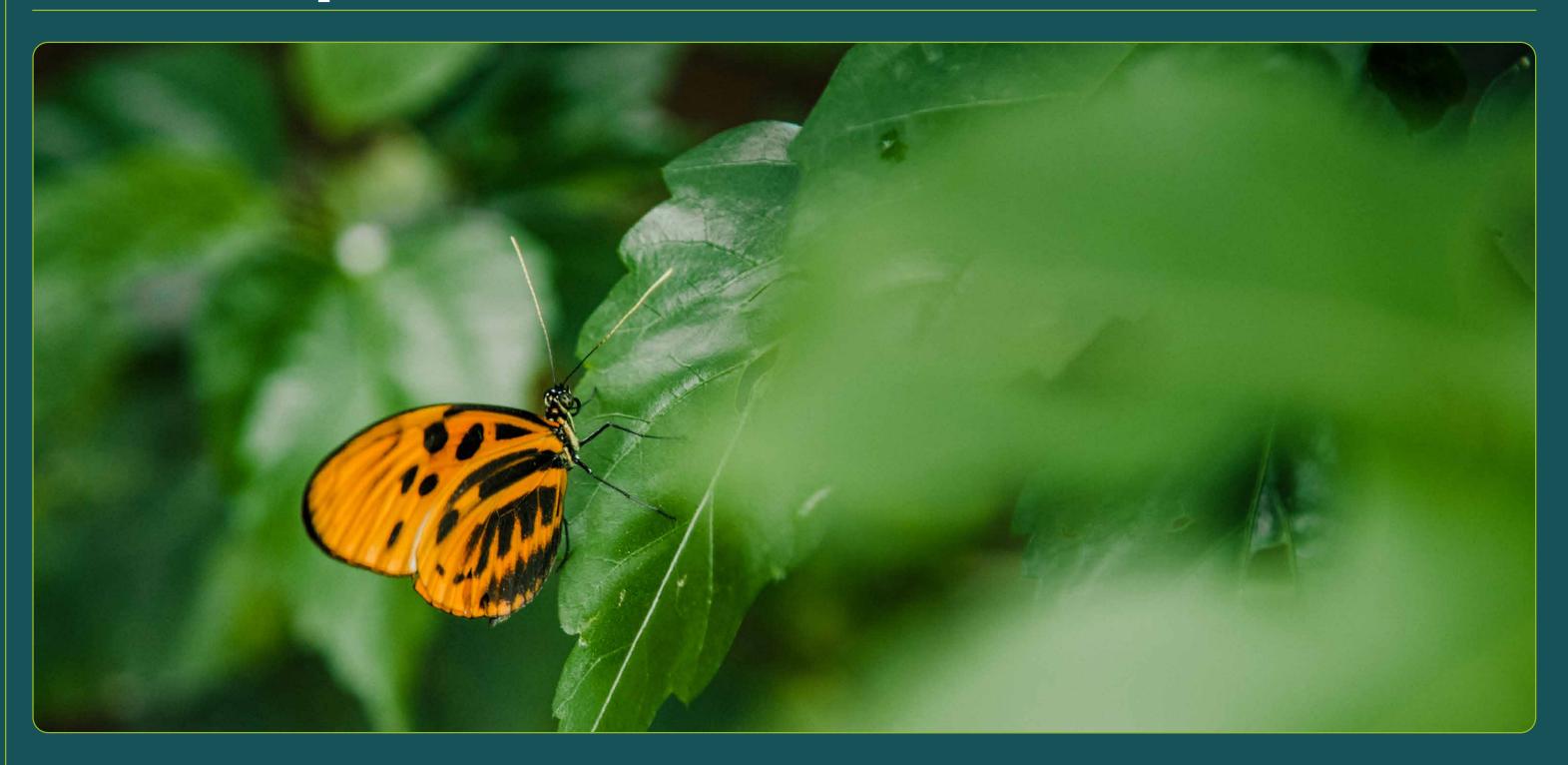


- Overhead
- Project Costs
- Project Monitoring
- Program Management
- © CommunicationsTotal

