



Årsmøte i Regnskogfondet 22.juni 2022 Årsberetning/Annual report 2021

Annual report 2021 from the Board of Directors, Rainforest Foundation Norway

Tropical rainforest destruction remained high in 2021, with Brazil being the country with the largest deforestation by far. However, deforestation in Indonesia continued to decrease, being an important, although lonely positive trend among the large rainforest countries.

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 general objective 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 Mariboes 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 66 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 2021

Despite the Covid pandemic having had significant impact on the work of RFN and our partners in 2021, e.g. through very limited travels, RFN has maintained a high activity level that has yielded important results.

Brazil remained a high priority for RFN, given the very challenging political situation in the country. RFN and our partners have prioritized work to stop the weakening of policies that are important for forest protection and indigenous peoples' rights. The polarized political context and greater attention towards the Amazon and indigenous peoples brought high visibility to our partners and their advocacy efforts. The mobilization of civil society contributed to slowing down the train of destruction in Congress, blocking the approval of several damaging bills – the licensing bill, the land grabbing bill, bills against indigenous rights, and others. The main significance of this is that important national policies and land-use policies still preserve rights-based rainforest management and protection of forest ecosystem integrity.

RFN's global work has also contributed significantly to important results in Brazil. As a result of RFN's long term pressure towards the soy industry, and in particular the Norwegian salmon industry, three Brazilian soy suppliers committed to being fully deforestation-free in all their operations. This is unprecedented news, and the first time soy companies sourcing Brazilian soy make such commitments. This will also be used to get similar commitments from the rest of the soy industry operating in Brazil. RFN's active engagement with institutional investors is likely to have led to that two of the world's largest mining companies, Vale and Anglo American, decided to withdraw their interests in mining in indigenous areas in Brazil.

In **Peru**, one of the most significant achievements has been the establishment of the Yavari Tapiche Reserve for people living in isolation and without initial contact (PIACI). The Reserve covers an area of 11 534 km², which contributes significantly to the total area of contiguous rainforest under shared management structures established with assistance from RFN and partners. Approval of the Reserve came as the result of a long-term struggle led by partners, IPLC organizations such as ORPIO and ORAU, with the legal and technical support of civil society organizations such as partner IDL.

The government of **DR Congo** signed the second letter of intent (2021–2031) with the Central African Forest Initiative (CAFI), renewing its commitment to sustainable tropical forest management. RFN provided detailed input to all CAFI donors and towards the DRC government, leading to the inclusion of targets on preservation of intact forests and indigenous peoples in line with RFN input in the final agreement. At the more local level, three Local Community Forest Concessions (CFCL) titles were obtained by communities in South Ubangi in 2021, with a total area of 845 km². RFN and partners also advanced the development of simple management plan, with Mpenzele community as lead, to experiment with a national operational guide for a basic management plan. Seven sustainable management plans have been implemented by forest people.

Major steps towards protecting rainforests in **Indonesia** were achieved in 2021, with the unprecedented revocation of palm oil concessions eight times the size of Oslo by Indonesia's authorities in West Papua. This improvement in forest area governance saves 3,566 km² of rainforests and avoids the loss of an estimated 62 million tons of carbon. RFN and partner work has played a pivotal role in the license review process since 2019.

In addition, in 2021, local communities in Indonesia developed plans for sustainable management for an area covering 24,175 km² with support from RFN's partners; exceeding the final target for Indonesia.

The UNFCCC COP26 in Glasgow was a major *global* event for forests. The IPLC presence at COP26 was more prominent than ever before. RFN facilitated this by coordinating with the UK government in arranging for IPLC representatives from DRC to address world leaders at the Leaders' Summit during COP26. Partners, APIB and the RCA network, mobilized the largest indigenous delegation ever present in a Climate COP, with a marked presence of female indigenous leaders. The network also facilitated the participation of Brazilian indigenous leaders at the International Indigenous Peoples' Forum on Climate Change (IIPFCC).

In Glasgow, 141 countries also endorsed a forest declaration to halt deforestation by 2030. RFN's main contributions here were related to the advancement and recognition of IPLC (Indigenous peoples and local communities) tenure and the integral role of IPLC in protecting forests and ecosystem integrity. RFN has drawn attention to the importance of rights-based rainforest management for many years now; our major contributing output in 2021 was the publication of "Falling Short". This report offered the first-ever baseline of international support for IPLC tenure and forest management over the last decade, demonstrates the clear under-investment from bilateral, multilateral and philanthropic donors compared to contributions of IPLCs in protecting and maintaining the ecological integrity of forests. Falling Short was repeatedly cited in publications and campaign material in the run-up to the COP26, and was important in facilitating the IPLC Forest Tenure Joint Donor Statement.

As part of the Forest for Life partnership, RFN achieved the inclusion of language that reflects the importance of intact forests in the renewal of the New York Declaration on Forests. RFN worked throughout 2020 and 2021 to secure ambitious policies for rainforest protection. Through inputs to the party programs of all Norwegian political parties, direct input to government negotiations, and direct input to individual politicians and through the media, RFN succeeded in convincing the government to highlight the coherence of climate and development policies, and in securing the continuation of the Norwegian Climate and Forest Initiative (NICFI). In 2021, trade data also confirmed that RFN's work until now to exclude palm oil-based biofuels from Norwegian road transport had been successful.

