



FASB
Fundo
Ambiental Sul
Baiano

ANNUAL
REPORT
2022



iNovaLand

Conservation

235 HA

Direct
Reforestation
Area Being
Planted

151 HA

Direct Sustainable
Agriculture Area
Being Planted

1,260 HA

Survey of New
Reforestation Area

140 HA

Survey of New
Sustainable
Agriculture Area

7,395

Trees Planted
(Native Species)

8,450

Trees Planted
(Sustainable
Agriculture)

1,890 HA

Preservation of
Forest Fragments

470 HA

Post Investment
Area

55

Different Species
Planted
(Native Species)

22

Different Species
Planted
(Sustainable
Agriculture)

Community

89
Projects
Submitted

826
Families
Involved
Directly

136
Multi-
Stakeholder
Meetings

34
Training
Events

23
Projects
Approved

1,200
Families
Involved
Indirectly

946
Participants
Involved in the
Meetings

11
Projects from
Traditional
Communities

4
Stage 2
Projects

19
Stage 1
Projects

Contents:

iNovaLand Director Statement	4
Community Feedback	5
Overview	7
Progress and Achievements	8
Project submission Window	8
Target Indicators	10
Social Impact	11
Challenges and Lessons	12
Communications	13
Local Support Committee	13
Study Tour	13
Stories from the Community	14
Website	14
Reflections	15

iNovaLand Director Statement

FASB was made possible due to the 15 years collaborations that both the Forum Florestal and NGP have forged between the Southern Bahia landscape stakeholders. Today, that same vision should unite FASB's core partners, by asking to themselves where do they want to be in 15 years' time.

Luis Neves Silva,
iNovaLand Director

Community Feedback

“Among the objectives of the Public Prosecutor's Office is compliance with laws, including environmental ones. In this sense, we have obligations such as the need to preserve or restore areas of permanent preservation and legal reserve. In order to facilitate this protection or restoration, projects such as those supported by the FASB are most welcome. Because they offer financial opportunity for these restorations to be carried out. Involvement in environmental projects, especially in rural communities, is essential. First, because it develops in the community a different relationship with the forest, it is not something they see as an obstacle, but as an opportunity. Based on this new perception, it is possible, for example, to collect seeds, produce seedlings and inputs that will make forest restoration projects viable. And from these restorations, we have a series of environmental benefits such as the region's microclimate, employment opportunities, in short, several benefits arising from this partnership, mainly with partnerships like the FASB. When thinking about restoration projects, very little is said about structuring actions and that's what we needed in the region. As an example, the Arboretum Project, which organizes this forest restoration chain, from seed collection, seedling production, planting and monitoring. So it is this structuring action that will allow projects like the FASB to be made viable and carried forward.”



Fábio Fernandes Correia,
Public Prosecutor, head of the Public Prosecutor's Office specializing in the environment at a regional level, based in Teixeira de Freitas



“The objective that brings us to participate actively in the actions and program of the FASB is for the indigenous communities and traditional peoples to be inserted also mainly in productive activities, agroforestry, food security and the preservation of the environment. As it is customary for our peoples to preserve the environment, so this collaboration, not only for Brazil, but for the world, indigenous peoples have to offer, which is the standing forest that has an immeasurable, value for people, and also knowledge traditions of our people, on how to carry out these activities and have this potential, which is to use the soil and the forest for their own survival in a sustainable way.”



Chief Aruã Pataxó

President of the Federation of Pataxó and Tupinambá Nations of Extreme South Bahia, responsible for the articulation process with other chiefs, communities and associations in the fight for territorial rights, education and health. In all, there are 50 indigenous communities, three Pataxó peoples and one Tupinambá distributed in eight municipalities

“It gave me the opportunity to open up a wider range; we took several courses on agroecology, organics, how to work the land better. I would like to congratulate the FASB team and say that these partnerships have only made the field stronger and that this must continue.”



Rozilene Lemos
CODETER

“We are here now trying to transform this dream of recovering a completely degraded area, and by being able to isolate the area through the FASB project, the forest has already started to recover naturally. This project has a lot to do with what we propose in the community. We are committed to making this a visitation area and showing society that another model of agriculture is possible. Our reality was changed by this project, we managed to leverage our struggle to obtain documents for our land, we are producing a film about the history of Baixa Verde and resuming a cultural calendar is already on our horizon.”



