

FASB
Fundo
Ambiental Sul
Baiano

ANNUAL
REPORT
2023



iNovaland

Conservation

Sustainable
Agriculture

64 HA
Area
Planted

2,622 HA
Indirect
Impacted
Area

70,114
Trees
Planted

Reforestation

231 HA
Area
Planted

272 HA
Indirect
Impacted
Area

154,135
Trees
Planted

Productive
Forest

35 HA
Area
Planted

540
Trees
Planted

Community

1,438
Families
Involved Directly
in the Projects

1,781
Families
Indirectly
Benefiting

193
Meetings
Held

2,651
Participants
in Meetings

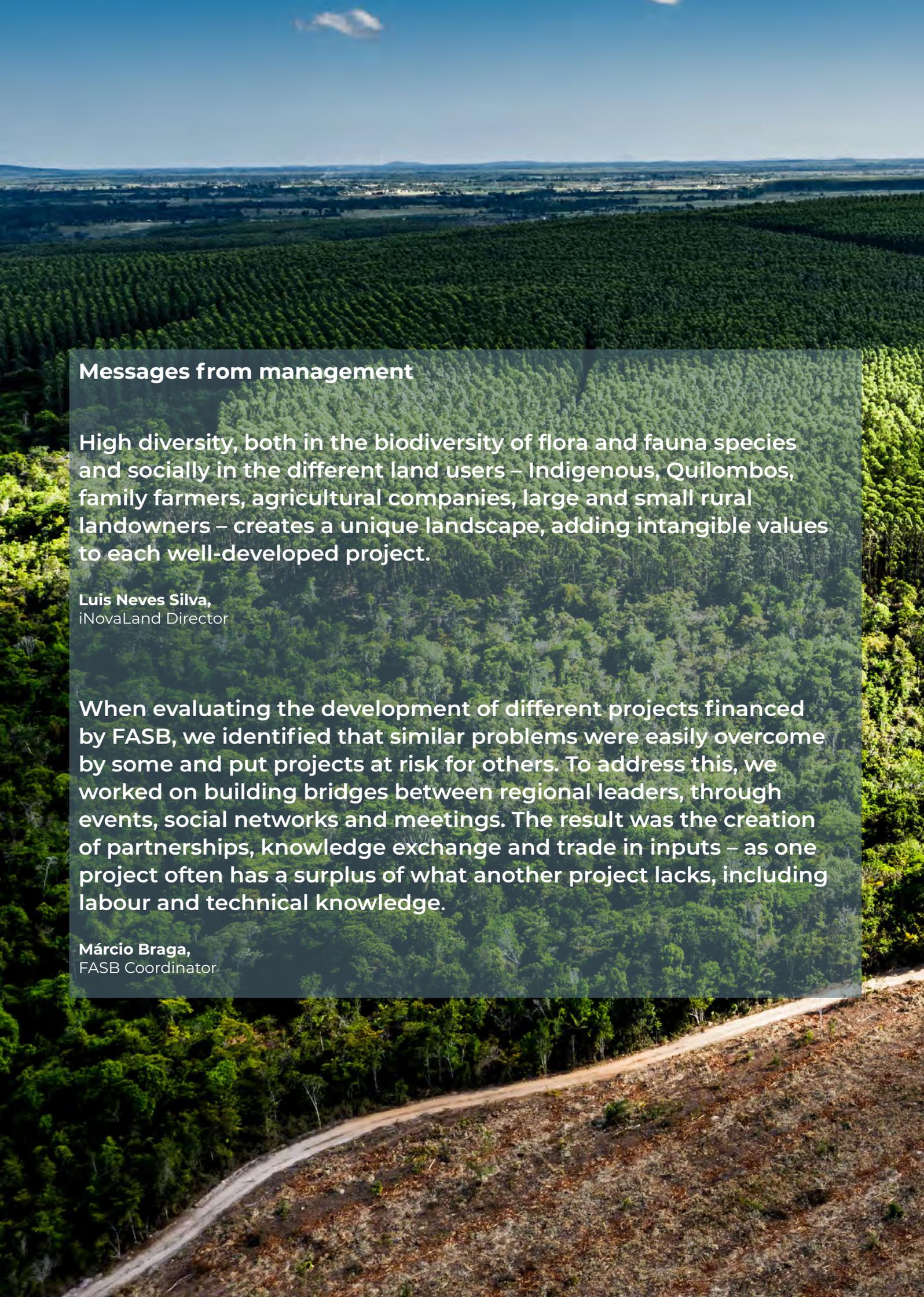
70
Training
Sessions
Held

1,322
Participants
in Training
Sessions

122
Collective
Efforts
Held

2,538
Participants
in Collective
Efforts

521
Employees
Involved



Messages from management

High diversity, both in the biodiversity of flora and fauna species and socially in the different land users – Indigenous, Quilombos, family farmers, agricultural companies, large and small rural landowners – creates a unique landscape, adding intangible values to each well-developed project.

Luis Neves Silva,
iNovaLand Director

When evaluating the development of different projects financed by FASB, we identified that similar problems were easily overcome by some and put projects at risk for others. To address this, we worked on building bridges between regional leaders, through events, social networks and meetings. The result was the creation of partnerships, knowledge exchange and trade in inputs – as one project often has a surplus of what another project lacks, including labour and technical knowledge.

Márcio Braga,
FASB Coordinator

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Project overview

FASB (Fundo Ambiental Sul Baiano, or the Southern Bahia People and Nature Fund) supports a future where people and nature live in harmony in one of the most important biodiversity hotspots on the planet. FASB is investing in projects designed by local people that help protect and restore the environment while supporting socioeconomic development.

FASB's goal is to restore and expand the Atlantic Forest in southern Bahia while improving the lives of the people living in the landscape. It seeks to protect, restore and enhance degraded areas of tropical forest, as well as promoting sustainable farming and naturefriendly enterprises. Action focuses on areas that connect existing forest fragments, creating larger areas of forest and biodiversity corridors. The objective is to create resilient ecosystems, with local people at their centre.

Our goal is to restore **1,500 hectares** of degraded land, through the restoration of natural Atlantic rainforest plus sustainable agriculture and forestry.

To achieve this, we have invested in 47 community-led projects to date. These are divided into four categories:

