

# RAINFOREST ALLIANCE

TWENTY - FIVE YEARS **and Still Growing** 

2011 ANNUAL REPORT

# The Rainforest Alliance

of deforestation and environmental destruction

by ensuring that millions of acres of working forests, farms, ranchlands and hotel properties are managed according to rigorous sustainability standards. We link sustainably managed businesses to conscientious consumers, who identify their goods and services through the Rainforest Alliance Certified™ seal and Rainforest Alliance Verified™ mark. Our success in more than 70 countries around the world demonstrates that a sustainable approach, which protects the environment, ensures good working conditions and provides businesses with the tools to operate efficiently and responsibly, can help them to thrive in the modern economy.

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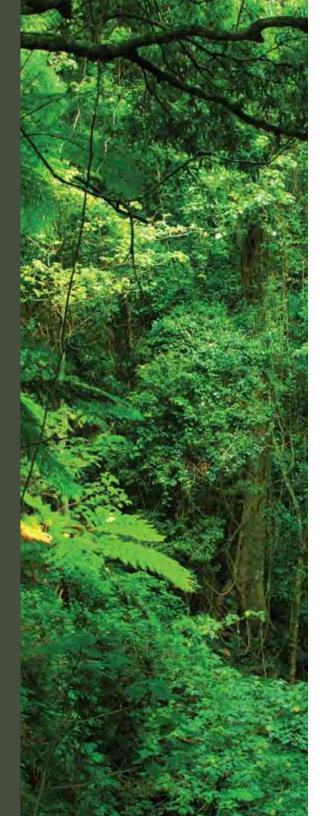
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\*term ended during fiscal year 2010



# IT'S

986

Fifty acres (20 hectares) of rainforest are disappearing every minute, and every day, two dozen species are becoming extinct – faster than they can be discovered and described.

Scientists at the National Forum on BioDiversity warn that the systematic destruction of tropical rainforests due to irresponsible logging, farming, ranching and mining is leading to a mass extinction of biodiversity. "The extinctions ongoing worldwide promise to be at least as great as the mass extinction that occurred at the end of the age of dinosaurs," cautions Harvard Professor of Science E.O. Wilson.

Concerned about the future of our planet, a masseuse, a toxicologist, a theater worker, a returned Peace Corps volunteer and a young China expert organize a major conference on the rainforest crisis. The conference organizers incorporate: the Rainforest Alliance is born.



Daniel R. Katz Board Chair



ensie Whelan President



Flash forward 25 scrappy, challenging, daring, daunting and innovative years...

- The Rainforest Alliance's annual operating budget is \$50 million.
- We employ nearly 350 staff and operate in more than 70 countries.
   In partnership with members of the Sustainable Agriculture Network, a coalition of leading environmental groups, we've introduced responsible farm management methods around the world. In 31 countries, five million farmers, farm workers and their families are now benefitting from our sustainable agriculture work.
- The Rainforest Alliance has certified 161 million forested acres to the Forest Stewardship Council standards.
- We've trained more than 7,000 entrepreneurs in sustainable tourism management.
- In the past year alone, the number of Rainforest Alliance forest carbon validations has doubled, to nearly 30, representing an additional 500,000 acres (202,343 hectares) brought under conservation and/or sustainable management and a 60 percent increase in the amount of carbon sequestered.

Over the course of a quarter century, the Rainforest Alliance has changed the rules of business, creating a new, just and healthy approach to capitalism. We've devised a healthy solution to problems that plague Wall Street, cocoa farms, tea plantations, boreal forests and the global climate.

And while we haven't yet solved many of the problems that plague the planet, we're off to an inspired start. Which is why we've garnered the attention of farmers, foresters, hoteliers, CEOs, NGOs, community leaders, teachers, students, shopkeepers, shoppers, bloggers, tweeters and Facebook posters around the world.

And when we flash forward another 25 years, we are confident that the same daring, innovative and collaborative approach that resulted in the world's first international conference on rainforest destruction...the first global forest certification program...the first standards for sustainably grown tropical export crops...and the first network of sustainable tourism businesses in the Americas will continue to find pioneering solutions to some of the world's most vexing and seemingly intractable environmental, social and economic ills.



TWENTY-FIVE YEARS AGO, THE RAINFOREST ALLIANCE CAME UP WITH A SEEDLING OF AN IDEA: BY CERTIFYING SUSTAINABLY MANAGED FORESTS AND HELPING FOREST MANAGERS FIND A MARKET FOR THEIR RESPONSIBLY PRODUCED GOODS, WE CAN PROTECT THE ENVIRONMENT, IMPROVE THE LIVELIHOODS OF FOREST COMMUNITIES AND TRANSFORM THE FOREST PRODUCTS INDUSTRY. AND WE CAN GIVE CONSUMERS THE OPTION OF SUPPORTING SUSTAINABILITY THROUGH THEIR PURCHASING CHOICES. TODAY, THAT IDEA HAS GERMINATED INTO A POWERFUL, GLOBAL MOVEMENT THAT SPANS MORE THAN 70 COUNTRIES AROUND THE GLOBE.



FOREST CERTIFICATION VS. DEFORESTATION

We've certified over 157 million acres (63.6 million hectares) of forestland around the world according to FSC standards, proving that responsible forestry is a viable alternative to deforestation. In many cases, FSC-certification protects forests better than even governments can. In the Maya Biosphere Reserve, for example, the rate of deforestation in government-protected areas is 20 times the rate of deforestation in certified forest communities.

# INTO THE WOODS

The field of forest carbon auditing was nearly nonexistent 25 years ago. Yet today the Rainforest Alliance is involved in some of the world's most cutting-edge initiatives, such as the Darkwoods Forest Carbon Project in British Columbia. Managed by the Nature Conservancy of Canada (NCC), the 136,000-acre (55,000-hectare) Darkwoods conservation area serves as a wilderness corridor for grizzly bears and other carnivores, has some of the greatest variety of tree species in the province, helps preserve local freshwater systems and protects critical habitat for at least 19 at-risk species – including the region's only remaining herd of mountain caribou. But Darkwoods' impact extends well beyond its immediate surroundings. It is also home to the first and largest forest carbon project of its kind in North America.

