



Independent report:

Rainforest Foundation Norway is doing an important job

RAINFOREST FOUNDATION NORWAY is making an important contribution to the effort to halt global deforestation. That is the conclusion of an independent evaluation carried out last year.

Norwegian authorities have allocated up to NOK three billion annually to projects that protect the rainforest and thereby reduce greenhouse gas emissions from deforestation. Between 2009 and 2012, 40 civil society and research organisations, among others RFN and our partners, have received financial support for projects that are to underpin the Norwegian forest drive (the climate and forest initiative).

We raise the voice of civil society

This support was evaluated last year under the leadership of the British consultancy firm LTS International, and the conclusions are uplifting. The report points to several areas in which RFN

has done a good job over the last three years:

- The support of RFN for civil society organisations and civil REDD working groups in the Democratic Republic of Congo has ensured that Congolese civil society has become a full-fledged contributor in the development of a national REDD strategy.
- RFN has in an effective way succeeded in making more than 70 Congolese civil society organisations work in a unified manner.
- RFN's combination of strategic work at the government level and capacity building at the grassroots level is highlighted by our partners as valuable in strengthening their organisations.
- RFN's work with capacity building among the civil and indigenous organisations in Indonesia has enabled a number of our partners to influence the REDD process in the country.

- RFN has developed a well-functioning system of identifying and linking up with new partners.

Civil society provides value for money

Not only RFN, however, receives a good testimonial. A closer scrutiny of project work in Peru, Cameroon, the Democratic Republic of Congo and Indonesia has led to the conclusion that the support of the Norwegian government for civil society organisations has produced positive results.

Among other things, the support enhances the prospects of implementing REDD+; the projects on the ground are in accordance with national REDD+ processes; and the consolidation of indigenous rights makes a valuable contribution to the development of national REDD+ strategies.

Source: *Real-Time Evaluation of Norway's International Climate and Forest Initiative: Lessons Learned from Support to Civil Society Organisations.*



ARE HEARD: Indigenous peoples representative Musungayi Shaumba speaks to Congolese media during an indigenous peoples assembly in Kinshasa in the autumn of 2012. Norad's independent evaluation shows that RFN's support for Congolese civil society has yielded positive results.

THIS IS REDD+

In this annual report, we refer on several occasions to the United Nations REDD+ programme, which stands for Reducing Emissions from Deforestation and Forest Degradation. The rainforest holds a vast amount of carbon, which is released when the rainforest is destroyed. As a consequence, approximately 15 percent of global greenhouse gas emissions stem from deforestation. There is thus a widespread appreciation of the fact that rainforest conservation is essential in order to avoid a mean global temperature increase of more than two degrees Celsius. The purpose of REDD is to assign an economic value to the forest, and to offer forest countries funds to leave it intact instead of chopping it down. REDD+ goes beyond deforestation and forest degradation, and includes conservation and the sustainable management of forests.

A global actor

Around 20 years ago, I retired as chairman of the board of Rainforest Foundation Norway, which then consisted of one member of staff working in one country with a budget just surpassing one million kroner.



WHEN I RETURNED as executive director in January 2013, I was met by 35 members of staff working in 12 countries with a budget of NOK 140 million. RFN has reached the critical size which makes us a global actor. We have become one of the world's leading rainforest organisations. Our strength is found in our cooperation with more than one hundred partner organisations which are grounded in local communities spread around the world's large rainforest areas. These – indigenous people, forest people, human rights and environmental campaigners – are the real rainforest guardians.

What holds us together? In 2012, we summarised this in a booklet: «Rights-based rainforest protection». This conveys our experience from 24 years of work: When indigenous peoples and rainforest peoples who have lived with the forest for a long time gain the rights to their land, and to express their culture and participate democratically – then there is a much greater chance that the rainforest will be preserved. This experience unifies the work for the two most important environmental causes of our time – to preserve biodiversity and prevent a climate catastrophe – alongside human rights work for some of the planet's most vulnerable people.

Deforestation at new record low

We have experienced a couple of decades of progress in Latin America with regard to laws which protect indigenous peoples and the establishment of more indigenous territories. What is especially pleasing is the rapid reduction in the rate of deforestation in Brazil, which in 2012 reached its lowest level since re-

ords began. Now, much indicates that we will see a political counterreaction. The regimes in countries such as Peru, Bolivia and Paraguay have become more hostile to our partners, and the landowner lobby in Brazil gains ever greater power. Behind it all, financial interests are pressing with plans for, among other things, logging, roadbuilding, oil extraction, mining and plantations, which combined may encompass more than half of the Amazon.

The second largest rainforest in the world, in the Democratic Republic of Congo, has not yet been the object of such massive inroads from the industrialised world. Our partners are continuing the work for the rights of indigenous peoples through legislative bills, local projects and participatory mapping of their land areas. In a country which ten years ago emerged from Africa's worst civil war, our partner organisations represent hope for a better future.

In Indonesia, we are seeing what is perhaps the world's most rapid rate of deforestation. On the other hand, Norway's influence through REDD has been of great significance. Our partners have assumed a role vis-à-vis authorities and opponents that would have been unthinkable only a few years ago. In Papua New Guinea, indigenous peoples have rights that many others can envy them. That reminds us that even though land rights are fundamental, they are not enough in and of themselves. Corruption and criminality can undermine even the best laws.

Norway is leading the way

While the battle in rainforest countries can be a matter of sharply conflicting interests,

sometimes even of life or death, there is a surprising degree of consensus in Norway. The government has, with the backing of the opposition, made Norway the leading nation when it comes to support for rainforest conservation. Norwegian consumers and buyers showed a resolute determination when they reduced the consumption of palm oil by two thirds in one year. An outstanding success! In addition, Norway is most likely the country in Europe which uses the least amount of tropical timber. We believe that RFN is an important factor behind all of this. However, there is a reverse to the medal. We revealed that that the Norwegian Government Pension Fund invested NOK 82 billion in industries which are destroying the rainforest. It is thus all the more pleasing that the Pension Fund, having been subjected to six years of harrising on our part, decided to focus on rainforest destruction in its climate work.