Zuza
Comunidade Baixa Verde – assentamento

Overview

The Southern Bahia Environmental Fund (FASB) supports a future where people and nature live in harmony in one of the most important biodiversity hotspots on the planet. The FASB will invest in projects designed by local people that help protect and restore the environment while supporting socio-economic development.

The FASB's priority objective is to restore and expand the Atlantic Forest in southern Bahia, through the protection, restoration and enhancement of degraded and damaged areas of tropical forest. Action will be prioritised in areas that connect existing forest fragments, creating larger contiguous areas and biodiversity corridors. The objective is to create resilient ecosystems, with local people at their center.

According to FASB's indicators related to the approved projects, we have the following projections:

- **Target 1:**
1,500 hectares of Atlantic rainforest under restoration
- **Target 2:**
1,500 hectares under sustainable land use (sustainable agriculture plus sustainable forestry)
- **Target 3:**
Five projects qualifying to stage 3 (post investment stage)

To achieve these goals, communities can submit their projects for FASB approval twice a year. The projects are divided into 2 states, stage 1 projects are projects up to 20,000 euros, and stage 2 projects are projects up to 200,000 euros.



To make the FASB possible, we have created the following support structure to ensure that our vision can be achieved with the support and control of our teams, from project submission to completion.

- **Fund Manager (iNovaLand):**
Company responsible for managing the funds.
- **Technical assistance (NGPTA):**
Company responsible for providing technical support to the FASB, so that the project selection process and their follow-up are in line with the FASB's general objectives.
- **Origination and Monitoring Facility (Forum Florestal da Bahia):**
Assists communities in the preparation of projects, and subsequent monitoring of approved projects in order to ensure that the objectives are met.
- **Investment Facility (Kirkbi):**
Based on the technical recommendation from NGPTA, selects and approves the Stage 2 projects.

FASB is governed by its Operational Committee (OC). The members of the OC are, Kirkbi, Fórum Florestal and NGPTA. The OC meet regularly on a monthly basis at the first Friday of each month, and the meetings are secretariat by iNovaLand. During 2022, the OC met every month as scheduled, and focused on monitoring FASB's progress, especially in following the approved projects implementation, preparing and planning the Advisory Board meetings, and taking strategic decisions related with communications, particularly with regard to the organization of the study tour.

Another key FASB body is its Advisory Board (AB). The current AB members are, WWF Brazil, Veracel and Public Prosecutor. The AB meet every six months, for high-level strategic advice to the FASB core partners. In 2022, the AB meet in March virtually, and in November in person at the FASB Office. The main topics addressed are exploring options to multiply FASB's impact, either by collaboration with other relevant regional initiatives, or through expanding its funding basis. The AB all agreed that meeting face to face allowed for a deeper understanding of the topics discussed and facilitated more opportunities.

Progress and Achievements

In reaching half of FASB's three-year cycle, an analysis can be done regarding the actual indicators' information with the established targets.

With the investment of 1,180,000 Euros in project financing, FASB have the following results:

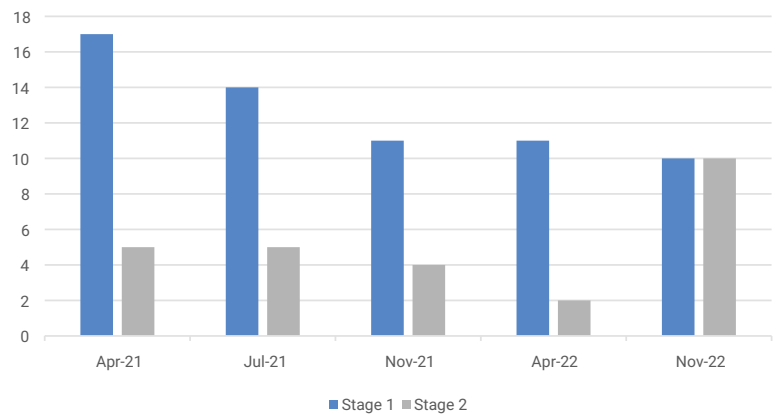
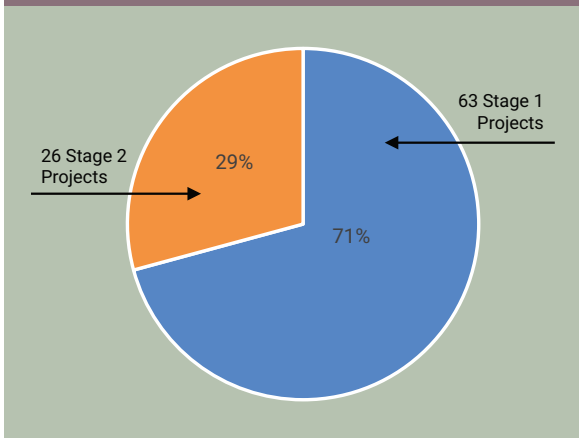
- Support to communities in the submission of projects in the April 2022 and November 2022 window
- Support for project developers in collecting the necessary documentation and signing contracts, in order to start projects (projects submitted in November 2021 and April 2022)
- Evaluation of submitted projects (May 2022 and December 2022)
- Monitoring the evolution of projects, with the respective validation of reports and documentation sent by project developers
- Preparation of the study tour 2022 held in November