Since its launch in 2008 and up through the end of 2010, the project sequestered and/or avoided 849,016 metric tons of carbon dioxide emissions (approximately the amount generated by 145,000 SUVs in one year), and the project's first sale of carbon credits has raised over \$4 million.

These achievements were made possible in part by the Rainforest Alliance's June 2011 validation of the project, as well as our assessment of the methodology used to measure the amount of carbon sequestered in the area.

As a result of the **DARKWOODS** Forest Carbon Project,

849,016

**METRIC TONS OF CO<sub>2</sub>** were sequestered or avoided from 2008 through 2010, equivalent to the amount

generated by 145,000 SUVS IN ONE YEAR



# A **LOFTY** ALTERNATIVE

The steep and rugged terrain of Mexico's Sierra Gorda Biosphere Reserve provides vital habitat for an enormous variety of plants and animals, including black bears, pumas and jaguars, but it is also home to 100,000 human residents, including extremely poor communities that rely almost exclusively on agriculture and ranching. Conventional farming and the grazing of livestock on the reserve's steep slopes have caused severe soil erosion and degraded watersheds.

To encourage reforestation and provide local residents with an alternative source of livelihood, the local nonprofit Bosque Sustentable assists community members with planting native trees on degraded slopes within their farms, removing cattle from key areas (to encourage natural regeneration) and managing their forests for carbon sequestration and other environmental services. The project, which currently covers 2,325 acres (941 hectares), helps create wildlife corridors, protect local water supplies, reduce soil erosion and mitigate global climate change. And it allows community members to generate income through the sale of carbon credits.

The Rainforest Alliance's validation of the project has helped make these environmental and economic improvements possible. "We learned a lot from the process of validation," says Martha Ruiz Corzo of the Grupo Ecológico Sierra Gorda, which represents community members. "Now we have a new and effective tool for economic development that also helps conserve biodiversity within the protected area."

In the past fiscal year, the number of Rainforest Alliance forest carbon validations has doubled, to nearly 30, representing an additional 500,000 acres (202,000 hectares) brought under conservation and/or sustainable management and a 60 percent increase in the amount of carbon sequestered.

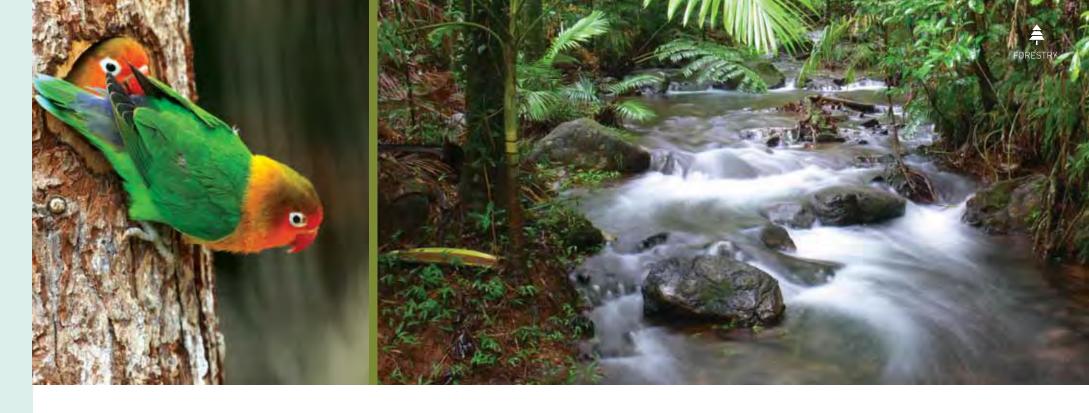
Over the past year, the Rainforest Alliance doubled the number of carbon project audits we have completed – now totaling 32 audits of projects that aim to manage over 2.1 million acres (850,000 hectares) for conservation and avoid the release of more than 100 million tons of carbon dioxide into the atmosphere throughout the life of these projects.



of all Rainforest Alliance **CERTIFIED FORESTLAND**is protected and **OFF-LIMITS** 

to commercial harvesting





# GETTING TO THE **SOURCE**

THE RAINFOREST ALLIANCE'S SMARTSOURCE PROGRAM HAD ITS **MOST SUCCESSFUL YEAR EVER,** ENGAGING WALMART UK (KNOWN AS ASDA), ORIFLAME, GENERAL MILLS AND KINGFISHER IN RESPONSIBLE SOURCING. THE COMBINED VALUE OF SMARTSOURCE CLIENT PRODUCTS IS NOW MORE THAN \$20 BILLION.

For the past five years, the Rainforest Alliance has been helping companies to locate sustainable sources for their forest products.

Now, thanks to a collaboration with Staples, we're about to launch an innovative web-based program that will significantly speed up the search for sustainability. Called SmartSource 360 and developed in collaboration with CRedit360, a sustainability software company, the program will allow manufacturers and retailers to trace all the forest products in their inventory back to their primary sources and identify problems, such as wood that was illegally logged from forests where biodiversity is threatened.

"Implementing an effective sustainable sourcing program for wood and paper can be challenging," explains Mark Buckley, Staples' VP of Environmental Affairs. "To do it well you need to understand complex forest issues, train your suppliers, gather source data from them and work with them on continuous improvement. SmartSource 360 will streamline this work, reducing the risk of inaccurate reporting and helping to ensure we have a full picture about the origins of our forest products."