\$126,163 \$385,314 \$10,205 \$40,762 \$47,960 **\$610,404**



Roadmap to Scale

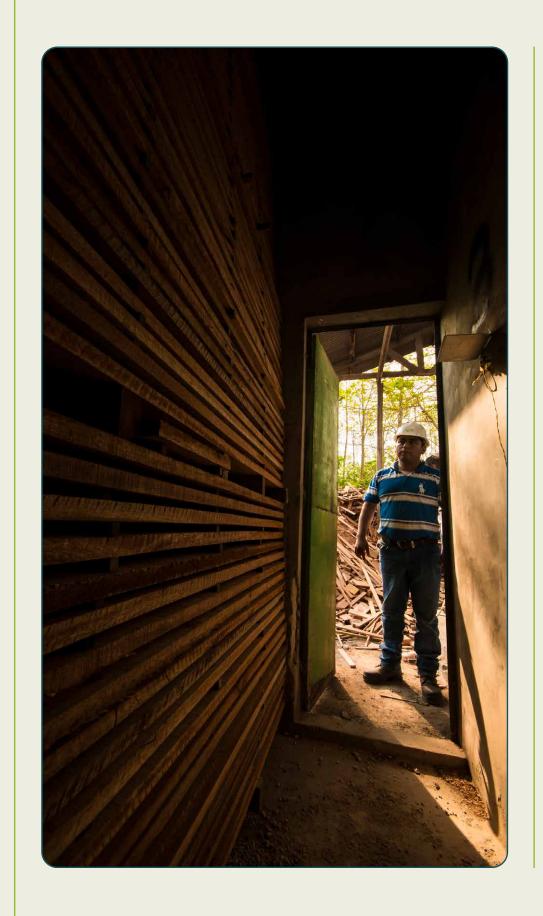


Roadmap to Scale

Scaling up this work requires us to both deepen and broaden our impact.

In 2023 and beyond, the Rainforest
Alliance will focus on building systems
to gather high-quality data and drive
positive outcomes across our current
Forest Allies communities. With this strong
foundation, we will be able to expand to
new forest landscapes and align with other
frameworks and initiatives also working
to fight deforestation while centering
community and Indigenous rights.





Our Strategic Approach to Scale

Deepening Impact Broadening Impact Initial focus on high-Expand project quality outcomes portfolio with a priority on opportunity for Systemize impact implementation and data, ensuring credible **Expand influence** aggregation at a through awareness portfolio level building and visibility for communities Establish a strong foundation enabling Partnerships and efficient future growth resource sharing







Accelerating progress takes a concrete plan, and we are excited about the path we've charted to take us further.

We will **deepen** our impact through the following actions:

- Implementing carbon monitoring across the portfolio
- Identifying and piloting an approach for biodiversity monitoring
- Linking our projects to the broader landscapes through partnerships and landscape action plans where possible
- Continuing to align our approach with important global frameworks, such as the Convention on Biological Diversity Post-2020 Biodiversity Framework and others

We will **broaden** our impact through the following actions:

- Building an advocacy approach focused on forest degradation and human rights
- Adding new strategic geographies to the portfolio
- Expanding our approach to public-private partnerships
- Connecting Environmental, Social, and Governance investors to community enterprises
- Developing a value proposition to engage investors



Join Forest Allies

Forest Allies members are boldly leading the way to a new model of doing business. The unique combination of data, experiential learning, and storytelling makes Forest Allies an influential platform that translates major global commitments into real-life outcomes for people and nature. Together, we are increasing the visibility of forest communities in the global climate and nature agenda.

Join us.

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- all others Rainforest Alliance staff

Contact Us

Forest Allies is a community of practice focused on protecting, restoring, and enabling responsible management of tropical forests. Together with company partners, we will build and foster unique partnerships, work beyond individual supply chains, and engage and empower local communities in critical forest landscapes.

Contact us at forests@ra.org

Or visit <u>rainforest-alliance.org/business/</u> <u>forest-allies</u>