Norway also forms the basis for our finances. We have received a lot of trust and money for our work from public authorities. Money from individuals and the business community is trailing behind, and we will prioritise rectifying this disparity. That will provide us with unrestricted funds and more security for the future.

DAG HAREIDE

Executive director of
Rainforest Foundation Norway



JANUARY: To battle against palm oil

RFN and Green Living launch the palm oil guide. It is to explain to Norwegian consumers which foods contain the contentious oil, which is the main cause of deforestation in Indonesia and Malaysia. RFN demands that the producers abandon the collective term «vegetable fat» and clearly label palm oil in tables of contents.



FEBRUARY: The knight of the rainforest

Lars Løvold is made a Knight of the First Order of the Royal Norwegian Order of St. Olav. The then executive director of RFN receives the honour for his efforts for rainforests and for the rights of indigenous peoples. Løvold was the first and only member of staff of RFN during its first years.



MARCH: Investing in rainforest villains

The Government Pension Fund Global invests NOK 82 billion in industries that destroy the rainforest. This is documented in the report «Beauty and the Beast», which is released by RFN and Friends of the Earth Norway. The amount is 27 times as high as that allocated annually by the government to rainforest protection.



APRIL: «Take control. Out of Repsol!»

That was the message when students from Sund Folk High School demonstrated in Oslo. The students appealed to the politicians to withdraw the NOK 4.4 billion investments of the Government Pension Fund Global in the controversial Spanish oil company Repsol. RFN has been demanding the same since 2007.



MAY: Brazil adopts controversial forest law

A new forest law that weakens the protection of the Amazon and grants an amnesty for illegal logging prior to 2008 is adopted following President Dilma Rousseff's approval. RFN and our Brazilian partner ISA believe that deforestation will be made easier in Brazil once the new law is enacted.



JUNE: Rid of 10 000 tons of palm oil

The palm oil campaign is concluded with the news that the Norwegian consumption of palm oil has been reduced by 10 000 tons, or 66 percent, from 2011 to 2012. The industry has thus listened to the demand from consumers. The campaign draws international attention, as no other country has carried out a similar reduction.



Photo: Rainforest Foundation Norway

JULY: Conflict resolution in DRC

The local population must be involved in the nationwide spatial planning of Congolese authorities. In this way, states a memorandum from RFN and our Congolese partner organisations, conflicts about land rights can be avoided. The memorandum makes a proposal on how the local population might be involved.



Photo: FENAMAD

AUGUST: Traces of uncontacted Indians

In the middle of the proposed route of a controversial new road in southeastern Peru, a delegation from a Peruvian indigenous organisation and the environmental authorities finds a log placed across a pathway – a characteristic sign from uncontacted tribes conveying a clear desire to be left alone.



Photo: Thomas Maent

SEPTEMBER: Palm oil company is thrown out

An Indonesian court rescinds a permit granted to establish a palm oil plantation in the species-rich Tripa ecosystem in the Aceh province. Environmental organisation WALHI requests that similar concessions in other parts of the area are also withdrawn. Tripa is home to a group of endangered orangutans.



Photo: Rainforest Foundation Norway

OCTOBER: 20 years on their own land

The Yanomami in Brazil celebrate the fact that 20 years have passed since they had an indigenous territory the size of Portugal established. RFN was among the organisations which assisted the Yanomami in their struggle to secure the territory, which was established on 25 May 1992.



Photo: Rainforest Foundation Norway

NOVEMBER: The Crown Prince visits Indonesia

Crown Prince Haakon visits Jakarta and wants to know how the rainforest in Indonesia is to be saved. Norway has pledged to pay up to NOK six billion if the deforestation is reduced. That has accorded the partners of RFN a massive increase in attention and power to influence.



Photo: Rainforest Foundation Norway

DECEMBER: Deforestation at a record low

Preliminary figures presented during the climate change conference in Doha indicate that Brazil has reduced deforestation in the Amazon by 83 percent from the peak year of 2004. In 2012, 4656 km² of rainforest were destroyed, which is the lowest rate of deforestation since records began in 1988.

The opposing forces have mobilised in South America

NINE COUNTRIES and seven million square kilometres. The Amazon is the world largest rainforest and knows no national boundaries. If the forest on one side of a border is destroyed, that will have consequences for the forest on the other side of the border. This reality shapes the work of RFN in South America. We concentrate our efforts in the regions of «the western Amazon» (Ecuador, Brazil, Bolivia and Peru); «the Xingu basin» (Brazil); «the Guiana plateau» (Brazil, French Guiana and Suriname); and «Rio Negro» (Brazil, Venezuela and Colombia). Our goal is to preserve these enormous areas. This demands that we foster a comprehensive protection and management of a number of different types of protected areas – among them national parks, sustainable use areas and indigenous territories. At the same time, we have to be an advocate for the establishment of new territories. Because we see the entire Amazon in context, we must work across national boundaries and legislations.

The Amazon under strong pressure

Between 2000 and 2010, 240 000 km² of rainforest were destroyed in South America. That is revealed by a collection of maps financed by RFN and published by the environmental network organisation RAISG in December last year. The maps also document all the approved and applied-for concessions and permits with mining, oil and gas operations, hydroelectric power projects and road construction projects. If all of these industries complete their planned projects and obtain approval for all pending applications for new projects, approximately half of the Amazon rainforest will disappear.

Due to a lack of data sources, the maps do not cover logging, illegal mineral extraction and agriculture. In other words, the picture would look even worse if these sectors had been included. The picture being drawn is bleak, but that is also the intention. Never before have the combined threats against the world's largest rainforest been presented in this way, and the maps will serve as a useful tool in the political advocacy work in the coming years.

Worrying development in Brazil

In order to achieve positive results for the

whole Amazon, we work purposefully in each and every one of RFN's project countries. In the largest of them, Brazil, we received both good and bad news in 2012. The good news was that Brazil was able to present its lowest ever deforestation figures for 2011 (6418 km² - 67 percent lower than the average for 1996 to 2005). In December last year, the Norwegian government therefore decided to disburse NOK one billion to the Amazon Fund. The climate change conference in Doha saw the presentation of preliminary figures which indicated that the deforestation in 2012 would be reduced by an additional 27 percent, compared to 2011.