Project submission window

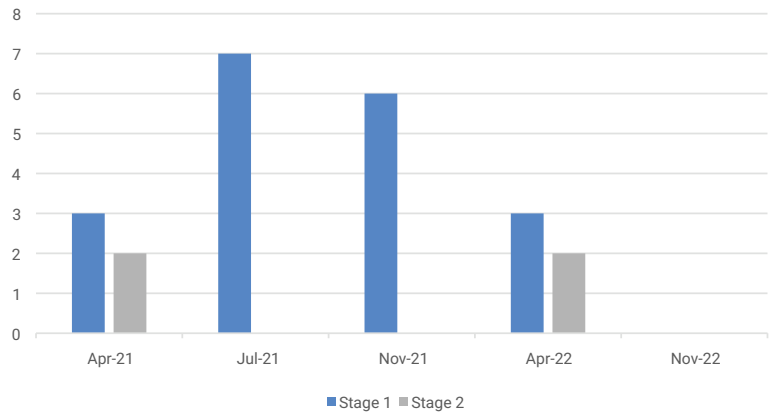
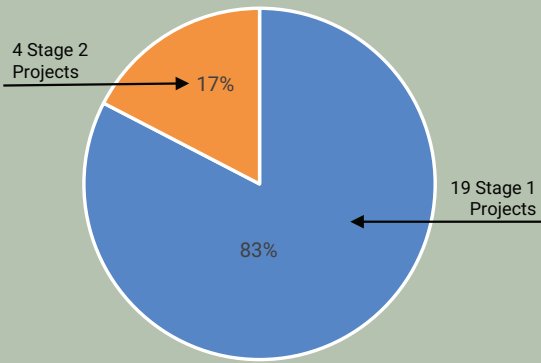
In 2022, it was decided to move from 3 project submission windows to 2 windows, so that the origination and monitoring teams could have more time to support communities in project submission. In 2022, 21 stage 1 projects and 12 stage 2 projects were submitted, of which 20 projects are still under evaluation.



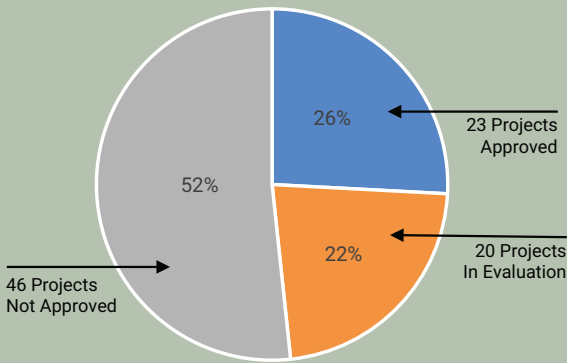
Submitted Projects



Approved Projects



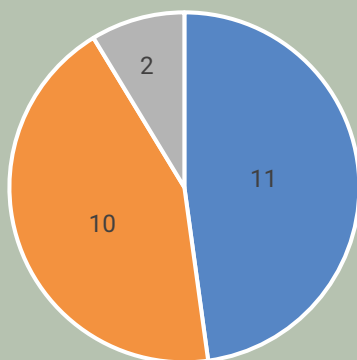
Projects Evaluation



As expected, in the most recent submission window we received more stage 2 projects, and we verified that 7 of these projects originate from stage 1 projects already developed or in the development phase.

