

ANNUAL REPORT

Planting Season 2019-2020

Our Way to One Million Trees

Fairventures Worldwide gGmbH



**fairventures
worldwide**

Dear Friends of Fairventures Worldwide, Dear Readers,

It is rare that a scientific study causes a sensation beyond the academic world, that people discuss research findings at their kitchen tables. That the media cites it thousands of times – not only in specialist journals, but as part of mainstream news in TV, radio, and press. But this was exactly the case in the summer of 2019. Jean-Francois Bastin and his colleagues at the Crowther Lab inspired headlines and hope with one number: They had discovered that Earth still had space for 900 million hectares of new forests. Afforestation and restoration at this scale could bind a quarter of the carbon dioxide that currently remains in the atmosphere.

Fairventures as an organization is part of this solution,

connecting experts from diverse fields: foresters, farmers and timber engineers, digital innovators and cultural scientists. Only when restoration is conducted in a manner that generates benefits and income for local populations is it truly sustainable.

The successful conclusion of our “One Million Trees” program on the island of Borneo in Indonesia has proven that this hypothesis works. We have now set ourselves a new goal: A hundred million trees, planted for and with smallholder farmers and the help of digital innovations in some of the most challenging regions in Africa and Asia.

One may ask themselves how an organization in Stuttgart, Germany, can achieve all this.

And the honest answer is: We cannot. At least not alone. We need our countless supporters, partners, and donors from the public and private sectors, from Swabia in Southwest Germany and across the globe.

Hopefully, you can be part of the effort, too. Let's do this!



Johannes Schwegler

Executive Director
Fairventures Worldwide

Our Structure



**fairventures
worldwide**

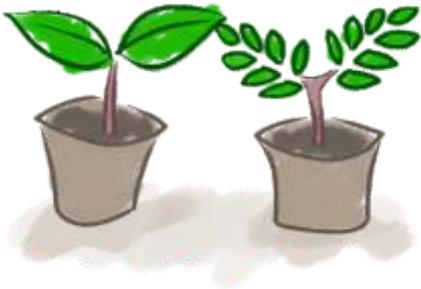
Fairventures Worldwide (FWW) is registered in Germany as a non-profit limited liability company (gGmbH). This means that all our earnings are used strictly for non-profit purposes. Besides our headquarters in Stuttgart, we also operate from country offices in Indonesia and Uganda. In other countries, we are active together with partners.



FAIRVENTURES
SOCIAL FORESTRY

Our sister company Fairventures Social Forestry (FSF) is set up as a private sector entity. By being able to receive bigger investments, the Fairventures approach can be scaled up. As such, Fairventures Social Forestry operates independently as a social entrepreneur while continuing to cooperate with Fairventures Worldwide on projects.

In Numbers



1,140,753 tree **seedlings** distributed by the end of 2020 planting season...

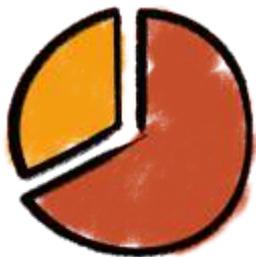
...coming from **17** different **species** with positive benefits for humans and the environment in Indonesia and Uganda

Partnerships with **8** local **government units** in **2** countries



570 hectares of degraded land restored

1,211 smallholder farmers supported



35 Employees...
...of which **70%** are **local staff** in Uganda and Indonesia
...and **50%** of the **leadership team** are **female**