The bad news in the main revolved around the new forest law that was adopted in May 2012. President Dilma Rousseff vetoed parts of the law, but retained formulations which grant an amnesty for illegal logging carried out prior to 2008. The amnesty functions in the way that those who have deforested more than they were permitted, and thus more than law-abiding landowners, are exempt from prosecution. RFN believes that this sends out a highly regrettable signal: It does not pay to follow the rules.

The forest law must be viewed in light of the fact that Brazil has made great advances within forest conservation since 2005, after the authorities began to enforce the law and prosecute those who engaged in deforestation without the necessary permits. This made it more difficult to carry out illegal activities, and was one of the main reasons why deforestation was reduced by 49 percent from 2004 to 2006. What we are seeing now is a political counterreaction from the influential landowner lobby in the Congress, and this counterreaction extends to further parts of Brazil's legislation. New indigenous territories are not being established, and legal changes that will make it easier to initiate infrastructure projects within areas such as hydroelectric power and mineral extraction are already under way. At the present time, environmental and indigenous organisations are working in a very challenging political climate.

This entails that RFN and our main partners in Brazil have to temporarily adjust our goals. We must now avoid losing existing territories, and oppose additional legislative bills that will

give the indigenous people less autonomy over their own land and as such weaken the protection of the forest. Our Brazilian partner, ISA, is concentrating on campaigning in order to shift the ever more widespread perception among the population that what is to secure Brazil's future is economic growth, and that the growth must be achieved quickly.

Even though the outlook is gloomy at present, we can also detect positive developments: The forest law mobilised a sense of engagement within Brazilian public opinion the likes of which had not been seen before. With support from RFN, ISA was ideally placed to mobilise a big movement of environmental and human rights organisations, and even though the law was adopted, new networks, forums and contacts have been established.

Oil contamination reaches congress in Peru

The political climate in Peru is also very challenging, but in spite of this we achieved some positive results last year. Since 2007, we have been supporting indigenous organisations which by means of water samples collected from a number of rivers have documented extensive oil contamination in the northern region of Loreto. In the summer of 2012, a delegation from the Congress traveled to Loreto in order to investigate the claims of widespread contamination. The investigation led to the establishment of a commission comprising 16 state agencies, and a formal inquiry into the conduct of the oil company Pluspetrol, which controls around 40 percent of oil production in Peru, was established. Pluspetrol was subsequently issued with a NOK 64 million fine for considerable pollution within a protected area.

We are happy to see that our prolonged financial support and purposeful coordination work between a range of organisations which collect water samples in Loreto have contributed to the formation of a system which is today considered to be highly effective, and to yield tangible results. However, the system can still be improved. We have proposed that the collected data be sent directly to an environmental database, which will hopefully make monitoring easier for the environmental authorities. At the same time, it is important



Photo: AP/Felipe Dana

MASSIVE PROTESTS: The new Brazilian forest law may weaken the protection of the Brazilian Amazon, and provoked widespread protests across the country. The photo is from a protest march in Rio de Janeiro on 18 June last year in conjunction with the Rio+20 United Nations Conference on Sustainable Development.

that the present Pluspetrol fine leads to a more stringent regulation of the oil industry, so that similar oil contamination can be avoided in the future. We will follow this up in 2013.

Another encouraging piece of news from Peru last year was the recognition on the part of the authorities of ten groups of uncontacted tribes living in five established reserves. After Peruvian authorities in 2006 adopted a law which forbids all contact with uncontacted tribes, the government initiated an inquiry into whether there are actually uncontacted tribes living in the reserves in question. All experience suggests that the burden of proof lies with those who believe in the existence of the Indians. Our partner organisations have followed up this inquiry by producing evidence that the uncontacted tribes do exist – in the form of documented findings of objects which can be linked with these groups. The character of these pieces of evidence was such that it was in practice impossible for Peruvian authorities to deny the existence of these Indians.

RFN also works with the direct protection of uncontacted tribes, and last year our partners, in collaboration with Peru's national park authorities, established two new control posts. These are placed by river courses leading into

the territories of the uncontacted tribes, and the watchmen ensure that no one enters the territories. RFN finances altogether eight such control posts in Peru.

Dramatic in Bolivia and Paraguay

In Bolivia, President Evo Morales executes an aggressive development policy based on natural resource extraction. While this policy has traditionally been geared towards mineral extraction in the Andean mountains, the government has now set its sights on oil, gas and mineral extraction in the Bolivian Amazon. The organisation of the lowland Indians and partner of RFN, CIDOB, has protested strongly against this. The opposition has commonly taken the form of long protest marches which have raised international attention. It has therefore been in the interest of Morales to silence this critical voice, and last year the government adopted a classic measure in order to curb this opposition: It established a parallel, government friendly leadership in CIDOB.

It is important to underline that the parallel leadership does not enjoy support down through the CIDOB system, but the organisation's political decisiveness has been paralysed. RFN has therefore, in consultation with sev-

eral other international donor organisations, decided to concentrate their support around CIDOB's grassroots work, which is still carried out by the legitimately chosen leadership. The grassroots work revolves around, among other things, organisational and strategy development in order to protect existing territories and, if possible, establish new ones.

In Paraguay, last year began well in that the authorities granted two indigenous communities land rights and financial compensation in accordance with a ruling in the Inter-American Court of Human Rights. However, in June President Fernando Lugo was deposed in a coup, and Paraguay's legislative, executive and judicial power is now dominated by a conservative land-owning elite. It is therefore virtually impossible to effect the establishment of new indigenous territories, and RFN is primarily concentrating on the strengthening of indigenous organisations in the country. We can clearly see that the fragile indigenous organisations which were established a decade ago have become much more decisive and better organised. Several protests carried out by our partners in 2012 highlighted this.

Towards an indigenous law

THE WORK OF RFN in the Democratic Republic of Congo (DRC) in 2012 mainly revolved around the consolidation of the rights of indigenous and forest peoples. This has been our goal since our work there began in 2003. With every passing year, we see positive developments in a society in which indigenous people, especially pygmies, are subject to widespread discrimination. In December last year, the first draft of the DRC's first indigenous law was put forward by a parliamentary committee. Our partner *Dynamique des Groupes des Peuples Autochtones (DGPA)* was an advocate for the initiation of work on the law by the authorities.