This situation demonstrates that the approval in the first year of more stage 1 projects, enables communities to be able to evolve and feel confident to submit stage 2 projects with larger areas of native forest restoration or sustainable agriculture.

Approved Projects



A very important issue regarding the submission of FASB projects is related to the simplicity of project submission, and thus, any community has the possibility to directly submit their projects.

This question is very important, because most of the projects developed in this region are always developed through NGOs.

Key ■ Communities ■ NGOs ■ Others

Conclusion: What the FASB came to demonstrate is that it is possible for the communities to elaborate a project directly. To prove this, we found that about half of the projects approved by the FASB are developed by the communities themselves.

Target Indicators

According to FASB's indicators related to the approved projects, we have the following projections:

■ Forest Restoration:

- 1,260 hectares going through analyses and landowner's authorization acquisition.
- 235 hectares being planted.

■ Sustainable Agriculture:

- 140 hectares going through analyses.
- 151 hectares being planted.

■ Preservation of Forest Fragments:

- 1,890 hectares.

■ Post Investment:

- 200 hectares of forest restoration.
- 270 hectares of sustainable land use.

■ Number of families impacted:

- 826 directly.
- 1,200 indirectly.

In addition to the information above, there are 20 projects submitted in November 2022 that are being analyzed and that have the following potential:

■ Stage 2 Projects:

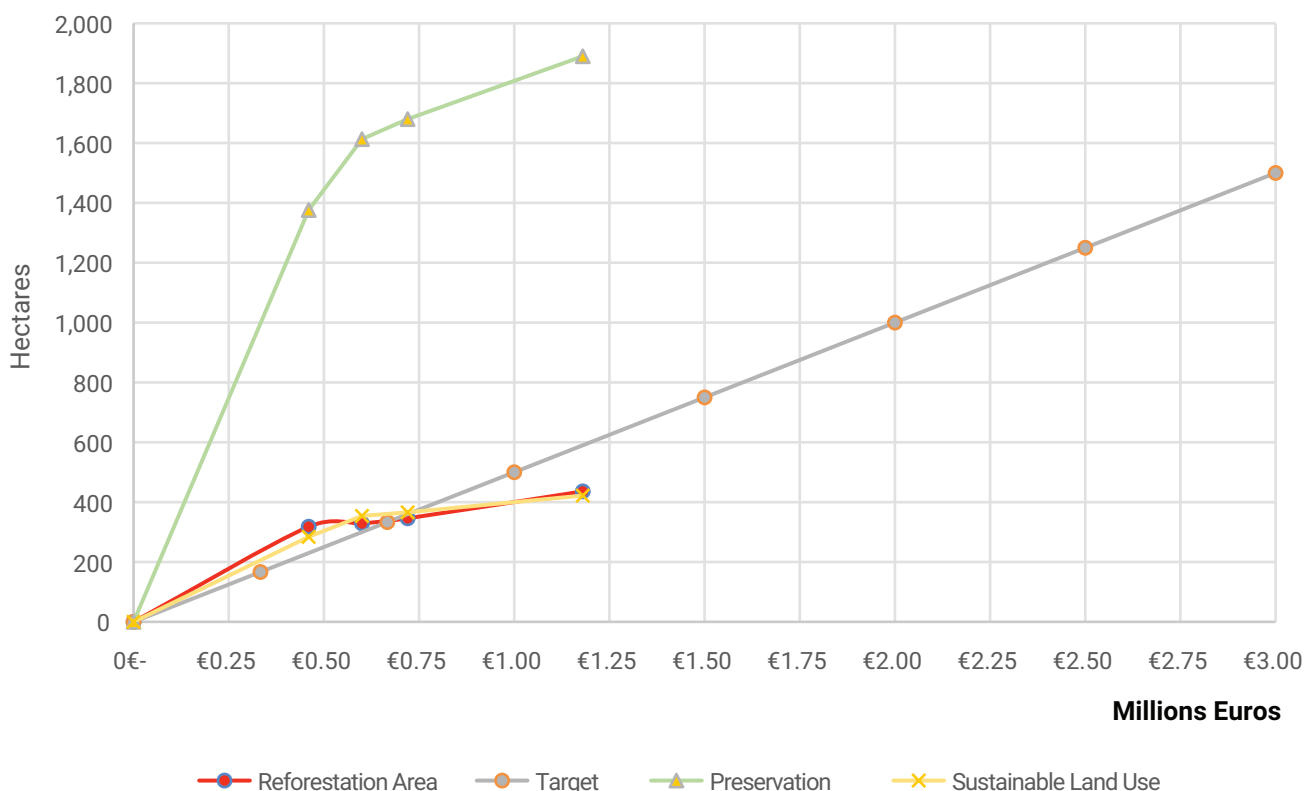
- 407 hectares of Forest Restoration.
- 871 hectares of Preservation of Forest Fragments.
- 238 hectares of Sustainable Agriculture.