# PROVIDING EUROPE'S SMALLHOLDERS WITH ACCESS TO

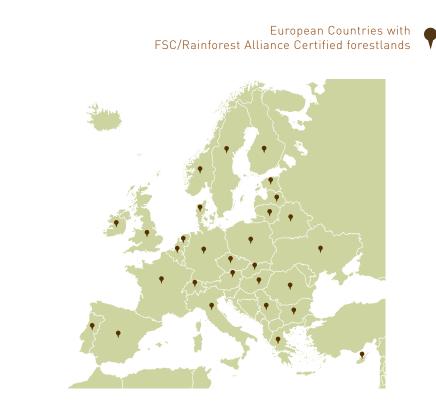
# **FSC CERTIFICATION**

More than half of Europe's forestland is divided across some 16 million small, privately owned properties. Knowledge of forestry certification is limited. Finances are tight, especially given today's economic climate. And according to the European Environment Agency, the biodiversity found in Europe's forests is declining.

Yet despite these challenges, a demand for "green" forestry technicians is starting to take root across Spain, Portugal and Denmark. These technicians – who mark trees for harvesting and manage logging operations – are often contracted by small forest owners. Because of their preference for FSC/Rainforest Alliance certification, the technicians are generating a growing interest in sustainable forestry on the part of smallholders.

"FSC certification allows smallholders to demonstrate they are properly managing their lands," explains Leticia Calvo Vialettes, certification coordinator for the Rainforest Alliance's partner group NEPCon.
"By giving smallholders greater access to FSC certification, we hope that they'll find new markets for their wood and other forest products."

The Rainforest Alliance is the leading FSC certifier. To date, we have certified 159,000,000 acres (64,169,976 hectares); 27 percent of that land is in Europe.





# RECOGNITION FOR **VALUED FORESTS**

The Rainforest Alliance's forestry certification work has helped safeguard some of the world's most valuable natural treasures.

In Chile, for example, we've certified the 145,000 acres (58,680 hectares) of forestland owned and managed by Monte Alto in the ecologically complex region of Patagonia. In order to achieve FSC/Rainforest Alliance certification, the Chilean company made major investments in the protection of its high-conservation value forests, a designation given to forests that are particularly significant for environmental or cultural reasons.

Monte Alto collaborated with La Universidad de Chile on a variety of wildlife studies, and together they examined the environmental impacts of various forestry practices on the area's natural resources. "Aside from improving productivity," says Monte Alto's general manager Federico Hechenleitner, "we want to maintain all of the environmental services that the forest provides." These services include soil and water protection, oxygen production and wind buffering. Without trees, wind erosion would become a huge problem in the area.

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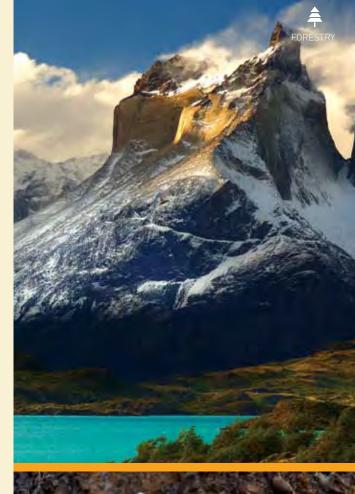
PEOPLE

**BENEFITTED** 

# from the RAINFOREST ALLIANCE'S

community forestry program in

FY 2011







STARTING WITH BANANAS, EXPANDING TO COFFEE AND NOW WORKING WITH MORE THAN A DOZEN CROPS, THE RAINFOREST ALLIANCE HAS BEEN INSTRUMENTAL IN TRANSFORMING TROPICAL AGRICULTURE, FARM BY FARM AND COUNTRY BY COUNTRY -HELPING FARMERS TO BECOME STEWARDS OF THEIR LANDS AND EARN SUSTAINABLE LIVELIHOODS IN THE PROCESS. FROM LATIN AMERICA TO AFRICA TO ASIA, FARMERS, THEIR FAMILIES AND COMMUNITIES ACROSS THE GLOBE ARE REAPING THE BENEFITS OF SUSTAINABLE AGRICULTURE.





TO CREATE HISTORICAL ESTIMATES, WE FIRST CALCULATED THE NUMBER OF WORKERS PER HECTARE FOR EACH CERTIFIED FARM, BASED ON EACH FARM'S MOST RECENT REPORTED NUMBER OF WORKERS. WE THEN CALCULATED THE AVERAGE NUMBER OF WORKERS PER HECTARE ACROSS ALL FARMS, WEIGHTED BY OPERATION SIZE (HECTARES). THIS WEIGHTED MEAN WAS THIS APPLIED TO THE TOTAL FARM AREA CERTIFIED BY RAINFOREST ALLIANCE FOR EACH YEAR.

"IT IS A WAY OF DEMONSTRATING THAT WE ALL NEED TO SOW AN ENVIRONMENTAL AWARENESS SO THAT OUR CHILDREN MAY REAP A BETTER WORLD."

-STUARDO COTO, OWNER, FINCA EL PLATANILLO, GUATEMALA

# CLIMATE-FRIENDLY FARMING

Farmers are on the front lines of climate change. They must cope with altered growing seasons, irregular rainfall, floods, drought and other challenges.

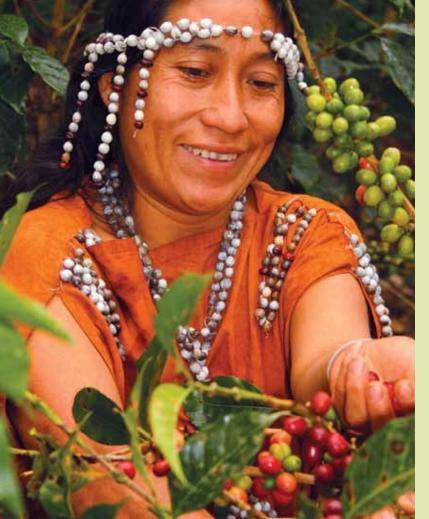
The Sustainable Agriculture Network – the NGO coalition that manages the standard that farms meet in order to be Rainforest Alliance Certified™ – worked with coffee farmers and scientists to determine how growers could adjust their practices to reduce their own impact on the climate and better prepare for erratic weather. With support from the business community, led by the Belgium-based coffee trader EFICO, the researchers developed guidelines for climate-friendly farming.