RFN and DGPA believe that the law should emphasise international human rights, and the right of indigenous peoples to their own lands and to consultation and consent prior to any decisions which involve these lands.

Demarcating their own borders

For a number of years, we have worked with participatory mapping in the DRC, which entails local communities demarcating the borders of the areas which they have traditionally made use of and which they accordingly have the right to. The maps are used as documentation in the authorities' process of defining which parts of the DRC will be protected, used commercially, or allocated for local use. In February 2012, a number of international and national organisations met, among them RFN, Greenpeace and Global Witness, in addition to our three biggest partners in the DRC. Those present agreed on a concept note on how participatory mapping can be used in the country's spatial planning. In the note, the importance of identifying and securing the rights of indigenous and forest peoples before an area of land is assigned to another actor is particularly highlighted.

The concept note is used in advocacy work towards decision-makers in the DRC and internationally. The response of the authorities to our demand for participatory mapping is typically positive, but our method has been seen as time-consuming and thus unrealistic. We are of the opinion, however, that this is a gradual and cost-effective approach to spatial planning, and that it is of special importance for the prevention of widespread conflicts over land in a country that has experienced internal strife for a number of years.



Photo: Stefan Kistler/Rainforest Foundation Norway

BRIGHTER FUTURE: RFN works to ensure that indigenous peoples and forest communities gain autonomy over the areas of land which they make use of. Current developments indicate that these children may gain more rights than their parents.

Film is to curb conflicts

RFN has since 2009 been supporting DGPA's work in curbing the level of conflict in areas where pygmies and Bantus (the majority of the population) live side by side. November last year saw the start of a trial project in which video is used in order to engender greater understanding between the two groups. The project involves representatives of Bantus and pygmies interviewing each other and capturing daily life on film. These films are then shown to the whole local community, and DGPA reports good and constructive discussions following the screenings.

Because the pygmies are living in the country's forests, and are thus natural guardians of their own forest, it is crucial that their rights are recognised and secured. However, the decision-makers in the DRC are of Bantu origin, and will in all likelihood fail to fulfil the wishes of the pygmies unless the respect for indigenous peoples increases.

Had to suspend project trips

It is challenging to work in the DRC, and last year we saw an illustrative example of this. In 2009, DGPA discovered an embezzlement amounting to NOK 171 768, and a more com-

prehensive audit pointed towards their then national coordinator. During an extraordinary general meeting, our partner decided to report the individual in question to the police. The legal proceedings began last year, and the first round went in favour of DGPA. However, the appeal led to a highly surprising acquittal, and at the present time the case is on hold until a new general meeting in 2013, when a decision will be made on whether DGPA are to appeal the ruling to a higher court or accept it.

RFN has, as a matter of routine, returned the embezzled sum to the Norwegian Agency for Development Cooperation (Norad) and kept them informed about the legal proceedings. The case was closed from Norad's side last year, and in the directorate's recent report on the handling of corruption in the DRC, this case is cited as an example to be followed. It has, however, had serious consequences for us, as we due to security concerns were not able to travel to the DRC between February and October 2012. Our projects have accordingly been managed from Oslo, until we towards the end of the year deemed the security situation to have improved sufficiently for us to resume project trips to the DRC.

Full battle against plantations

IN NOVEMBER 2012, a light aircraft was gliding above the enormous palm oil plantations of the Singapore-registered company Wilmar. From the airplane, outgoing executive director of RFN Lars Løvold and incoming executive director Dag Hareide were able to see for themselves why the palm oil industry is one of the main factors behind the tremendous rate of disappearance of Indonesia's rainforest.

Precisely this industry has been under scrutiny in the Norwegian public domain in 2012, in large part thanks to the palm oil campaign of RFN and Grønn Hverdag (see the policy chapter). This has been welcomed by our Indonesian partners, who work hard on a daily basis to prevent new areas of forest from falling to the forest harvesting machines in favour of more plantations.

Norwegian forest billions on hold

The Stoltenberg government has pledged up to NOK six billion to the Indonesian authorities if they can document a reduction in greenhouse gas emissions from deforestation. However, before Norway releases the funds, a number of conditions must be met, one of which is the establishment of a directorate to coordinate all measures for the reduction of emissions from deforestation. Besides the Norwegian-Indonesian cooperation agreement, the directorate will be given the responsibility for measures under a future international agreement on forest conservation (REDD+). Indonesia's president is reluctant to establish the directorate, as it will gain an influence over the existing forestry, agriculture and mining departments. The partners of RFN have been highly active in the design of an Indonesian strategy for the reduction of deforestation, and a number of sound measures are now on hold until the REDD+ directorate is established.

As part of the cooperation agreement, in 2011 a ban was introduced on the granting of logging concessions in primary forest and peat swamp forest. Last year, our partners called attention to numerous breaches of this moratorium. Secondary forest is not covered by the ban, which has not proved sufficiently effective in protecting new areas of rainforest from destruction. Together with our partners, we will continue the advocacy work for an extension and strengthening of the ban, which ceases to be in effect as of 20 May 2013.

Norwegian authorities see RFN as an important driving force in ensuring that the cooperation with Indonesia is of a high standard, and this creates positive ripple effects for other efforts in Southeast Asia. At the close of the year, we received an invitation from the Ministry of the Environment to conduct a preliminary study in Myanmar. This opened up new opportunities for RFN, and Myanmar is being assessed as a new project country in 2013.

Hearing is conducted on protected area

In West Papua, our partner Paradisea took an important step on the road to preventing the partitioning of the rich forests which cover this Indonesian province. The organisation is working to secure green corridors between already existing protected areas. The work is carried out in close collaboration with the local clans which own the forest, but which do not always agree on the location of the borders between their lands. Paradisea succeeded in delineating the borders, and at the same time the tribes signed a petition demanding that palm oil plantations not be established in their area.

Towards the end of 2012, it emerged that a hearing would be conducted on the proposal to protect the 3600 km² – sized protected area of Managalas on Papua New Guinea. The process has been under way for more than 15

years, in large part due to the fact that the state only owns three percent of the land area of Papua New Guinea, and that all affected local communities must be incorporated into the process. We hope that the lessons learned in the course of this process will help contribute to a 67 percent reduction in turnaround time in the treatment of similar protection proposals in the future.