■ Stage 1 Projects:

- 62 hectares of Forest Restoration.
- 30 hectares of Preservation of Forest Fragments.
- 5 hectares of Sustainable Agriculture.
- 250 hectares of Forest Restoration area analysis.

In the graph below, we can see that in relation to the number of hectares of forest restoration and sustainable agriculture, we are below the objectives. Depending on the approval of the November 2022 projects, we can get closer to the objective, however, with the projects submitted until today, we will not be able to reach the target. Although we are below the proposed objectives, we have been seeing that the FASB projects have a very large impact beyond the plantation areas. Habitat fragmentation is a key issue in the region, leading to isolated blocks of forest which can severely limit the movement of key species. The FASB supported tree planting and direct intervention on 656 hectares, will have a positive impact on an additional 1,890 hectares and help to restore this wider area of forest.

Main Objectives Indicator



Social Impact

The "bottom-up" FASB's methodology of project submission, by not having a strict definition of the projects content, letting local communities include their ideas and needs, promote a strong engagement of developers and a positive social impact.

Communities' involvement:

FASB's projects are being undertaken in indigenous communities, quilombos and family farming settlements, with the direct participation of communities, in the form of joint efforts and collective planting.

Institutional engagement through visits, meetings and other FASB related events, gave them the opportunity to exchange their knowledge, building an important and solid network.

School's involvement:

Some projects were able to directly involve community schools in their work plan. The children and adolescents who, in some schools (Porto Seguro, Alcobaça, Santa Cruz Cabrália) have the discipline of agroecology in their curriculum, are doing activities linked to the FASB projects.

They learn the diversity of native species which exist in the regional native forest, also have a better understanding of the planting and management techniques used in the development of agroforestry systems, vegetable gardens and tree nurseries. With that, children and adolescents are understanding the importance of the preservation of native forests for future generations.

Institutional strengthening:

Some of the institutions that are developing FASB's projects, never previously had a bank account or the knowledge to develop a financial plan for their project. These communities never had access to a financial aid program, and have been dependent only on their own effort, labor and knowledge, for survival. FASB has provided financial support to help them develop environmental preservation actions.



Challenges and Lessons

Since the beginning of the FASB, we have been faced with several challenges, and most of them are related to the limited capacity of the communities in the submission of projects, elaboration of budgets, preparation of administrative and financial documentation, contact with banks, elaboration of reports. The limited capacity of the communities in these areas often causes projects to be delayed, either at the beginning or in the follow-up throughout the project. To overcome these issues, several measures have already been taken, but the most significant one is bringing the origination and monitoring team closer to the communities. By working in partnership with the communities, it is possible to help prepare the projects to be submitted, including the necessary documentation so that they meet all the necessary requirements to receive the FASB support .

In addition to preparing the necessary documentation to be able to have a project with the FASB, it is also necessary to teach communities with financial and technical knowledge, so that they can communicate the information of their projects, with all the necessary data, and subsequently use this knowledge in their communities, so that they can improve their project, and can create new structured and successful projects.

Another challenge that we intend to overcome at the beginning of next year is related to monitoring, reporting and verification (MRV), and the challenge is the same as mentioned above, it is necessary to teach communities and local NGOs so that they can collect reliable data, so that we can communicate other biodiversity and social indicators that until now are not visible. We started the first collection of information at the end of 2022, and through the collected data, we verified that there is a need to clarify and teach communities and NGOs.

In order to address both challenges mentioned above, the FASB team is starting to elaborate a capacity building program, to be implemented with the Egídio Brunetto school, from the Landless Workers' Movement. As mentioned, the social impact that FASB projects have is much higher than expected, and for this reason, one of the most important lessons is the need we have to empower communities so that they can evolve and overcome the obstacles in front of them.