These guidelines, launched in February 2011, outline extra steps beyond the certification standards, such as making a climate care plan and preparing for weather emergencies. Farmers who join this voluntary program commit to reducing greenhouse gas emissions and increasing the amount of carbon sequestered on their farms by planting trees and preventing soil erosion. They'll be more prepared for extreme weather shifts, pests and diseases, and better able to adapt to the changing climate. In addition to benefiting local communities and the environment, adopting these recommendations can also save farmers money by reducing energy and water consumption, generating new products from agricultural waste and ensuring a more efficient use of fertilizers.

Finca El Platanillo coffee farm in southwestern Guatemala was the first to fully implement the module. Located high on the slopes of two volcanoes, the farm has been Rainforest Alliance Certified since 2005. The farm's owner, Stuardo Coto, explains why he chose to do even more: "It is a way of demonstrating that we all need to sow an environmental awareness so that our children may reap a better world."







# 250,000

# CERTIFIED FARMS WORLDWIDE

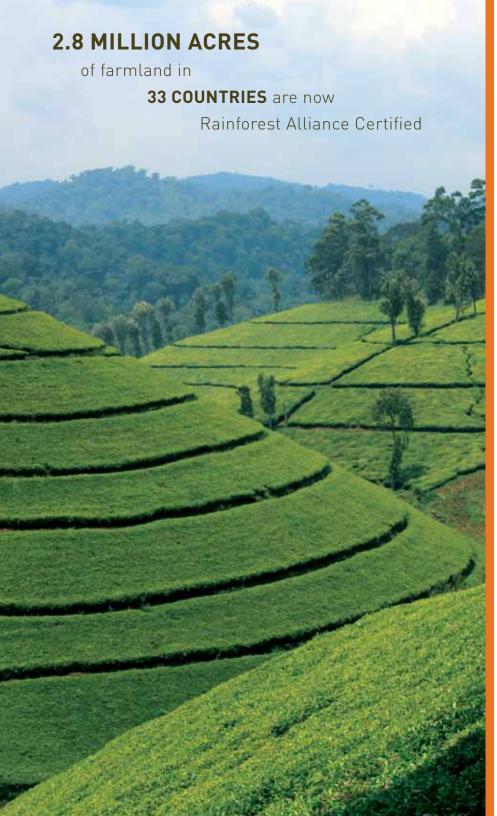
# A **SUSTAINABILITY**JOURNEY

Prior to earning Rainforest Alliance certification for her coffee farm on the eastern slopes of the Peruvian Andes, Jesusa Colina and the other farmers in her Yanesha indigenous community struggled to make ends meet. "During the years that we depended on middlemen, I sometimes didn't have enough money to buy clothes or school supplies for my five children," recalls the coffee farmer.

The Rainforest Alliance has been working with coffee farmers in Peru since 2006, helping them to adopt sustainable methods and find buyers for their Rainforest Alliance Certified beans. As a result, Peru boasts the largest number of certified coffee farms in the world, and small farmers like Colina have been able to improve the quality of their beans, improve their living conditions and protect the environment.

Since adopting sustainable farm methods, Colina's community has purchased a pickup truck to transport beans. Houses now feature indoor plumbing and wood stoves with chimneys. Garbage is collected regularly. Farmers are protecting natural vegetation along waterways. Hunting is less prevalent. The recycling and composting of waste is commonplace. And more than 30,000 trees have been planted.





# TURNING OVER A **NEW LEAF**

Located between Lake Kivu, one of the African Great Lakes, and the Virunga mountains, which provide habitat for some of the country's last gorillas, Rwanda's Pfunda Tea Company has been Rainforest Alliance Certified<sup>TM</sup> since February 2011. In addition to processing tea from its own tea estate, Pfunda manufactures tea supplied by 2,164 local small-holder farmers.

In the past year, the company has...

- planted 32,283 new native trees along the roads and rivers within its production areas, and replaced invasive eucalyptus trees with native species.
- built state-of-the-art wastewater treatment facilities. Prior to certification, Pfunda poured nearly nine million gallons of untreated wastewater directly into the nearby river.
- provided clean drinking water to all of its workers.
- hired a nurse and set up an onsite clinic.
- invested in energy conservation and reduced its wood fuel consumption by 8 percent.
- improved sanitation conditions, building toilets in all of its leaf collection centers.

Even more impressive: Pfunda and its smallholder suppliers represent just a small fraction of the farmers introduced to Rainforest Alliance certification in the last fiscal year, when nearly 250,000 tea-producing smallholders in Rwanda, Sri Lanka, Kenya, Malawi and Tanzania were trained in sustainable farm methods, and the volume of Rainforest Alliance Certified tea produced during the year doubled.



# A BETTER CUPPA TEA

Most of Sri Lanka's tea is grown on small, family-owned farms that feature patches of rubber trees or borders of cinnamon and betel nut trees. Others are dotted with pepper plants, coconut trees and other marketable fruits such as banana and papaya.

Prior to the mid 1800s, these farms were entirely populated by coffee. A common fungal pest known as 'leaf blight' swept across the region and destroyed the coffee farms that the Dutch colonizers had planted. By the 1870s, these farms had been converted to tea and rubber. For decades now, much of the farmland has been poorly managed and degraded from agrochemical use. The soil is baked hard, cracked, parched and compacted.

The Rainforest Alliance is training tea farmers in Sri Lanka – as well as Argentina, Brazil, Ecuador, Kenya, Tanzania, Rwanda, Uganda, Malawi, India, Indonesia and Vietnam – how to improve their lands and their crop production. We introduce them to methods for controlling erosion, plants that can improve soil nutrients, and alternatives to agrochemicals.