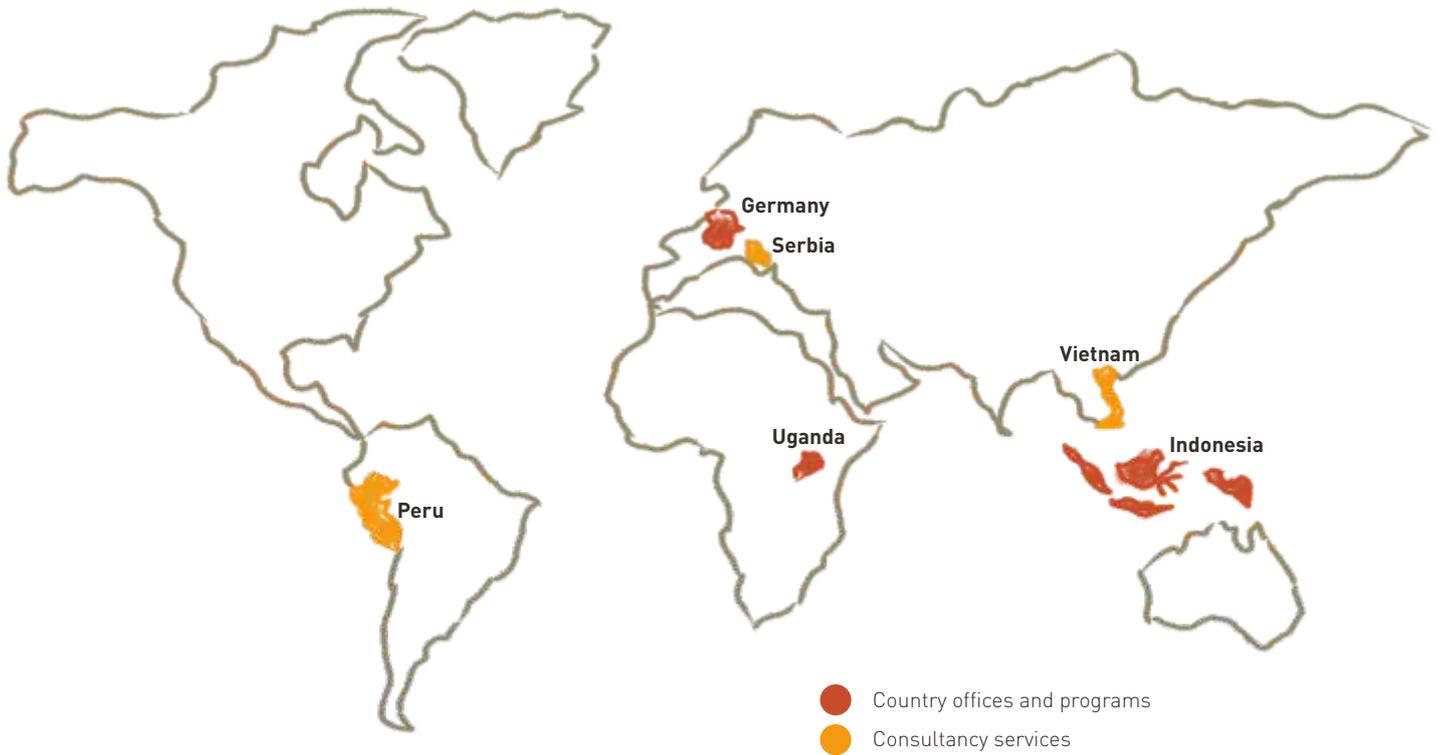
1 digital **monitoring app** developed



14 new **partnerships** at country and program level

This is what we achieved since the establishment of Fairventures.