Communications

Local Support Committee

It was through the local support committee with representatives of the industrial sector, academia, traditional communities and NGOs, that was decided during 2022 that a person should be hired to support local communication, with the aim of giving visibility to the presence of the FASB, its investments and collective actions with communities, forestry companies and power public and its importance for the socio-environmental territorial development in the region. The hiring was carried out through the Forum Florestal da Bahia, and the tasks began to be developed in the organization of the study tour event, and the opening of the November 2022 project submission window. Press releases were issued before the events and after the study tour. We also have to highlighting the news that was broadcast on local television, TV Santa Cruz, an affiliate of TV Globo, which is the main television channel in Brazil.

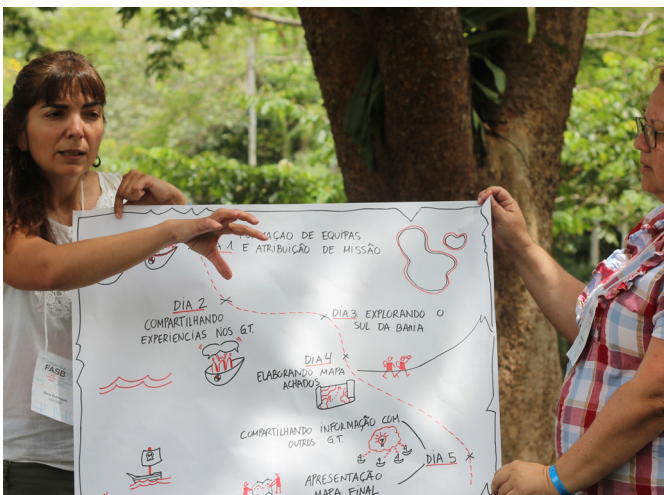
Study Tour

From November 7 to 11, 2022, an NGP Study Tour was held to visit the FASB's ongoing projects, and for its participants to come together to work together towards a common goal. As with the study tour held the previous year, this was a great opportunity to create a bond between participants, helping them to understand their interconnection with the ideals and objectives of the FASB.

After the study tour, several articles were released, which can be read through the following links:

[BLOG FROM CONFLICT TO COMMON GOALS](#)

[Notes From Bahia - Discussions from the NGP/FASB study tour November 2022](#)



Stories from the Communities

“We all came together with a common purpose, to support communities in restoring the Atlantic Rainforest”, Neusa.

Keeping money within the wider community

The Egídio Brunetto school provides training in agroforestry, which will benefit projects in communities where FASB works with – including the small-scale farmers who supply Raizes, the group of women who catered for us on several days during the study tour. Meanwhile the nursery Arboretum can support restoration projects by providing trees and seeds. Keeping money within the wider community of project developers increases the impact of the FASB grant money – some of the money invested in Project A can support both the school and the nursery, while restored forest in Project B can supply material for carvers in Project C, and so on.

Good food, good business

One of the Stage 1 projects - the “Organic Barn” - is developing and promoting small-scale organic farming techniques. The food is certified organic and is sold to the wider community via an organic veg box scheme. This direct link between producers and consumers, bypassing wholesalers and supermarkets, keeps more value locally. This is showing a variety of techniques that work for people growing to feed their own families as well as producers scaling up for the wider market. Good marketing and labelling of food products grown by small farmers and communities help reach consumers who value sustainability and fairness.

Read more at the blog:

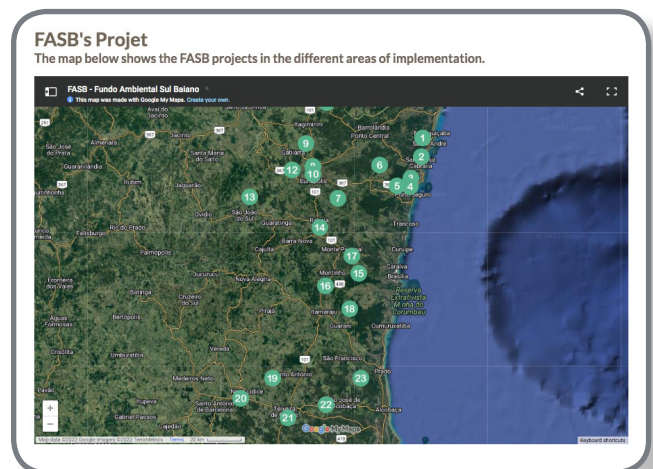
[FROM CONFLICT TO COMMON GOALS](#)

Website

During 2022, we have revised the FASB website, so that it would be more appealing and simpler to navigate. We also wanted to insert information about the projects under development, so that anyone can check which projects were approved by the FASB and where they are located. The site maintains easy access to the Project Submission Guide and the list of frequently asked questions with their answers and important information and contacts, so that it is simple for communities to access information regarding project submission.