As a result, 6.6 percent of the world's tea now bears the Rainforest Alliance Certified seal and is grown on farms covering more than 500,000 acres [1.2 million hectares] – over 42,000 of which are in Sri Lanka.





# MARKET SHARE (Volume Certified)







3.2% 6.6% 15%







Tea

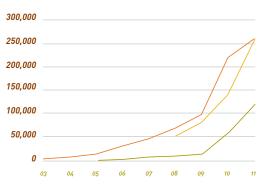


Coffee

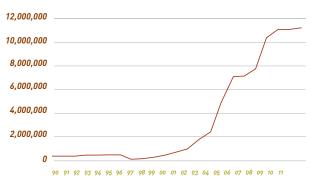
Cocoa

Bananas

### AGRICULTURE CERTIFIED PRODUCTION (metric tons)

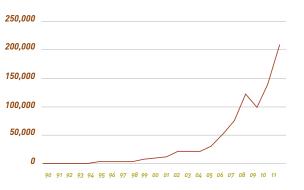


# FORESTRY TOTAL PROTECTED AREA (hectares)



To create historical estimates, we first calculated the area of set-aside for each certified forest, based on each operation's most recent reported numbers. We then calculated the average setaside across all forests, weighted by operation size (hectares). This weighted mean was then applied to the total forest area certified by the Rainforest Alliance for each year.

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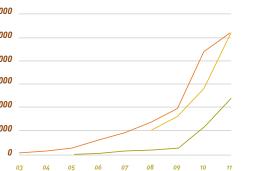




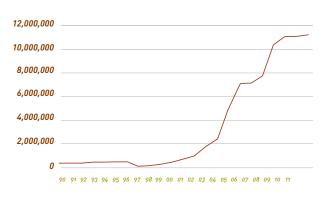


Coffee

## AGRICULTURE CERTIFIED PRODUCTION (metric tons)



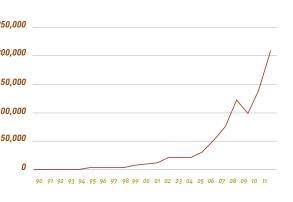
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SINCE 1987, WHEN THE RAINFOREST ALLIANCE STAGED THE FIRST MAJOR INTERNATIONAL CONFERENCE ON RAINFORESTS TO RAISE AWARENESS ABOUT THEIR DESTRUCTION, WE'VE UNDERSTOOD THE POWER OF EDUCATION. WHETHER IT'S THROUGH THE USE OF NEW TECHNOLOGIES OR VIA MORE TRADITIONAL MEANS – SUCH AS OUR COMPREHENSIVE ENVIRONMENTAL CURRICULUM FOR ELEMENTARY AND MIDDLE SCHOOLS OR THE HANDS-ON FIELD TRAINING WE OFFER FARMERS AND TOURISM BUSINESSES – OUR OVERALL SUCCESS

TO DATE

STUDENTS TAUGHT TO BE BETTER LAND STEWARDS

DEPENDS ON TEACHING OTHERS AND LEARNING FROM THEM AS WELL.

# GUATEMALAN STUDENTS HELP PROTECT JAGUARS

The small Guatemalan community of Carmelita, located in the biodiversity-rich Maya Biosphere Reserve, so effectively improved the management of its forests that jaguars began returning to the area after many years' absence.

While this was welcome news from a conservation standpoint, some community members were wary of the threats that these powerful predators posed to pets and livestock.

But with guidance from the Rainforest Alliance, Carmelita's students became the teachers, creating a radio program to explain to their neighbors the vital balancing role that jaguars play within their rainforest ecosystem. Using trivia, forest facts, marimba music and information about the history of jaguars within Mayan culture, the children were able to inform others as well as share their own environmental ethics with the community.

Explains student Kelly Anahí España: "What I liked most about the educational radio program was how our instructor helped lead us on an imaginary journey to create stories and legends about the jaguar. With these, we learned how to respect and protect this giant of the Maya Forest."

Since 2007, the Rainforest Alliance has collaborated with nearly 700 teachers throughout the Guatemalan reserve via training workshops. Teachers have learned how to bring environmental education to their students and design hands-on activities for the kids, including river clean-ups, tree planting and awareness-raising activities around forest fire prevention.





# OUR EDUCATION PROGRAM GROWS EXPONENTIALLY

This year, in the Duval County school district of Jacksonville, Florida, the Rainforest Alliance established an environmental education leadership team that included 45 teachers from six different schools and brought them together for training workshops. After the sessions ended, these teachers took the curriculum back to colleagues at their respective schools. By training the teachers to train their colleagues, we were able to bring 167 teachers up to speed and build environmental values among 2,500 students in the district – more than quadrupling the program's reach in just one school year.

"Our students are learning about the importance of rainforests and the products that come from them," says Kathryn LeRoy, Duval County Schools Science Administrator. "The program involves reading, math, science, social studies and art, but it also extends students' experiences beyond the classroom to gardening and recycling projects. We look forward to expanding our participation in the years ahead."



STUDENTS TAUGHT (by year)



# VIRTUAL TRAINING FOR TRAINERS



THE RAINFOREST ALLIANCE LEARNING SITE ANNUALLY RECEIVES MORE THAN **ONE MILLION VIEWS AND DOWNLOADS,** INCLUDING 100,000 VISITS TO THE KID-FRIENDLY AND INTERACTIVE RAINFOREST ALLIANCE TREEHOUSE.