Where we work

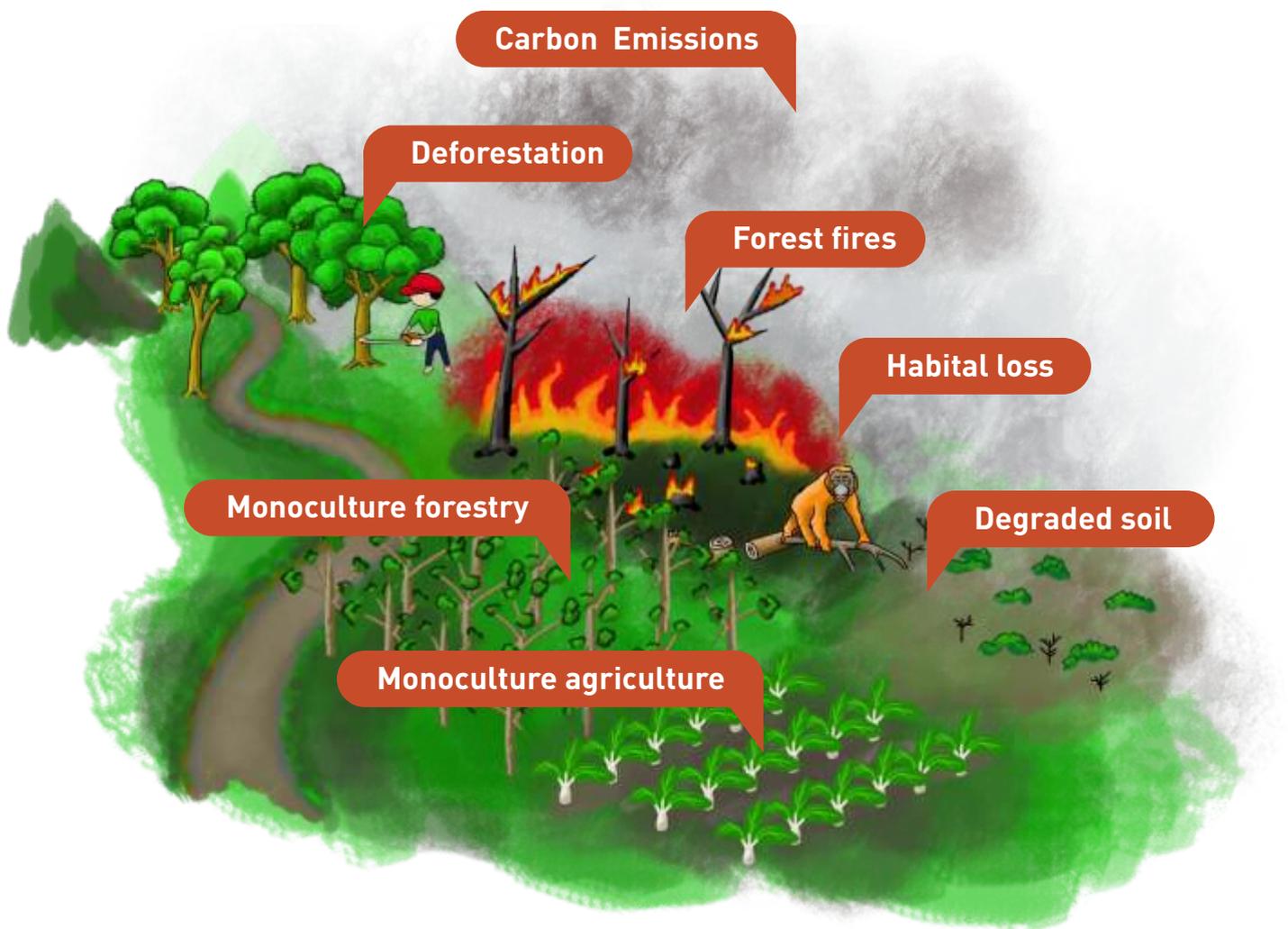


Our History



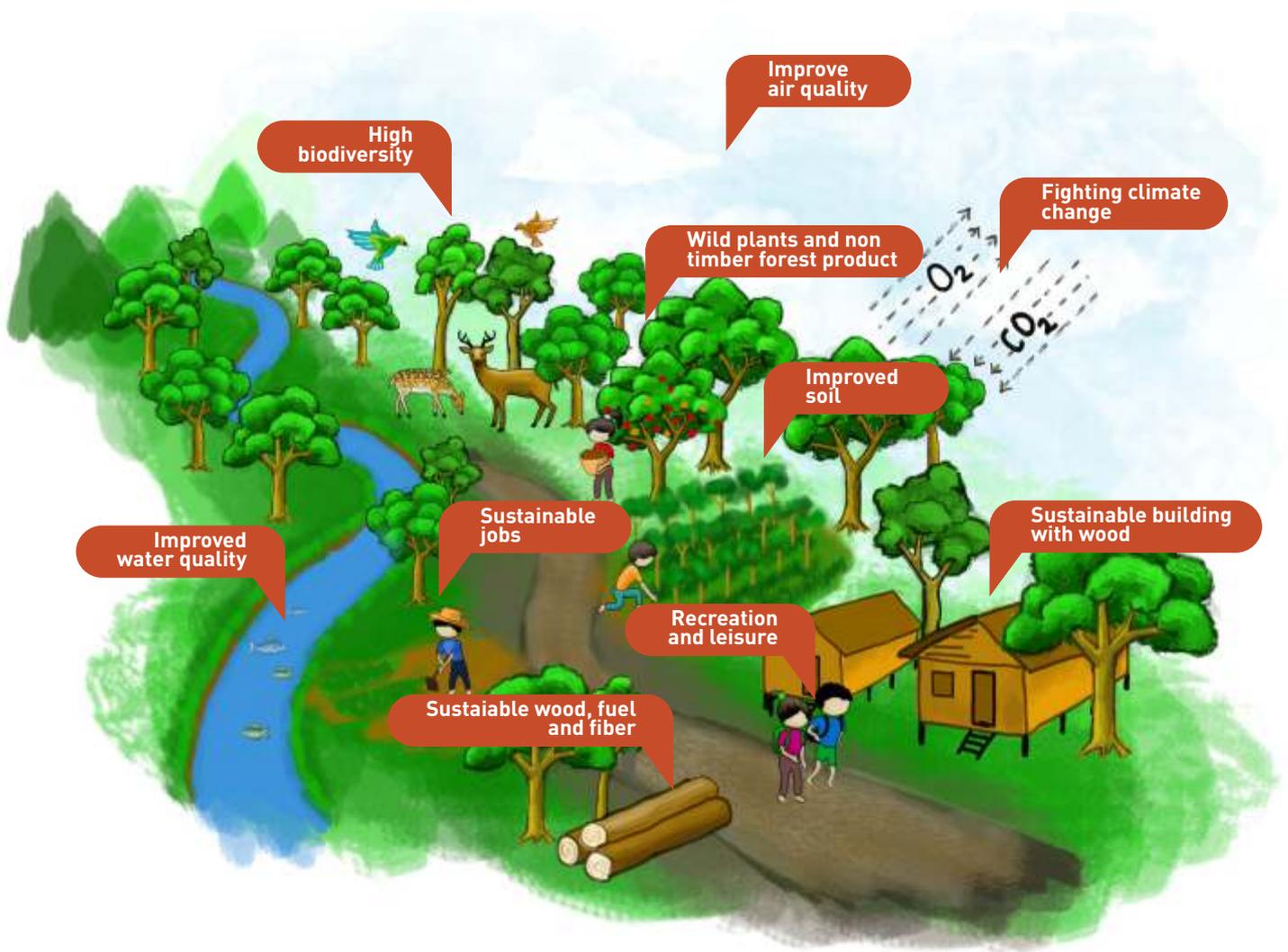
The Problem

Forests are threatened around the world. But deforestation is advancing especially rapidly in tropical countries, where forests fulfil important functions for biodiversity, the climate, and global water cycles. In most cases the conversion of forest areas is driven by the global hunger for resources in combination with a lack of alternative income opportunities for local communities. This trend has led to devastating consequences – for the environment, the global climate, but also the livelihoods of local people. The United Nations warn that a third of the world's soils are already severely degraded due to unsustainable land use.



Our Solution

We plant trees on degraded lands. However, we don't do this alone – but together with different actors along the value chain. In practice this means: Small scale farmers in developing countries unlock new sources of income while buyers – such as timber traders or chocolate manufacturers – can draw on sustainable products. By producing wood from fast-growing native trees, we mitigate the pressures from illegal logging. Natural forests are preserved as habitat for endangered animals and basis for ecosystem services.





Indonesia: From one million to a hundred million new trees for Borneo

The jungles of Borneo are home to orangutans, elephants, and various wild cats. But this unique diversity is in danger: Clearing of forests and conversion to oil palm monoculture threatens the long-term wellbeing of animals and people alike.

This is the context in which we have been running our biggest country program. The aim is clear: Growing new trees on degraded lands, where rainforests once stood. This goal can be achieved if the local population are able to obtain tangible benefits from reforestation. Only by using newly planted trees sustainably