The FASB page can be accessed through the following link:

<https://fasb.newgenerationplantations.org>



Reflections



FASB is an incubator-accelerator, generating value in multiple ways and at multiple levels.

Additionality

A Stage 1 project can support a community group to become properly structured and open a bank account, and to generate some additional income to scale up its activities. That additional capacity and finance can be invaluable in supporting community development and opening doors.

For many of the project developers (Indigenous, Quilombos, Settlements), this has been the first time they have opened a bank account, enabling them to now access additional sources of funding. This is transformational and creates high-additionally for each Euro invested.

Proof of concept

The current funding window is attracting more applications for larger grants for Stage 2 projects. Most of these are from existing Stage 1 projects that have used FASB funding to incubate their ideas or to carry out surveys and analysis. The Stage 2 grant money enables project developers to take their ideas and proposals to the next level and to have a greater impact both environmentally and socially.

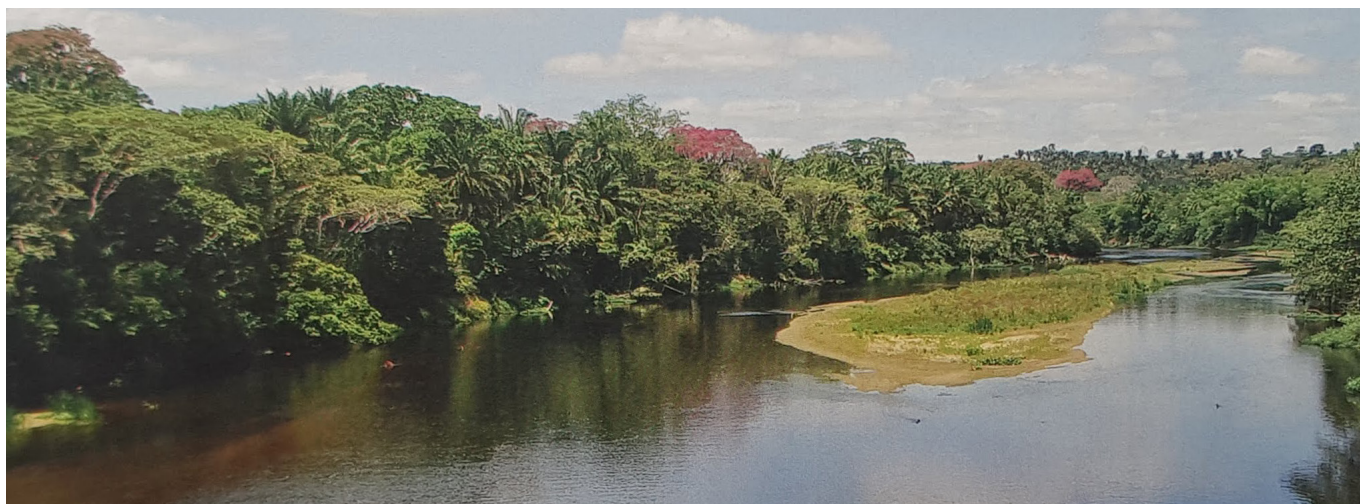
Going bigger

The next phase in FASB's development is to support Stage 3 projects that can attract external investment and be self-sustaining. We hope that in the 2023/24 cycle we will see some of these communities and projects take the next step and develop investable opportunities – whether that's producing high-quality food, selling traditional carvings or generating carbon and biodiversity credits.

FASB



Fundo
Ambiental Sul
Baiano



iNovaLand

iNovaLand Investment Limited
Third Floor, 20 Old Bailey, London EC4M 7AN

Disclaimer: The information presented in this publication has been sourced from a range of sources and is presented solely to help participants of FASB.

Date: December 2022