■ **Reforestation:**

Transforming degraded areas into native forests, using different techniques – including direct planting of seedlings, various methods to enrich and accelerate natural regeneration, and leaving areas to regenerate naturally.

■ **Area surveys:**

Identifying degraded areas suitable for forest restoration or agroforestry, and engaging with landowners to bring them on board.

■ **Social:**

Working with large numbers of families to develop sustainable ways to generate income, including supporting training, qualifications and knowledge transfer.

■ **Sustainable agriculture:**

Promoting sustainable land use, particularly agroforestry systems, to improve food security for vulnerable communities.



Progress and Achievements

2023 was a landmark year for FASB. It marked the end of our first phase, with submissions for the next round of projects opening in 2024. It is fair to say the project planted a flag in the territory. FASB became a recognized brand and gained the trust of regional institutions. As the programme and the projects it incubates have grown, so have the positive impacts on people and ecosystems across 23 municipalities in southern Bahia.

We dedicated efforts to strengthening the relationship with institutions and project developers. We expanded the scope of initiatives built with communities who have shown impressive commitment in developing their activities and delivering monitoring reports. We promoted a connection network in which traditional knowledge and modern techniques were passed from one project to another. And we began negotiating partnerships with large Brazilian investors, academia and local communities.

With the commitment of a local and qualified team and the guidance of experienced professionals, we've developed a deep understanding of local needs, opportunities and allies. Knowing the reality of our surroundings means we can direct investment with a greater guarantee of socio-environmental return, establishing lasting partnerships and generating solid business.

Restoration and sustainable agriculture

We support **47 projects (45 with signed contracts and 2 to be signed)** focused on reforestation and sustainable agriculture, implemented by **34 institutions**. These are at different stages of development, having been contracted over three years (2021 to 2023).

So far, eight developers have finished all project activities and delivered their final report. In total, contracted projects cover an area of 1,229 hectares, of which 330 hectares (27%) are currently under restoration with the rest set to start in 2024.



Table 1. Indicators analysis contracted vs. executed.