Securing the rights of women

In 2012, RFN initiated a dialogue with the women's organisation Solidaritas Perempuan, our first partner of its kind in Southeast Asia. This is a measure to reach our goal of promoting increased gender equality in all of our project areas.

Women are often sidelined in political decision-making processes, and their roles in the management of forest areas are overlooked. It is a problem, for example, that important meetings are held at times and in places in which indigenous women are not able to participate. The area of gender equality is one where also international aid organisations fail to live up to the required standards. It is important that we promote women's rights in forest management. If not, we risk supporting a system in which women are suffering – and will continue to suffer.

GREEN DESERT: This is what it looks like when the forest makes way for palm oil plantations. The photo was taken in November 2012.



Photo: Anja Lillgraven/Rainforest Foundation Norway

2012: The year when palm oil was condemned

«**FEW CONSUMERS** have been aware of how harmful the production of palm oil is. That enormous palm oil plantations are the main cause of the disappearance of rainforest at a record rate in Indonesia and Malaysia».

This was written by the then executive director of RFN, Lars Løvold, in our own magazine *Regnskog* in conjunction with the launch of the palm oil campaign in January 2012. In cooperation with *Grønn Hverdag*, we presented an overview which showed that 421 out of 499 Norwegian food products tested contained palm oil.

Five months later, the words in *Regnskog* seemed so remote: 21 523 people had signed a petition that demanded that Norwegian food producers remove the oil from their products. The total consumption of palm oil was reduced by 66 percent from 2011 to 2012. Big actors such as Tine, Toro, Mills, Fjordland and Stabburet had in turn issued press releases in which they announced that the palm oil would be phased out. The campaign attracted international attention, as no other country has succeeded in reducing the national consumption of palm oil to a comparable degree.

The health risks gained the most attention

The palm oil campaign had three objectives: Firstly, to highlight the link between palm oil production and deforestation, as well as conflicts, in Indonesia and Malaysia. Secondly, to reduce the consumption of palm oil in Norway. Thirdly, that Norwegian food producers would be able to trace the palm oil which they use to its point of origin.

We met certain of our initial objectives, and continue to work on others. The second objective was met, in that the consumption of palm oil has been sharply reduced. The first objective has been partially met, in that deforestation has been referred to in numerous media reports; at the same time, however, we see that the health aspect is often given primary emphasis. As regards the third objective, we must continue to work on this in 2013, as none of the companies which use palm oil have as yet been able to tell us exactly where it comes from.

Even so, we can conclude that the palm oil campaign was a tremendous success, which

far exceeded our own expectations. It is continuing in 2013, with a spotlight on other producers within the food industry.

Besides palm oil, we last year conducted our annual timber campaign, which was more extensive than ever. More than 50 voluntary timber inspectors controlled 132 outlets for tropical timber. For the third year running, kitchen suppliers were named the worst industry in the survey, and the nationwide chains JKE Design and Designa stood out in a particularly bad way, with kitchen worktops made from endangered species of tree in a number of their outlets. The campaign led to a decision shortly afterwards on the part of both JKE Design and Designa to cease the sale of all products containing tropical timber.

Investing in rainforest villains

On 30 March last year, RFN and Friends of the Earth Norway released the report *Beauty and the Beast – Norway's investments in rainforest protection and destruction*. The report documented the fact that the Government Pension Fund Global (GPF) as of 31 December 2011 invested NOK 82 billion in 73 companies operating within seven industries which threaten the rainforest (mining, oil and gas, palm oil, meat production, timber, soya bean and energy). The amount is 27 times as high as the NOK 3 billion which the Norwegian government has allocated annually to rainforest conservation. In spite of the fact that the value of the GPF was reduced over the course of 2011, the investments in these industries increased by more than 13 percent.

This was the first time that RFN released a report in which we systematically scrutinised whole industries, not just investments in individual companies. RFN and Friends of the Earth Norway demanded that the government immediately investigate how the GPF contributes to rainforest destruction, and which measures had to be put in place in order to avoid this in the future. The Christian Democrats and Venstre (Norway's social liberal party) supported our points of view, and Venstre brought the matter before Parliament, where they requested an investigation into

«how the investments of the Government Pension Fund Global impact on deforestation in rainforest countries». However, the proposal failed to receive majority support.

In October, however, we received a very welcome piece of news, when Norges Bank Investment Management (the operational wing of the Norwegian central bank (Norges Bank) which manages the GPF) announced that the issue of climate change arising from tropical deforestation will be included in the Pension Fund's assessments. In other words: The Pension Fund, as an owner, will make demands that any contributions to deforestation are reduced. RFN has argued for this type of active ownership for six years, and we contend that Norges Bank never would have reached such a decision had we not documented the extent of the investments of the Pension Fund in rainforest villains in as clear a way as we did in *Beauty and the Beast*. This contention is substantiated by the fact that we can draw a clear parallel between the recommendations that we put forward in the report and the announcement of Norges Bank.

Indigenous people are the best guardians

In October, RFN issued the report *Rights-based rainforest protection (RBR)*, which concludes that rights for the inhabitants of the forest is a key question within rainforest conservation. Through examples from our work in Brazil, Peru, the Democratic Republic of Congo, Indonesia and Papua New Guinea, we show how securing rights preserves forest today, and why this is the way to go in the future. The report draws upon RFN's more than 20 years of experience in rainforest conservation.

The report is a contribution to the ongoing international debate on how best to preserve the rainforest. After Jens Stoltenberg assumed the podium in Bali in 2007 to promise an annual contribution of NOK 3 billion to rainforest conservation, the forest question has become an ever greater part of the negotiations during United Nations climate change conferences. The most positive thing to emerge out of the climate change conference in Doha in December was the agreement that «non-car-



Photo: Green Living/Rainforest Foundation Norway

RECEIVED THE GOLDEN PALM: Last year, Stabburet removed all palm oil from their products. Accordingly, managing director Bente Breivik was able to collect the Golden Palm 2012. Also in the photo are Anja Lyngsmark from Rainforest Foundation Norway and Håkon Lindahl from Grønn Hverdag (Green Living).

bon benefits» should be part of the outcome of the UN negotiations on forest conservation. «Non-carbon benefits» are all about the fact that rainforest conservation must yield results in more than purely climatic terms. This is in line with the RBR report, and has therefore been an important topic for our members of staff who were present in Doha to follow and provide input to the negotiations.