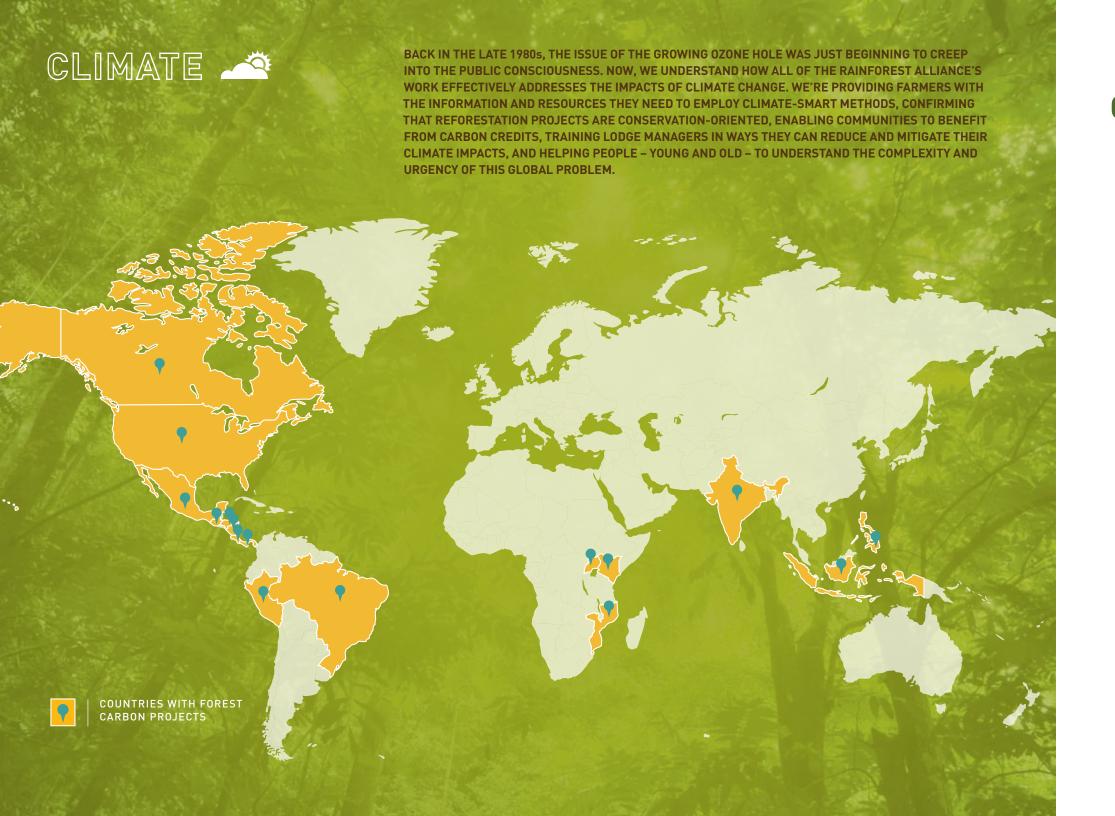
As the technical capacity manager for the Rainforest Alliance's sustainable landscapes team, Reiko Enomoto is often confronted with logistical challenges. A typical scenario: a company sourcing cocoa from West Africa needs a trainer to visit Côte d'Ivoire to teach local trainers methods for sustainable farm management. The only trainer available is based in Costa Rica and speaks no French.

Rather than send a trainer around the world and hire a translator, Enomoto found a more efficient way to ensure that instructors were uniformly conducting high quality trainings.

The online Training Platform for Sustainable Agriculture features 19 distinct courses, 17 exams, 160 different training materials for farmers, and photo and video tools. It is available in English and Spanish with additional languages in the works.

"I see trainers struggling when they are just given the pure text standard," Enomoto explains. "I put myself in their shoes: If I were a trainer or farmer, I'd be very happy to see a video and be entertained and get a chance to virtually visit Rainforest Alliance Certified™ farms in other parts of the world."





# COCOA, CONSERVATION AND

CLIMATE CHANGE IN AFRICA

Kwasi Appiah is one of 1,200 cocoa farmers from 13 Ghanaian communities who have been learning about the importance of maintaining tree cover on his farm and planting tree seedlings to enrich degraded natural forestland and fallow land. "I used to destroy all shade trees on my cocoa farm," Appiah recalls, "but I now protect them, and I advise my community members to start protecting them."

In Ghana's Western Region, the rapid expansion of cocoa farms has been threatening the remaining fragments of natural forest, which is having a profound effect on local livelihoods, regional ecosystems and the global climate. Through the Rainforest Alliance's Forest, Climate & Community Alliance project, we are helping farmers like Kwasi Appiah to address these interrelated problems – to halt deforestation, restore their forest landscapes, increase their productivity and reduce the greenhouse gas emissions that arise from deforestation and forest degradation.

The Rainforest Alliance is building local capacity by training extension agents who in turn are training the farmers, preparing them to earn the Rainforest Alliance Certified seal, increase carbon stocks on their land and improve crop yields.

And as farms become certified, we help farmers to sell their cocoa, often at premium prices, to both domestic and international buyers.

**MORE THAN** 

60,000

**COCOA FARMS WORLDWIDE ARE NOW** 

# RAINFOREST ALLIANCE

# **CERTIFIED**

as of December 2011 (165% growth from 2010)

"I USED TO DESTROY ALL SHADE TREES ON MY COCOA FARM, BUT NOW I PROTECT THEM, AND I ADVISE MY COMMUNITY MEMBERS TO START PROTECTING THEM."

- KWASI APPIAH, COCOA FARMER, GHANA



# MEASURING CONSERVATION **SUCCESS**

Methodologies. Assessments. Validations. The technical language of carbon project development can be difficult for the layperson to decipher, but what it ultimately comes down to is the ability to ensure that carbon sequestration claims are real, measurable and backed by science.

By assigning a financial value to the carbon stored in forestlands, REDD (Reducing Emissions from Deforestation and Forest Degradation) projects have the potential to mitigate millions of tons of greenhouse gas emissions, protect critically endangered species and support the economic well-being of some of the world's most impoverished communities. But these communities can only earn additional funds – which they need in order to manage and conserve their forests – if there are credible methods in place for evaluating the effectiveness of their initiatives.