Project Category	Implementation Area		Area Survey	
	Contracted (hectares)	Executed (hectares)	Contracted (hectares)	Executed (hectares)
Reforestation	801	208	-	-
Sustainable Agriculture	389	92	-	-
Social	38	28	-	-
Area Survey	-	2	2,114	1,999
Total	1,229	330	2,114	1,999

FASB Impact

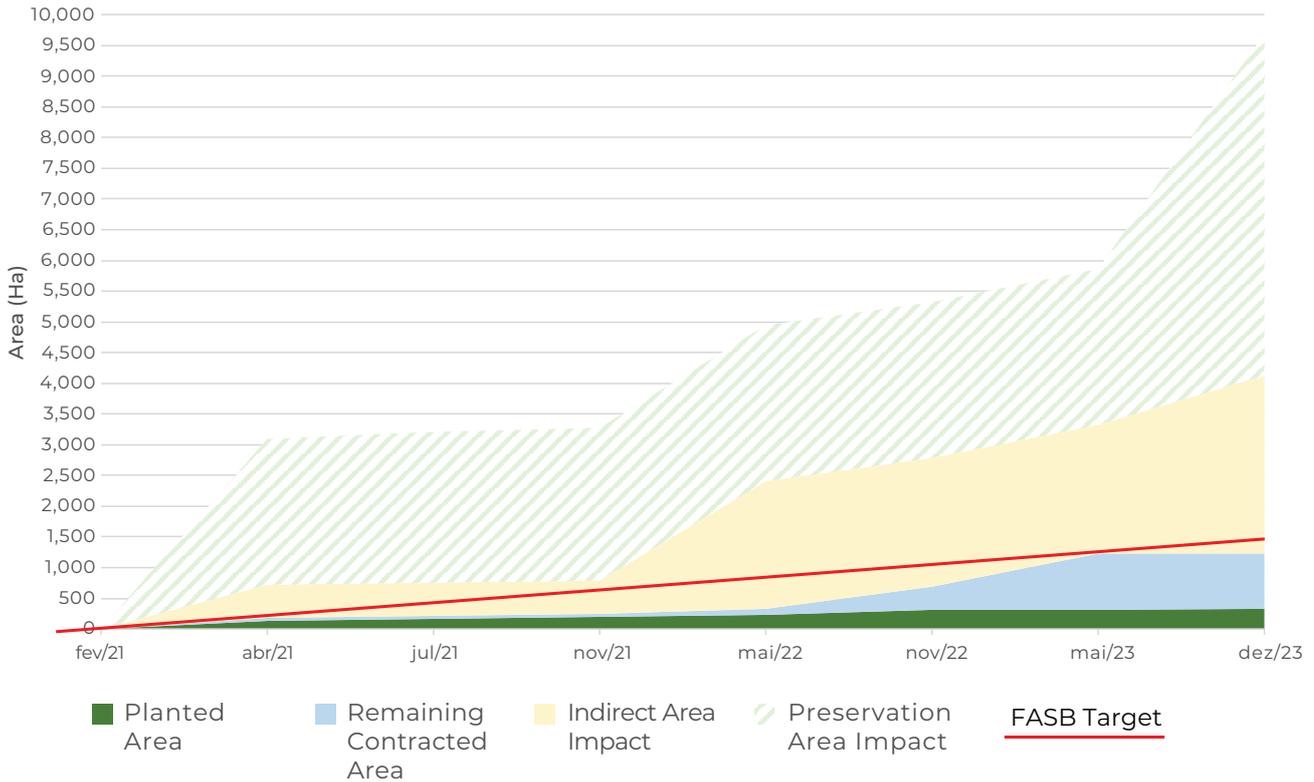


Figure 1. FASB Direct and Indirect Impacts

We are also monitoring beyond the projects' physical boundaries to check where we are having indirect impacts, using both satellite imagery and technical field visits. These include connected and preserved forest fragments, areas of sustainable agriculture planted with seedlings produced in nurseries financed by the project, and areas where the FASB investment was used to leverage further resources for forest restoration. These numbers can be seen in the table below.



Table 2. Indirect impacts resulting from the project investment.