Five years after the Bali conference, however, the forest negotiations have proved to be difficult. During the Cancún conference in 2010, the important decisions that the REDD negotiations would take into account the rights of indigenous peoples and the need to preserve biodiversity were made. It has subsequently proved difficult to bring these headline statements to bear on practical policy. Due to the lack of detailed regulations on how the resolutions from the climate conferences are to be implemented on a national level, each individual country is more or less free to make its own interpretation.

Rights struggle supported by the UN

Rights save rainforest. For this reason, we are present where rights are discussed. One of the most important venues in that regard is the UN Human Rights Council in Geneva, which assesses whether member countries fulfil their human rights obligations. Every UN member state is subjected to such a human rights assessment every four years, and last year Indonesia was due. In advance, RFN and nine of our partners had prepared a report which concluded that Indonesian authorities do not sufficiently recognise the rights of indigenous peoples to land, territories and natural resources. The report was submitted to the Human Rights Council in November 2011, and was followed up by RFN in the days before the Indonesia assessment.

We attained the desired result on 23 May, when the Human Rights Council called on Indonesia to secure the rights of indigenous peoples and forest peoples in law and in practice, especially with regard to their right to

land, territories and resources. The Council also called on Indonesia to consider ratifying the Indigenous and Tribal Peoples Convention (ILO Convention No. 169), which states that indigenous peoples have the right to preserve and further develop their own culture, and that the authorities have a duty to enact measures to support this work.

Such a declaration is of great significance for the rights work in Indonesia, as it is more difficult for the authorities to overlook the demands of our partners when these are supported by a pronouncement from the United Nations. It is, however, not clear how Indonesian authorities will follow up on the declaration, something which they themselves are free to determine. Nevertheless, a UN declaration is not forgotten the minute it is made. In 2016, Indonesia will again meet for assessment in Geneva, and if they have not followed the recommendations from four years previously, they will have to account for why they have not done so.

Oil engages record numbers

ON 25 JANUARY the majority of NRK's «Consumer Inspectors» programme was dedicated to the serious health and environmental aspects of the increasing consumption of palm oil in Norway. The new digital palm oil guide of RFN and Grønn Hverdag gave consumers the opportunity to check for themselves which products contained palm oil, and the guide was a regular feature of most of the media coverage of the campaign. RFN devoted a lot of attention to the campaign through features in our magazine and various consumer and factual material on our website. We kept our followers on Facebook and Twitter continuously updated on which producers in due course discontinued their use of

palm oil, and offered tips and information on palm oil free products. More than 21 000 people signed our petition «Don't eat the rainforest», in which consumers demanded to know which products contained palm oil.

Critical spotlight on the Pension Fund

On 30 March, RFN, together with Friends of the Earth Norway, issued the report *Beauty and the Beast*, in which we revealed that the Government Pension Fund Global invests NOK 82 billion in industries which are responsible for massive rainforest destruction. The publication of the report showed that collecting data to document an extensive scope is of significance for media coverage. The topic was the top story on NRK's early broadcasts on TV and radio, and was picked up by the 17:30 news broadcasts on TV2, NRK Supernytt (children's news), and Norwegian news agency NTB. A number of international websites referred to the report, among others Mongabay and REDD Monitor.

also awakened the journalists' curiosity. In all, RFN was mentioned in 615 media reports in 2012, compared to 522 the year before, as shown by numbers sourced from the media monitoring agency Retriever.

The Internet and social media

The traffic on www.regnskog.no increased from 105 000 visitors in 2011 to 153 709 visitors in 2012. The palm oil guide and consumer material was the most popular content on the site. The number of followers of the Facebook page of RFN increased from 7898 to more than 10 000 in the course of 2012. The number of our followers on Twitter surpassed 7000 at the close of the year. These numbers make RFN one of the leading Norwegian environmental organisations within the sphere of social media.

School visits and lectures

In 2012, we were able to reach out to all of the country's schools with a board game about the rainforest. The game was developed in collaboration with Grønt Punkt (the Green Dot Norway), and scientific research journalist Arild Hagen produced the contents. We continued our excellent cooperation with especially committed schools, and the attendees of the rainforest course at Sund Folk High School and at Valler Upper Secondary School were given lectures at our premises.

The members of staff of RFN gave a range of lectures and made a range of contributions to external arrangements. In the course of the year, we visited, among other places, the Norwegian University of Life Sciences, the Nansen Academy, the Øya Festival, and the House of Literature.

Other media stories

When the previous executive director of RFN, Lars Løvold, was made a Knight of the First Order of the Royal Norwegian Order of St. Olav for his struggle for the world's rainforests and the rights of indigenous peoples, he was portrayed in several newspapers and on NRK Radio. The decision on the part of RFN not to attend the Rio+20 United Nations Conference on Sustainable Development in Brazil in June



Norges paradoks

Kritiseres for å undergrave egen satsing

Fleire norske matselskaper har fasa ut palmeolje. Dagligvarekjedene heng etter, men lovar betring.

Billigmat er palmeolje-verstingar

Billigmat er palmeolje-verstingar. Dette er tross alt en av de mest populære ingrediensene i mange av våre matvarer. Men det er også en av de mest miljøskadelige. Derfor er det viktig å være oppmerksom på hva som er i maten vår. Mange av de billigste matvarene inneholder palmeolje, som er en av de mest miljøskadelige ingrediensene i maten vår. Derfor er det viktig å være oppmerksom på hva som er i maten vår. Mange av de billigste matvarene inneholder palmeolje, som er en av de mest miljøskadelige ingrediensene i maten vår.

Full av dritt. Det er ikke rart pepperkaker mannen får pepper. Han er nemlig full av dritt, altså palmeolje.

