

# Annual report 2020

## from the Board of Directors, Rainforest Foundation Norway

2020 turned out to be a year when tropical rainforest destruction grew substantially in all major rainforest countries except in Indonesia and Papua New Guinea. 2020 was also the year Covid-19 struck the world, which impacted both RFN and our partners' work.

### 1. RFNs strategic fundament

Rainforest Foundation Norway (RFN), legally registered in Norway as *Regnskogfondet* with registration number 985 828 806 in Norway's Central Coordinating Register for Legal Entities, is a non-profit, non-governmental organization working towards a vision where "the world's large, contiguous rainforest areas are managed in ways that uphold biodiversity, forest ecosystem services and the human rights of indigenous and other forest-dependent peoples and communities."

RFN is organized as an association with five members: Norges Naturvernforbund, Natur og Ungdom, Miljøagentene, Utviklingsfondet and Framtiden i våre hender. RFN's head office is in Mariboegs gate 8, Oslo, Norway. RFN also has a country office in Kinshasa, the Democratic Republic of Congo. The activities are primarily financed by grants from public agencies, individuals, private companies, and foundations.

[RFN's strategy 2018-2030](#) outlines the organization's three prioritized areas of work:

1. Support the development of sustainable communities
2. Promote political and legal framework conditions that ensure the protection of the rainforest and the human rights of forest peoples
3. Halt direct threats to the rainforest and the rights of indigenous peoples and forest-dependent communities.

Activities are planned and implemented in close collaboration with indigenous peoples and other forest-dwelling people, the main agents in managing the forests. RFN cooperates with around 70 partner organizations in seven rainforest countries; Colombia, Peru, Brazil, the Democratic Republic of Congo, Myanmar, Indonesia and Papua New Guinea. RFN also directly carries out a range of activities, especially within policy, advocacy, fundraising, and communication.

### 2. Activities and achievements in 2020

2020 was a year when several of our partners were placed on the frontline to support indigenous communities against Covid-19 through various means, and at least 23 partner organizations spent more than 22 million NOK on Covid-19-related work. The situation was particularly challenging in Brazil and Peru, where mapping of the consequences for almost 60 of our partner organizations showed that the crisis was followed by economic stagnation and increasing illegal activity in the rainforests. RFN has extended Norad's temporary additional budget flexibility to our partner organizations, allowing them to adjust to the situation as not all of them were able to deliver as originally expected.

RFN Oslo staff have largely not traveled abroad since early 2020. Contact with our partners, decision-makers, business sector actors, donors and other stakeholder groups has been maintained through Skype, Teams, phone and email.

Even though Covid-19 changed the way of work for RFN and partners, and deforestation rates increased in 2020, RFN achieved several significant results in all major work areas, such as:

- Brazil-related work was a key priority in RFN in 2020 to avoid further setbacks and engage international stakeholders. This work yielded significant progress and results: As a result of RFN's work towards the salmon industry, the very first soy suppliers sourcing from Brazil committed to becoming deforestation-free in all their operations (with a cut-off date set for August 2020). This is a significant breakthrough and adds considerable pressure on the more prominent soy traders to stop trading deforestation soy. Yet, Brazil's politically induced environmental crisis has severely affected RFN's work in 2020, with increasing deforestation and attacks on indigenous peoples.
- As many as sixty-one financial institutions took action against deforestation based on input from RFN. RFN has established key partnerships with global investors, playing a strong advisory role in investor policy dialogues with rainforest countries. Partnerships with the Investor Policy Dialogue on Deforestation (IPDD) in Europe and the Emerging Markets Alliance in the United States have enabled the organization to provide policy advice and technical information on deforestation and indigenous people's rights to leading financial institutions at the highest level.
- In the Rio Negro basin in the North-eastern Amazon (Amapá and Pará states) in Brazil, a total area of almost 200 000 km<sup>2</sup> has been «included in a joint management plan adopted by 23 different peoples who have agreed on how to preserve and manage the still largely intact forest sustainably.
- The Chilean oil company Geopark Peru S.A.C withdrew from oil block 64 after years of active engagement from RFN and partners. This removed an immediate threat to vast areas of pristine rainforest in the Peruvian Amazon.
- Colombia increased its ambitions in the renewed climate plan (nationally determined contribution) from November 2020, pledging to reduce its greenhouse gas emissions by 51 % before 2030 instead of the previous 20% goal. The national policy for the control of deforestation and sustainable management of forests was approved by the president. The government also renewed its commitments in the forest agreement with Norway, Germany, and the UK, including a milestone plan.
- In DRC, 1.200 km<sup>2</sup> of forest was better secured through titled as community-managed forest in North Kivu.

More detailed information on results achieved is publicly available in separate reports provided to key donors and on RFN's web pages.

### 3. Financial status

The financial statement for 2020 is based on the assumption of going concern. RFN's finances are to a large degree based on a limited number of grant agreements with public and private agencies, and a stable number of individual contributors. The public grants are generally multi-year agreements, which provide good predictability. Funding from private companies, foundations and funds are generally not based on long-term commitments but are nonetheless relatively predictable.

The work in 2020 was predominantly financed with support from the Norwegian government through the Ministry of Foreign Affairs and the Ministry of Climate and Environment (most of it managed by the Norwegian Agency for Development Cooperation, Norad); the NRK national telethon 2015; around 9,000 individual 'Rainforest Guardians' (*Regnskogvoktere*); private companies and foundations/funds. Among corporate supporters, the contributions from Fortum and Norgesenergi were the largest in 2020, and the support from foundations/funds came primarily from The Rainforest Fund, the Ford Foundation and the Good Energies Foundation.