	Area (hectares)
Reforestation	272
Sustainable Agriculture	2,622
Connected preservation area	5,577



Developing FASB projects has had additional impacts on tree species diversity and livelihoods. Tree nurseries were established using FASB investment and different tree species were mapped for seed collection, but seedlings have also been purchased from other nurseries (as shown in the table below) to accelerate the project schedule and guarantee a larger tree species diversity. In total, these nurseries have produced a diversity of about **170 tree species and nearly 50 species of agricultural crops**. In the table below, it is possible to check the numbers of seedlings planted and seedlings produced since the beginning of the project:

Table 3. Indirect impacts resulting from the project investment.

Nurseries	19
Forest seeds collected	1,313kg
Seedlings produced	90,367
Seedlings planted	225,489



Social

We put communities at the centre of our work.

Families and community members are involved in a wide variety of field activities as part of the projects, including seed collecting, building structures and planting seedlings, as well participating in training activities and meetings.

FASB project developers reflect the diversity of Bahia's inhabitants. We've engaged with family farmers, Quilombolas (descendants of runaway slaves), Indigenous people and the Landless Rural Workers Movement. This diversity presents challenges, but is also one of the main strengths of the project.



Investment

From a total investment of €2,960,000, the project has paid €1,392,850 to date through six calls for projects since April 2021. To complete the first investment cycle, €1,567,150 remains to be paid.

Payments are made in stages as projects evolve, so there is a gap between FASB funds and payments actually made to project developers. The reason for this payment process was to incentivise projects execution: funds will only be released to project developers when they have completed the activities planned for the phase they were executing.

Late payments in 2023 were caused by recent El Niño climate pattern disrupting the usual calendar of restoration and agriculture activities, with tree planting in particular being delayed by the extended dry weather.

We also had some cases where the project developers also experienced difficulties in opening bank accounts, and missed the planting season, which meant that the execution schedule had to be changed and the entire process delayed.

The FASB team is working with project developers to resolve these challenges.

FASB Payments by Project Type

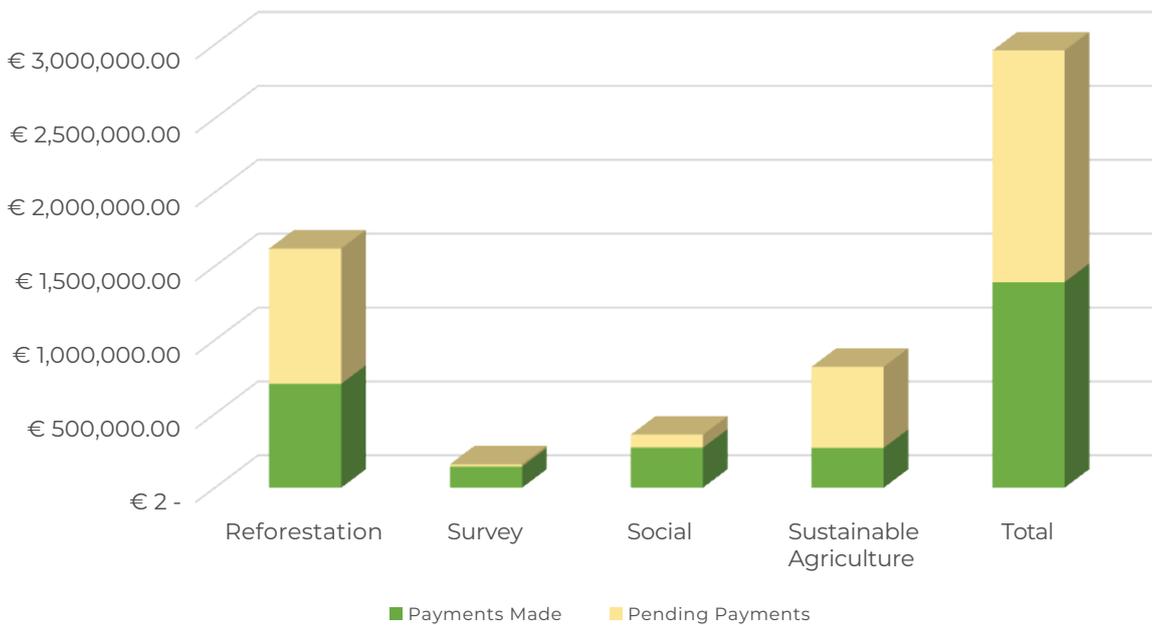


Figure 2. Total payments made vs. pending payments per project category and in total.