can we protect the remaining jungles of Borneo.

Our smart reforestation concept relies on three pillars:

1. Planting of fast-growing, locally suitable pioneer tree species by smallholder farmers on degraded lands.
2. Intercropping trees with food and cash crops, based on regenerative agricultural practices.
3. Collaboration with businesses from the timber and food industries.

"I've been with the 'One Million Trees' program since 2014...And a few weeks ago, some people from a company came by and asked if they could buy my timber. This means a lot for me and my family"



Pak Sintung, Smallholder farmer from Borneo, Indonesia



Now you can read up on our story – in an exciting book by Sarina Albeck, who takes you along on her journey to Borneo. The book deals with big questions and concepts, but above all, it is about human encounters.

Here a short excerpt: "And here's another question I am asking myself: Why are we so interested in the forest, but not in the people that live with, off and in it – or that actually do not do so anymore? There's

surprisingly little space for humans in our utopia. Humans, as we rarely view them: As normal people with needs and opinions, families, living in cities or villages, as farmer, security guard, teacher, shop assistant, with a motorbike, with an annoying husband, with a sick child that has to see the doctor, with a desire for consumption, as church-goer, as snack stall owner, passionate mobile phone photographer, accountant, smoker, student"

The book is currently only available in German and can be ordered via the Oekom publishing company: <https://www.oekom.de/buch/baeume-fuer-borneo-9783962381721>

The successful completion of “One Million Trees” took center stage in the planting season from April 2019 to April 2020. Here are our favorite reasons to celebrate:



1,087,563 seedlings distributed to local farmers



1,032 farmers are part of our program



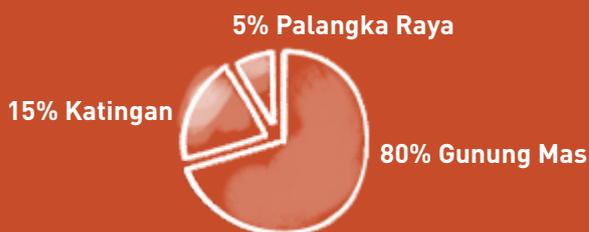
8 fast-growing, locally suitable tree species planted



76%-85% increase in **survival rate** of planted trees



19 agriculture products as quick source of income for farmers



3 local government units participating



100,890 tons of CO2 absorbed over the next 25 years

We have already set ourselves a new goal: Planting 99,000,000 additional trees in Borneo. Because after our initial hypothesis has proven to be true, we are certain that even more farmers and areas can benefit from our approach. We are basing the extension of our program on three key drivers: Digital innovation, support of local NGOs and finance through private investments.



Our participant **Erni** next to her Sengon. Every tree counts. Every farmer is important.

New Goal:



100 Million Trees for Borneo

Learn more about our Indonesia program here:
<https://fairventures.org/en/our-work/country-program-indonesien/>

February:
 Film shoot of the viral video “**1,000 trees in 24 hours**” (1.5 Million views on YouTube)

2019

July:
 Visit by key partners CLUA, Borneo Initiative and **member of German parliament Dr. Hoffmann**

2019

September:
 Cocoa harvest and processing for our “**Jungle Chocolate**” (second edition)

2019

October:
 Sector conference: **Indonesian Lightwood Cooperation Forum 4.0**

2019

March:
 Successful completion of “One Million Trees”: **Over one million seedlings distributed**

2020



Uganda: Timber and food for Africa's reforestation hope

Uganda is a developing country with a rapidly growing population. The majority of its people live off agriculture and are therefore particularly dependent on an intact environment. Unfortunately, over the last 25 years most of Uganda's forests have been cut down to meet increasing resource and fuel needs. But there is also good news: Experts believe that the country has ideal opportunities for afforestation due to its location and climatic conditions. As part of the "Bonn Challenge", an international initiative to revive landscapes, the government committed to restoring 2.5 million hectares of land. Fairventures is now part of this solution.

Within the next 16 years the population of Uganda is

expected to have doubled, with at least 400,000 young people flocking to the labor market each year. Our approach in Uganda focuses on securing vital resources and a green future for the youth:

1. Introducing reforestation in existing agroforestry systems together with farmers through an intelligent combination of fruits, vegetables, cash crops and trees.
2. Enhancing capacity in agroforestry and timber management through vocational schools.
3. Field tests, community consultations and integration of local knowledge to identify suitable timber trees for Uganda.

"Actually, I was just the driver during a field visit. But the more I listened to the conversations in the car, the more interested I became. I asked my passengers what work they do and what their mission was. They told me about Fairventures and the tree planting program in Uganda. I wanted to be a part of it right away! But there was a problem: I was the only one from my region, that would have been difficult. So I recruited 19 of my friends. We are now 20 farmers, with 3,700 seedlings so far planted. And today I am not only a driver, but also an agroforestry farmer and nursery operator." Henry Kyambadde, Katosi, Uganda



Our program in Uganda is based on the support of various partners. These include vocational schools, churches, community groups and associations of tree planters as well as larger timber companies and environmentalists.

In March 2019, our country representative Patience Naamara was elected to the board of the Uganda Timber Growers' Association, the largest grouping of tree growers in Uganda.



Henry Kyambadde tends to a red mahogany tree on his field to provide shade for his other crops.



A sustainable economy includes both supply and demand. This also applies to afforestation. Building with lightwood is a fantastic example of how "cradle to cradle" concepts can work in practice. Furniture and houses permanently bind around one ton of CO2 per cubic meter. At the same time, energy efficient wooden buildings can reduce air conditioning costs by 60%. Uganda, with its growing

population, needs such solutions like perhaps no other country. We have developed prototypes for the African market together with wood engineers from the Bern University of Applied Sciences and several small and medium-sized companies in Uganda.