Over the past year, the Rainforest Alliance has assessed six landmark carbon-accounting methodologies and validated that they are sound. Among these is one developed by Brazil's Amazonas Sustainable Foundation and the World Bank's BioCarbon Fund, designed to calculate greenhouse gas emissions from areas where logging, agriculture, cattle ranching, fuelwood collection or charcoal production are taking place (all of which result in deforestation) and then quantify the emission reductions that occur when deforestation is curbed.

"One of the great benefits of this methodology," says the foundation's Virgilio Viana, "is that it can be applied globally." In eastern Madagascar, for example, the Ankeniheny-Zahamena forestry corridor project aims to apply this REDD methodology to quantify its emissions reductions so that it can sell carbon credits that will help protect a 914,000-acre (370,000-hectare) natural reserve, support poor forest communities and conserve the African island's unique biodiversity.









# HELPING KIDS UNDERSTAND

# CLIMATE CHANGE

In response to the increased focus on climate change, we created dynamic new climate-change lesson plans aimed at students in grades five through eight. Developed in conjunction with Project Learning Tree, the lessons start with students interviewing adults about the shifts they've witnessed in the global climate. Next, the children plot realworld carbon data and follow a carbon molecule through its cycle. To help the kids translate theoretical ideas into practice, they learn how to measure the approximate carbon content of trees in their community and compare the results to the amount emitted during various activities. They're also taught to analyze satellite data to assess changes in forest cover over time, and they examine case studies of initiatives designed to combat the problem.

"These activities give educators the tools they need to successfully teach students about the environmental issues that affect both the world and their local community," explains Al Stenstrup, Project Learning Tree's director of education programs.

We piloted the new lesson plans with teachers, students and communities in Guatemala and later adapted them for a US audience.





Students learn to analyze satellite data to assess changes in forest cover over time.



SUSTAINABLE TOURISM HAS THE POTENTIAL TO PROVIDE FOREST COMMUNITIES WITH A VIABLE ECONOMIC ALTERNATIVE TO LESS ENVIRONMENTALLY-FRIENDLY OPTIONS – INCLUDING SLASH-AND-BURN FARMING, FOR EXAMPLE. WE'VE HELPED TO ALLEVIATE POVERTY AND PROTECTED SOME OF THE WORLD'S MOST REMARKABLE ENVIRONMENTS BY GIVING HOTEL MANAGERS AND TOUR COMPANY OPERATORS THE TOOLS TO MANAGE THEIR BUSINESSES RESPONSIBLY AND TO ATTRACT THE RAPIDLY GROWING NUMBERS OF TRAVELERS WHO CARE ABOUT THEIR IMPACT ON THE PLACES THEY VISIT.

# TOURISM ENTREPRENEURS

TRAINED

IN LATIN AMERICA

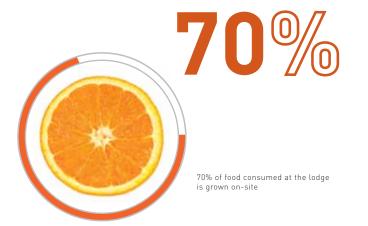


# AN INSPIRED ECO-LODGE IN COSTA RICA

Throughout Latin America, the Rainforest Alliance is helping to conserve more than 2.7 million acres (1.1 million hectares) of diverse ecosystems by working with lodge owners and staff who want to minimize their impact on their natural surroundings. Among the properties participating in the program is the Maquenque Eco Lodge in Costa Rica. Situated on 150 acres (60 hectares) along the Costa Rican Bird Route – a trail that features 18 sites selected for their high diversity of avian species – the property borders the Maquenque National Wildlife Refuge, a sanctuary for endangered species as well as a reservoir of diverse and fragile ecosystems including wetlands, lagoons and creeks.

"We built the hotel to take advantage of nature," explains Oscar Artavia, owner and general manager of the lodge. "The Rainforest Alliance has helped us to be better organized and to clarify what we need to do to be sustainable and environmentally friendly. It's like having a car but not knowing how to run it. So the Rainforest Alliance comes in and teaches you how to drive."

Artavia is committed to conserving his forested lands so they can continue to support species such as the great green macaw, the chestnut-bellied heron and the muscovy duck. He has organized a reforestation program, an environmental education program for local children, and eco-tours of the local community of Boca San Carlos. His property also features a botanical garden, a butterfly garden, and a fruit orchard and vegetable garden, which produce 70 percent of the food consumed at the lodge.





"THE RAINFOREST ALLIANCE HAS AN IMPORTANT IMPACT BECAUSE IT GETS THE LODGE OWNERS TO CONCENTRATE ON THINGS THAT THEY CAN FIX AND PROVIDES THEM WITH INFORMATION ABOUT HOW TO DO IT."

- KURT HOLLE, RAINFOREST EXPEDITIONS, PERU



60% of Wasai Tambopata Lodge's profits go to
WORKERS, 18% go to PENSIONS FOR
COMMUNITY MEMBERS over 70.

INTEREST-FREE STUDENT LOANS,
and a FUND FOR MEDICAL EMERGENCIES

# A NEW TOURISM TEXTBOOK

The conversion of land for farming, gold mining and illegal logging poses a threat to Peru's Tambopata National Reserve, a 3,376,000-acre (1,366,106-hectare) expanse in the southern Peruvian Amazon. An alternative to these destructive activities is sustainable tourism, which in recent years has become an increasingly important source of income for local community members. To learn just what makes a hotel sustainable and how to adopt sustainable methods on their own properties, 15 local hotel owners and managers have participated in Rainforest Alliance workshops, where they rely on our guides to best practices for sustainable tourism. This year, we published several new editions of the guide, which can be found here: www.rainforest-alliance.org/quides.

Among the hotel owners who have joined the Rainforest Alliance workshops is Mario Troncoso. His property, the Wasaí Tambopata Lodge, protects nearly 10,000 acres (4,000 hectares) of wilderness.

As a result of the training, he has been able to reduce the lodge's fuel consumption enough so that he's able to invest additional money in protecting his lands and expanding the private reserve.