RFN has also made important contributions to an ongoing legislative process in the EU, to ban products originating from recently deforested lands. During the run-up to the launch of the European Commission's (EC) legislative proposal on imported deforestation, leaked draft versions of the proposal indicated that leather would not be included as a commodity subject to scrutiny. RFN took the lead in addressing this issue; and, after targeted coordinated lobbying from RFN and allied NGOs, the Commission included leather as a raw material in the proposal that was launched in November 2021. The legislation is an important step to halt commodity-driven deforestation, and the inclusion of leather will be important to tackle cattle-driven deforestation, for example in Brazil.

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 2021 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 2021 was predominantly financed with support from the Norwegian government through the Ministry of Foreign Affairs and the Ministry of Climate and Environment (mainly 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 2021, and the support from foundations/funds came primarily from the Ford Foundation and the Good Energies Foundation, and a cooperation project headed by Transport & Environment.

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. 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 increased the provision for possible loss due to Covid19. From 2021 we will decrease the provision gradually until we are back on the ordinary risk level as bases for the provision.

4. Working environment and human resources

The work environment committee (*Arbeidsmiljøutvalget*) held seven meetings during 2021. Great Place to Work's staff survey and analysis in late 2021 exposed continued work environment challenges in RFN that will be followed up. The organizational review initiated by the Board of Directors in 2020 was finalized and results were available in mid-2021. These results, combined with the results from Great Place to Work, are integrated in the plan of action for 2022 and the organizational development project that the management has been working on during 2021, to be implemented in 2022.

The overall sick leave rate was 6,96% in 2021. That is a decrease from 2020, with 9%. No serious injuries were reported in 2021. The continued Covid-19 pandemic represented challenges for the organization in terms of travel restrictions, lack of in-person meetings in the office and with partners, and working from home routines, quarantines, home schooling etc.

Absence in connection with sick children/closed schools/ quarantines decreased from 382 days in 2020 to 67 days in 2021. The low number is probably due to the possibility to work from home and having well equipped office available and reduced home schooling for the younger children.

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*.

April 1st, 2021, Tørris Jæger entered the position as Secretary General in RFN.

5. Equality and non-discrimination

RFN aims to be an inclusive workplace and is committed to ensuring non-discrimination and equal rights for all. The gender balance in the organization was 59 per cent female (42 women) and 41 per cent male (29 men), with eight temporary staff in 2021 (three female and five male). There was one part-time position during the first half of 2021, requested by the position holder. The management group consisted of two men and four women. The Board of Directors had four women and six men.

Parental leave was at an average of 95 days for a total of three persons.

RFN has a salary scale placing staff according to seniority and title of the position (advisor, senior advisor, special advisor, team leader, department leader) independent of gender and nationality. The average annual salary for women was NOK 575.000, for men NOK 605.000 (sec. general excluded). The difference – average salary women 5% less than men - is due to placement in the salary scale according to seniority and type of position. There were four female and five male team leaders. In accordance with the Gender Equality and Discrimination Act § 26, the Rainforest Foundation has started mapping and documenting measures the organization takes to promote gender equality and prevent all types of discrimination based on wage differences, involuntary part-time work etc. The data and new systems will enable us to develop reports for 2022.

6. Social and environmental responsibility



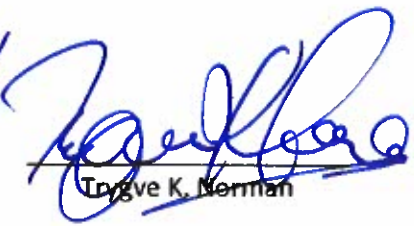

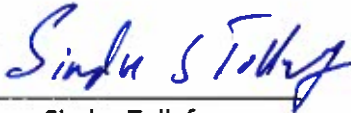

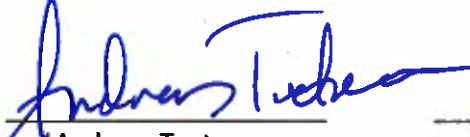


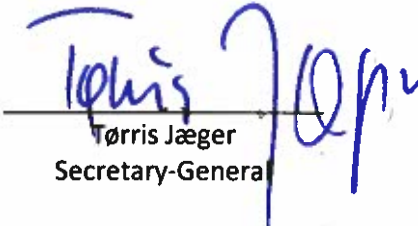
RFN's social and environmental responsibility is a dominant part of all activities since the achievement of its mission directly transforms to environmental improvement and human rights. All of RFN's work, therefore, must contribute to social and environmental progress. In addition to the social improvements 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 environmental harm, namely CO₂-emissions caused by air travel to our partners and projects. However, Covid-19 travel restrictions prevented most travelling in 2021.

The organization adopted two new policies in 2021. One on risk management and one on sexual exploitation, abuse, and harassment. Due to delay in adapting and implementing the new ERP-system, we have not been able to map and document all data required by the changes in the Gender Equality and Discrimination Act strengthened in 2021. As the strengthening of the law and the demand for reporting is relatively recent, it takes time for the suppliers of the reporting systems to develop solutions.

7. Financial results and financial position

It is the Board of Directors' opinion that the 2021 financial statements with footnotes provide a correct picture of RFN's financial position at the end of the financial year. Total equity is NOK 93,532,356 in 2021 compared to NOK 100,001,060 in 2020. Total capital is NOK 178,914,055 in 2021 compared to NOK 189,619,359 in 2020. The surplus in 2021 increases the project fund with NOK 5,000,000 and the operating fund with NOK 5,206,034. RFN has no mortgage debt and liquidity is good.

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