Slemme menn

produktene som brukes av palmeolje. Men pepperkaker henger etter. Han - og pepperkaker - opp mot 10 prosent olje. Det gjelder de

– Norge bruker mer penger på å ødelegge enn å redde regnskogen

Fortsatt tropisk tømmer i butikkene



Vi kjøper stadig mindre tropisk tømmer. Men kjølebransjen er fortsatt den største «verstingen». En av de store kjølebransjens stanser nå salget av truet regnskogtømmer.

Derfor bør du styre unna palmeolje



Oljefondet investerer i «verdens verste selskap»

Du og jeg eier aksjer for 382 millioner kroner i miljøverstingselskapet Wilmar.

Report from the board 2012

Nature of operations

Rainforest Foundation Norway (RFN) is an organisation working to preserve the world's rainforests and secure the rights of indigenous peoples. We collaborate with more than 100 local environmental, rights and indigenous organisations in Southeast Asia, Central Africa and the Amazon.

In Norway we work to raise awareness about the rainforest; prevent Norwegian policy and business interests from contributing to its destruction; and strengthen policy and practice that preserve it.

RFN was founded in 1989 and is today Europe's leading organisation within rainforest protection. We are part of the Rainforest Foundation International network, with sister organisations in the United States and the United Kingdom. The offices of RFN are in Grensen 9b in Oslo.

Our operations are financed by public authorities, private donors and sponsors. RFN has five Norwegian organisations as members: Friends of the Earth Norway, Young Friends of the Earth Norway, Children's Friends of the Earth Norway, the Development Fund, and The Future in Our Hands.

Continued operations

In the annual accounts, the continuation of the organisation's operations is assumed, as there are

no circumstances, in the view of the board, which would indicate otherwise. RFN's finances are to a significant degree based on multi-year contracts with Norwegian public authorities regarding long-term financial assistance. What is common for these is that grant amounts are contractual, subject to parliamentary budget decisions. Changes in the composition of the Norwegian parliament which affect prioritisations in aid policy therefore represent the biggest risk factor for RFN's financial development.

The board's strategy for the ensuing five years places particular emphasis on the importance of international fundraising activities, as well as consolidating income streams from both the business community and private donors in the Norwegian market, with a view to strengthening the organisation's finances and reducing dependency on Norwegian public funding.

Assuming that no significant downturn occurs within said areas, RFN anticipates moderate growth over the coming years. Market risk for RFN is primarily linked to reputational risk which reduces our ability to raise public and private funds.

Working environment and employees

RFN has internal control for health, safety and environment, as well as a work environment

committee. Safety instructions and a Code of Conduct have been developed. In the course of 2012, an organisational process was put in place to improve and rationalise RFN's operations in order to reduce work pressure and stress, among other things. In 2012, it was decided that RFN would move into a newer and more suitable office space.

Total sick leave in 2012 was at 2.51 percent, divided into 1.22 percent self-reported sick leave and 1.29 percent medically certified sick leave. This is a total reduction in sick leave of 1.59 percent from the preceding year. There were no reports of serious injuries or accidents in connection with our operations in the course of 2012.

The annual general meeting was held in June, with the member organisations present. In 2012, 6 board meetings, 10 staff meetings, 5 employee meetings and 19 management meetings were held.

At the close of 2012, the staff numbered 33.5 full-time equivalents. That is an increase of 1 full-time equivalent from the preceding year.

Gender equality

RFN practices an equal opportunities policy. At the close of 2012, the staff consisted of 15 men and 18 women. The board was composed of four men and four women.

Environmental reporting

RFN is certified by Eco-Lighthouse Norway and follows the accompanying requirements. No environmental pollution of note beyond pollution from transport accrues from RFN's operations.

Annual accounts

The annual accounts provide a satisfactory description of RFN's allocations and financial position at the close of the financial year. 2012 is the first financial year in which RFN does not follow the provisions for "small enterprises", but rather "other enterprises". The report from the board and notes are thus more extensive.

Financial position

It is the view of the board that the financial position of RFN is satisfactory. Equity is NOK 19 080 347, versus NOK 20 146 535 at the close of 2011; while total equity is NOK 39 890 718 in 2012, versus NOK 37 220 744 in 2011. Net income for the year increases the operating fund (unrestricted equity) by NOK 726 349, while the implementation impact of the pension liabilities reduces the operating fund by NOK 1 792 538. RFN has no mortgage debt, and the liquidity is good.

Oslo, 5 June 2013



Axel Borchgrevink
(chair)



Anne Hege Simonsen
(deputy chair)



Jan Thomas Odegard



Regine Andersen



Jenny Skagestad



Maria Lundberg



Trygve K. Norman



Anders Krogh
(staff representative)



Dag Hareide
(executive director)

Rainforest Foundation Norway 2012

Restricted funds	2012	2011
The Norwegian Agency for Development Cooperation (Norad)	84 498 213	84 365 109
The Norwegian Ministry of Foreign Affairs (MFA)	28 599 285	27 931 987
Other grants	3 417 488	3 306 040

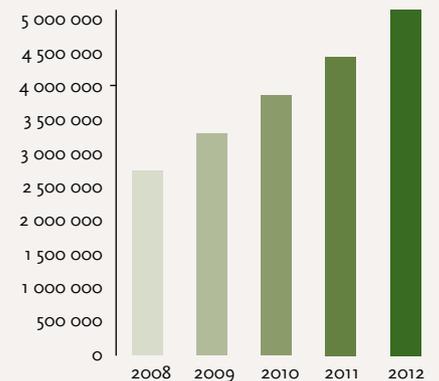
Generated funds	2012	2011
Rainforest Guardians (regular private donors)	5 146 808	4 445 146
Other individual contributions	1 894 401	2 161 442
Nordic Choice Hotels	2 715 888	2 739 020
Other contributions from business	566 931	430 498
Interest income	725 288	589 224
Total incoming resources	127 564 302	125 968 466

Expenses	2012	2011
Procurement of funds	3 977 780	3 388 570
RFN programmes*	110 272 444	110 364 626
Information	3 521 266	2 965 385
Administration/operations	9 066 463	7 845 160
Total resources expended	126 837 953	124 563 741