FASB Funds

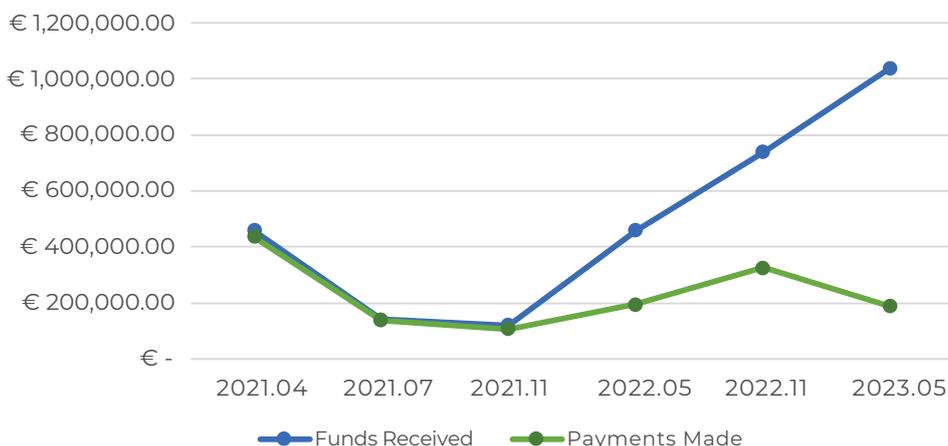


Figure 3. Funds received from the donor vs. payments made to the projects in each of the project submission windows.

Engagement and outreach

Communications

Communications in 2023 aimed to increase understanding of the project and to create a platform for better knowledge sharing. During this period, the FASB team:

- Held two meetings with project developers, attended by 70 people each, to build capacity on monitoring techniques and promote networking for knowledge exchange.
- Set up an exclusive WhatsApp group for important announcements and enhance communication between projects.
- Publicized FASB actions and projects on social media, including Instagram ([instagram.com/fasb.oficial](https://www.instagram.com/fasb.oficial)), one of the strongest social media channels in Brazil, and Facebook ([facebook.com/fasb.oficial](https://www.facebook.com/fasb.oficial)). Our Instagram posts reached 20,202 accounts and received 2,452 engagements.
- Developed an online connection network with more than 360 followers – including project developers, participants, institutions, academia and the general public – and shared content through 50 posts.
- Updated our website (fasb.inovaland.earth) with the latest reporting data and project stories (fasb.inovaland.earth/blog).



Network connection

Creating a strong network linking the people involved in FASB projects is a key goal of our communications efforts. Building this network and sharing knowledge benefits everyone. Many project developers face similar challenges or need to carry out similar tasks – like opening bank accounts to receive foreign transfers, collecting forest seeds, building nurseries that meet national legal standards and creating business plans. New projects are being created using technologies and methodologies already tested in other FASB projects. **By supporting projects to support each other, we can have a greater collective impact.**



Project spotlight: Sustainable wood for handicrafts

The “Formas da Natureza” project, a project developed by Pataxó Indigenous people across several villages, has developed an innovative model for providing sustainable, lowcost raw materials for artisans to produce wooden handicrafts. By supplying excess wood from commercial plantations, the project is taking pressure off natural forests while boosting incomes.

“Most of the crafts that are made in the extreme south of Bahia are based on illegally harvested wood that comes from national parks and other large forest fragments,” explains project coordinator Oscar Artaza. As an alternative to this illegal timber, Formas da Natureza sources quality exotic wood from plantations produced to high sustainability standards. “With this we are able to lower the cost of wood, so that the artisan does not buy illegal wood on the market.”

Formas da Natureza is supported by a partnership between forestry company Suzano, which has large commercial plantations in the region, and Ciclos, an environmental NGO.