The Ese-Eja native community, which along with Rainforest Expeditions manages Posada Amazonas, also in Tambopata, has learned a number of important lessons at the Rainforest Alliance workshops. While they used to permit hunting, the community now prohibits any activities on their lands other than tourism and Brazil nut collecting. Revenue from the inn has helped to boost local incomes considerably. Sixty percent of the lodge's profits go to the workers and another 18 percent is spent on pensions for community members over the age of 70, interest-free student loans and a fund for medical emergencies.

As Kurt Holle, co-owner of Rainforest Expeditions, observes, "The Rainforest Alliance has an important impact because it gets the lodge owners to concentrate on things that they can fix and provides them with information about how to do it."









# CONTRIBUTING TO COMMUNITY WELL-BEING

The Chilamate Rainforest Eco Lodge is located in Costa Rica's northern Caribbean lowlands, one of the country's most biologically diverse areas, and home to more than 500 bird species, 5,000 butterfly species, 6,000 plant species, 350 tree species, 139 mammal species and 135 reptile species. To help conserve this critical habitat, lodge owners David Azofeifa and Meghan Casey have relied heavily on the Rainforest Alliance Sustainable Tourism Best Practices Guide. "Our buildings are designed to take advantage of natural lighting, air-conditioning and insulation," explains Casey. "We use solar panels and low-energy fluorescent bulbs for lighting rooms, conserve water, separate waste and have a craft show that features locally made handicrafts."

In addition to their eco-commitments, Casey and Azofeifa are intent on contributing to their neighboring farm community. All employees are local, much of the food served at the lodge is sourced locally and the volunteers who want to participate in community projects are invited to either stay at the lodge at discounted rates or in homestays in the community. This past year the lodge owners designed and built two playgrounds, a basketball court and a library, with the support of partnering foreign schools. Free English classes are offered to the neighboring community, and students can use reception desk computers on Saturdays, so they can access the Internet and do their homework.

Thanks to lodge owners like Casey and Azofeifa, 12,500 people throughout Latin America are directly benefitting from the Rainforest Alliance's sustainable tourism activities and expertise.

12,500

PEOPLE IN LATIN AMERICA

DIRECTLY BENEFIT FROM

RAINFOREST ALLIANCE

TOURISM ACTIVITIES







SETTING GLOBAL STANDARDS FOR SUSTAINABLE TOURISM

The Global Sustainable Tourism Council (GSTC) - initiated by the Rainforest Alliance, the United Nations Environment Programme (UNEP), the United Nations Foundation and the United Nations World Tourism Organization (UNWTO) - is a coalition of more than 200 organizations working to promote sustainable tourism globally.

Central to the council's efforts is a set of criteria that represent the minimum standard that any tourism business should aspire to reach in order to protect and sustain the world's natural and cultural resources, while ensuring tourism meets its potential as a tool for poverty alleviation.

"The GSTC criteria are an important global framework for our industry because they help marketers and distributors of travel, such as ourselves, harmonize the numerous global certification programs in the marketplace and provide our customers with clear and trustworthy sustainable travel choices," explains Leilani Latimer, director of sustainability initiatives at Sabre Holdings Corporation, parent company of Travelocity, the online travel website.

The Rainforest Alliance continues to actively support new iterations of the GSTC criteria as a means of helping sustainable tourism businesses to access new markets. This year, Rainforest Alliance vice president of sustainable tourism Ronald Sanabria was elected to the GSTC board of directors.



# Funders

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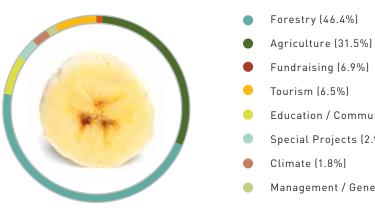
Rica at Peninsula Papagayo

# SUPPORT & REVENUE

- Fee-for-Service (36%)
- Government (27.4%)
- Foundation (18.3%)
- Contributions/Membership (11.7%)
- Other (3.3%)
- Special Events (3.3%)



# **EXPENSES**



- Forestry (46.4%)
- Fundraising (6.9%)
- Education / Communication (3.2%)
- Special Projects (2.9%)
- Climate (1.8%)
- Management / General (0.9%)

# FINANCIAL **SUMMARY**

As of June 30, 2011 (with comparative totals for fiscal year 2010)

Revenue and Support	2010	2011
Foundations and Corporate Grants	7009877	7,193,040
Government Grants & Contract	10409729	10,812,889
Contributions/Membership	3,552,625	4,595,295
Special Events – Net	1,231,131	1,314,236
Fee-for-Service	11,545,988	14,203,680
Other	1,876,939	1,293,042
	35,626,290	39,412,182
Expenses		
Sustainable Agriculture	10,934,505	11,927,45
Forestry	15,472,145	17,590,73
Sustainable Tourism	2,420,959	2,460,659
Communications/Education	2,148,427	1,213,989
Special Projects	1,108,467	1,088,72
Climate Initiatives	475,819	664,01
Total Program	32,560,322	34,945,58
Fundraising	2,356,992	2,614,98
Management/General	302,330	360,369
	35,219,644	37,920,93
Change in Net Assets	406,646	1,491,24
Net Assets, Beginning of Year	4,510,417	4,917,06
Net Assets, End of Period	4,917,063	6,408,30

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- Cover: Farmer Noah Jackson
- pg. 5 Stream Jeffrey Allenby
- pg. 6 Fall Foliage Dan Buettner
- pg. 13 Farmers, left and right Noah Jackson
- pg. 13 Tiger Kalyan Varma
- pg. 21 Farmer Noah Jackson
- pg. 22: Top to bottom Madagascar, chameleon: Noah Jackson
- pg. 24 Interior and exterior Maquenque Eco-Lodge
- pg. 27: From left to right butterfly: Thomas Cory; frog: Julie Larson Maher; David Azofeifa and Meghan Casey, Chilamate Rainforest Eco Lodge