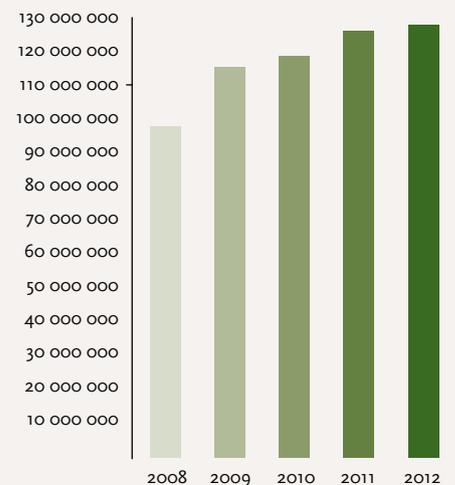
Activity profit/loss for the year	726 349	1 404 725
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RFN programmes (**)	2012	2011
Rights-based rainforest protection, the Amazon	12 853 432	13 655 545
Contiguous territories, the Amazon	26 480 819	25 862 951
Indigenous peoples' rights	12 317 896	12 365 126
Rights-based rainforest protection, Africa	12 182 505	11 674 408
Rights-based rainforest protection, Asia and Oceania	22 459 439	22 252 942
Global policies for rainforest protection	6 181 394	5 800 815
Support for environmental organisations	4 966 018	6 280 127
Climate and rainforest	12 830 941	12 472 713
Total projects	110 272 444	110 364 627

Income from Rainforest Guardians 2008-2012



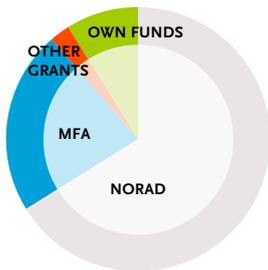
Turnover 2008-2012



Rainforest Foundation Norway is registered with the Norwegian Control Committee for Fundraising.

Where does the money come from?

All figures in mNOK

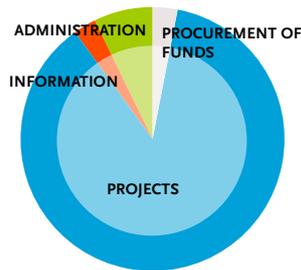


■ Norad: 84,5 (66,2 %)
■ MFA: 28,6 (22,4 %)
■ Other grants: 3,4 (2,7 %)
■ Own funds: 11,1 (8,7 %)

TOTAL INCOME: 127,6

What is the money spent on?

All figures in mNOK

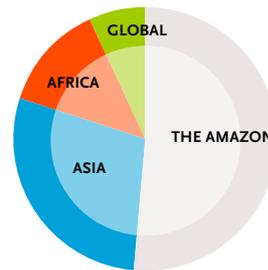


■ Procurement of funds: 4,0 (3,1 %)
■ Projects: 110,3 (86,9 %)
■ Information: 3,5 (2,8 %)
■ Administration: 9,0 (7,1 %)

TOTAL EXPENSES: 126,8

Where does the money go?

All figures in mNOK

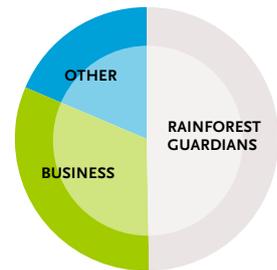


■ The Amazon: 55,2 (50,1 %)
■ Asia: 31,0 (28,1 %)
■ Africa: 14,5 (13,1 %)
■ Global: 9,6 (8,7 %)

TOTAL PROJECT RESOURCES: 110,3

Generated funds

All figures in mNOK



■ Rainforest Guardians: 5,1
■ Business: 3,3
■ Other: 1,9

TOTAL OWN FUNDS: 10,3

Generating funds

RAINFOREST FOUNDATION NORWAY has built a position of trust and support among the Norwegian people. People engage in our issues, and, importantly, also show their engagement through financial support given to rainforest protection. RFN receives substantial public funding for our projects around the world. However, it is essential to also have solid income based on independent fundraising.

We are increasing the effort to enhance the public's awareness of the importance of safeguarding the world's rainforests. Awareness stimulates the willingness to support our work, both morally and financially. A sense of commitment among broad layers of the population helps to shed light on our work and increases our political influence. We have two key sources of independent income: Rainforest Guardians and the business community.

Rainforest Guardians

Rainforest Guardians are private individuals and businesses who choose to make a regular monthly donation. They make up our most

important donor group, as they donate funds on a regular basis – generally over many years. In the course of 2012, we recruited 825 new Rainforest Guardians, and at the close of the year 4595 people supported us in this way. The Rainforest Guardians hail from all over the country, and are primarily recruited via activities on the Internet. Ever more people follow us on Facebook, and we see that many become Rainforest Guardians in this way.

In order for us to become less dependent on state funding and thereby make the organization more robust, we need more Rainforest Guardians. Last year, we intensified our efforts to achieve this goal.

The business community

When a guest stays overnight at one of the Nordic Choice Hotels, he or she preserves 100 square metres of rainforest for one year. For every guest-night the hotel chain donates NOK 0.50 to Rainforest Foundation Norway. Last year, this amounted to NOK 2.7 million, which makes Nordic Choice Hotels

our decidedly most important partner in the business community. The money goes to projects in Peru and Papua New Guinea. Last year RFN had the pleasure of inviting three Nordic Choice employees to the village of Dulce Gloria in Peru where they learned how indigenous guards keep intruders away from a protected area reserved for uncontacted tribes – a project which Nordic Choice supports directly.

The hotel chain has shown itself to be a determined partner which takes its commitment to the environment seriously. We saw evidence of this last year when Quality Hotel Fredrikstad discontinued all use of the rainforest threatening palm oil. The hotel chain shortly thereafter declared that all of Nordic Choice's 170 hotels will become palm oil free.

RFN also receives donations and support from other actors within the business community, contributing significantly to our income.

Nordic Choice Hotels is our most important business partner.



NORDIC CHOICE HOTELS

For more information, please visit
www.rainforest.no/languages/english



Rainforest Foundation Norway Annual Report 2012

Publisher: Rainforest Foundation Norway

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Project Manager: Gaute Johansson Gaarder

Design: Concorde Design

Print: Merkur Trykk