“The project aims to provide work and income alternatives for associations and cooperatives, seeking to reduce deforestation and replacing native wood with exotic wood for handicrafts,” explains Deivid dos Santos Pereira, an environmental consultant with Suzano. “The partnership with FASB was essential to support Ciclos in managing the entire project.”

Funding and logistical support from FASB enables wood to be transported from plantations to producers as efficiently as possible. FASB’s support has also enabled the project to expand its scope, Oscar explains: “Initially focused on the use of eucalyptus for handicrafts, we were able to carry out training in areas such as natural fibres, business management, financial education and design, going beyond wood crafts to stimulate other sources of employment and income generation.”



Oscar Artaza,
Formas da Natureza
Project Coordinator



Deivid dos Santos Pereira,
Environmental
Consultant with Suzano



Project spotlight: Sharing traditional knowledge and professional expertise

Two community projects supported by FASB have teamed up to share knowledge and expertise. The Quilombola community of Ribeirão and the Association of Indigenous Women of Boca da Mata both produce essential oils from native plants, generating income for local people while helping conserve and restore nature. Their partnership brings together the ancestral knowledge of two traditional cultures, while sharing scientific research and professional production techniques and marketing insights.

“Our project ‘Cheiro, Saberes e Sabores da Mata Atlântica’ (Smells, Knowledge and Flavors of the Atlantic Forest) is restoring forests with species rich in essential and vegetable oils,” says project coordinator Osmar Bernardo dos Santos, an agroecology technician and President of the Association of Rural Producers of the Community of Ribeirão. “In 2023 we signed a partnership with Aldeia Pataxó through the Women's Association of Aldeia de Boca da Mata. We have a common dream of generating income for the community with the forest standing.”

Juliana Pataxó, project mentor and fiscal advisor to the Association of Indigenous Women of Boca da Mata, says that advice and guidance from the Ribeirão project team has been invaluable in constructing a laboratory that meets the standards of Anvisa, the national agency that regulates the health of products and services in Brazil. “We had the expectation of doing a more traditional project,” she says. “This partnership made us aware of how to develop infrastructures and activities in a professional and scientific way to be prepared to sell to the market.

“In addition to the ethnobotanical knowledge, Ribeirão is well advanced in relation to research with a survey of the quality and benefits of medicinal plants that we have in the village areas to produce quality material,” Juliana adds. She is keen to carry out further research on these plants in the Boca da Mata laboratory.

Osmar believes the partnership is a mutually beneficial one: “We are sharing our knowledge and learning a lot of things that are of great importance to the Ribeirão community. This exchange enriches our proposal, our daily lives and knowledge, as we have many things in common to achieve.”



Osmar Bernardo dos Santos,
President of the Association of Rural Producers of the Community of Ribeirão



Juliana Pataxó,
Women's Association of Aldeia de Boca da Mata



Reflections



When FASB began, we expected the main benefit to derive from tree planting and the area directly impacted by the projects.

But as projects were submitted, analysed, selected and developed, unexpected values emerged. These included the many and varied institutions involved, project proposals with a strong social impact, the importance of preserving existing forest fragments, and the sheer number of people involved and impacted by the projects. Some project objectives were different from the established goals but were clearly important for local communities. Perhaps most impressive was the diversity – in people and culture, animals | and plants.

With this experience, we identified the need to build partnerships – between project coordinators for better project development, between local institutions such as universities and companies, and between traditional communities in the region. The key action to develop and improve these partnerships was improving our communication. Through this, we have been able to build a network to exchange knowledge and agricultural inputs and attract the attention of other possible investors and partners. FASB's first three years have given us a better understanding of the local needs and expertise of each regional institution.

This initial period has been a productive one. It has been like preparing the ground and sowing our first crop. Soon, we will reap our first harvest, and reinvest into the next cycle of growth.

What to expect in 2024

In 2023, FASB continued evolving as a programme, building strong foundations for the future by working with institutions and partnerships which share the same purpose and vision for the landscape.

During 2024, we're looking forward to more projects becoming a reality, enabling us to reach our contracted targets. The coming years also marks the start of our second funding cycle, with new partners including national investors coming on board. This is an opportunity to set even more ambitious targets for restoring landscapes in Bahia and increasing our positive impacts for people and nature.



FASB



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