The highest risks to RFN's financial income are related to possible significant changes in the access to public grants, or rapid changes in the income from private companies and foundations, or from

individuals. The access to public grants may change following policy changes or administrative changes in the relevant donor agencies. Income from private companies and foundations may change following policy or strategic changes within one or more of the respective donors. Income from these, as well as from individual donors, may also change in the case of dramatic general reputational loss for RFN. None of the above is likely in the short and medium term. To reduce risks related to grant funds, RFN pursues a strategy to diversify its donors, including new non-Norwegian public institutional donors, and private companies in Norway.

RFN receive most of its funding in NOK and most of our contracts with partners are in local currencies, with the exception of the DRC, where US dollars is used. These local currencies give us a “natural pool” of currencies, which reduces risks for currency loss for RFN as a whole and for our partners. In addition, RFN limits its total contract obligations in NOK.

Covid19 has reduced the expenditures at program level and thereby reducing the administrative income. Additional funding for Covid19 related activities and Norad’s exemption for using at least 10% RFN-funding on our main agreement has compensated for this in financial terms. In addition, RFN has had reduced costs related to travels and program activities initiated from Norway.

Reduced travels and follow up visits of partners together with a high-risk environment due to Covid19 also implies increased risk for financial mismanagement. In the accounts for 2020 we are increasing the provision for possible loss due to Covid19.

The operating costs are only to little extent affected by the outbreak. We have upheld normal staffing during the lockdown, only reduced by compassionate and sick leaves. The core functions of the organization have been fulfilled in a close to normal way.

#### **4. Working environment and human resources**

RFN has established internal systems and procedures for health, environment, and safety. The physical work environment in the head office and the Kinshasa office is modern and well-functioning. All staff has signed RFN's ethical codes of conduct. Safety and security protocols are developed for travels, with medical and security services provided by International SOS.

The work environment committee (*Arbeidsmiljøutvalget*) held five meetings during 2020. Great Place to Work's staff survey and analysis in late 2020 exposed work environment challenges in RFN that will be followed up. RFN also started a process of organizational review initiated by the Board of Directors. The results will be available 2021.

Around sixty percent of the staff members are organized in the local union under *Handel og Kontor*. RFN is a member of the employers' organization *Virke*.

The overall sick leave rate was 7,64% in 2020. That is an increase from 2019 with 6,69%. No serious injuries were reported in 2020. The Covid-19 pandemic represented challenges for the organization in terms of newly established working from home routines, quarantines, homeschooling etc. Absence in connection with sick children/closed schools/quarantines increased by 203 % from 2019 to 2020. (126 days in 2019 and 382 days in 2020.)

The gender balance in the organization was 61 per cent female and 39 per cent male, with nine temporary staff in 2020 (five female and four male). There were no part-time positions during 2020. Parental leave was at an average of 27 weeks for a total of five persons.

At the end of August 2020, secretary-general Øyvind Eggen resigned from his position. The position was publicly advertised, with Yngve Kristiansen acting as interim SG in the period leading up to the hiring of Tørris Jæger in early 2021.

## 5. Equality and nondiscrimination

RFN aims to be an inclusive workplace and is committed to ensuring nondiscrimination and equal rights for all. At the end of 2020, the staff in Oslo consisted of 43 women and 29 men. The management group consisted of two men and four women. The Board of Directors consists of four women and five men.

A gender policy guides RFN's programs, taking a broad approach to gender and nondiscrimination and calling for action on gender issues, including areas not directly related to RFN's work.

## 6. Social and environmental responsibility

RFN's social and environmental responsibility is a dominant part of all activities since the achievement of its mission directly transforms to environmental improvement and human rights. All of RFN's work, therefore, must contribute to social and environmental progress. In addition to the social improvements resulting from the achievement of RFN's mission of saving rainforest, much of the work also contributes to other societal improvements, such as civil society development and the inclusion of marginalized groups. Anti-corruption is a core part of all project activities, covered by a broad anti-corruption policy with corresponding routines and tools. RFN's human rights policy and gender policy also take a comprehensive approach and calls for action on human rights and women's rights issues not directly linked to RFN's work.

Nonetheless, some of the activities also cause social or environmental harm. RFN was environmentally certified according to Miljøfyrtårnet in 2020 and adhered to the corresponding guidelines. Due to Covid-19 travel restrictions, air travel and hence also total carbon emissions dropped sharply from 2019 to 2020. However, since RFN withdrew from the Miljøfyrtårnet certification scheme in 2021, exact measures were not calculated the way they were for previous years. The organization started drafting new policies on risk management and sexual exploitation, abuse, and harassment, for adoption in 2021. These policies will help us further safeguard against social and environmental harm.

## 7. Financial results and financial position

It is the Board of Directors' opinion that the 2020 financial statements with footnotes provide a correct picture of RFN's financial position at the end of the financial year. Total equity is NOK 100,001,060 in 2020 compared to NOK 115,865,235 in 2019. Total capital is NOK 189,619,359 in 2020 compared to NOK 175,357,859 in 2019. The surplus in 2020 increases the project fund with NOK 3,379,989 and the operating fund with NOK 5,000,000. The telethon fund is equity with external restrictions and amounts to NOK 13,674,739. RFN has no mortgage debt and liquidity is good.

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Petra Storstein  
Chair of the Board of Directors

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Jan Thomas Odegaard  
Deputy chair

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Trygve K. Norman

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Kari Bucher

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Hallvard Skaar Pedersen

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Tine Larsen

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Andreas Tveteraas

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Ane Schjolden  
Employee representative

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Sindre Tollefsen

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Tørris Jæger  
Secretary-General

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