Learn more about our Uganda program here:
<https://fairventures.org/en/our-work/country-program-uganda/>



59,200 seedlings distributed to local farmers



9 fast growing tree species integrated in local agroforestry systems



150 farmers benefiting from the program



300 vocational students trained



5 new partnership agreements signed

January:
 Official launch of the Uganda country office

2019

January:
3 new tree nurseries established

2019

April:
Program extended from 2 to 5 districts (Hoima, Kasese, Mityana, Kyankwanzi, Mukono)

2019

August:
Agroforestry test fields established in three communities

2019

October:
Successful completion of two projects (supported by private sector partner Stihl and BMZ)

2019



Digital Solution: Tree counting app and drones to prevent fires

Large-scale afforestation is still hampered by two factors: Lack of funding and missing data. This is where technological innovations come in – and Fairventures is at the front line of the digital revolution in the forestry sector. In 2018 we were awarded the main prize of the “Google Impact Challenge Germany” for our groundbreaking concept of making tree growth automatically detectable through machine learning and apps. A lot has happened since then. We have tailored our TREEO app to meet the needs of small farmers in tropical countries. A thousand farmers now have their areas and trees registered. We are now diligently working on the next steps of roll-out together with our partners from the IT sector:

1. Image recognition through machine learning, so that growth, species, ecological value, and CO2 storage of planted trees can be calculated with the help of photos.
2. Digital mechanisms for building trust between buyers of CO2 certificates and smallholder farmers, registration of the solution in existing carbon markets.
3. Integration of satellite data and remote sensing to identify suitable areas for afforestation, and to detect land use change and fires early on.



Learn more about our digital solutions here:
<https://fairventures.org/en/our-work/treeo/>





Fairventures Social Forestry: Investing in an equitable and climate-friendly future

We have achieved a lot with Fairventures Worldwide over the past seven years. But with our expertise, ambitions and possibilities growing, one thing became clear: That donations and institutional funding would not be enough to bring our successful approach to scale. Private investments are needed, too. With our socially and economically sustainable approach to tree-planting, we are in a good position to accept such investments. That is why we founded Fairventures Social Forestry as a limited liability company (GmbH) in 2019. Just a year later, PT Fairventures Social Forestry was added as Indonesian private-sector arm. The successes of the past two years show that this approach is not only necessary, but also viable:



Sustainable, climate-friendly buildings made of light wood are one of several product lines that Fairventures Social Forestry is promoting together with its partners.

-  **>90%** Tree survival rate
-  Seedlings from our nursery grow **35 cm taller** than those of other nurseries
-  Fairventures Social Forestry has been **chosen by the government from among 140 organizations** to realize social forest areas
-  **100,000 seedlings** can be grown at the Fairventures nursery
-  **1.5 Million -> 3.5 Million Euro** Current investments -> new goal

Read more about Fairventures Social Forestry here:
<https://fairventures.org/en/fairventures-social-forestry/>

<p>2019</p>	<p>2019</p>	<p>2020</p>	<p>2020</p>
<p>First test fields established together with communities</p>	<p>18 hectares afforested on community land</p>	<p>86 hectares afforested on community land</p>	<p>Test fields for agriculture products established</p>

Us



Benjamin Schwegler
Development, Forestry and
Agriculture Products



Fiona Dietz
Business and Market
Development



Gan Safirius
Processing, Forestry
and Agriculture Product



Iwan Setiawan
Forest Information
Systems



James Thembo
Forester



Jeanne Bamulangye
Project Administration



Johannes Schwegler
Executive Director



Jojon Surianata
Communication



Jonas Lechner
Forest Management



Katalin Atkary
Finance and Administration



Mardiansyah
Logistics & Procurement,
Afforestation



Marliadi
Tree Nursery



Megan King
Director of Operations



Monalisa
Communication



Panduh Tukat
Technical Wood Expert



Patience Naamara
Country Representative
Uganda



Preddy Yohanes Kristianto
Logistics & Procurement,
Afforestation



Rayanansi
Country Representative
Indonesia



Sukhan Tang
Human Resources



Thierry Messerli
Timber Engineer



Tomas Vitek
Director of Technology



Tri Omega Pahlawan
Forest Information Systems



Triamona
Project Finance



Ulrike Guse
Director of Finance



Vanesa Philia
Finance



Veronica Yuri Magdalena
Project Administration



Wolfgang Baum
Director of Development



Yuda Prawira
Forester

Shareholders

The shareholder meeting constitutes Fairventures' supervisory body. Shareholders come together in person at least once a year. You can find a list of current shareholders online at the end of the "Team" page: <https://fairventures.org/wp-content/uploads/2020/06/Gesellschafter.pdf>



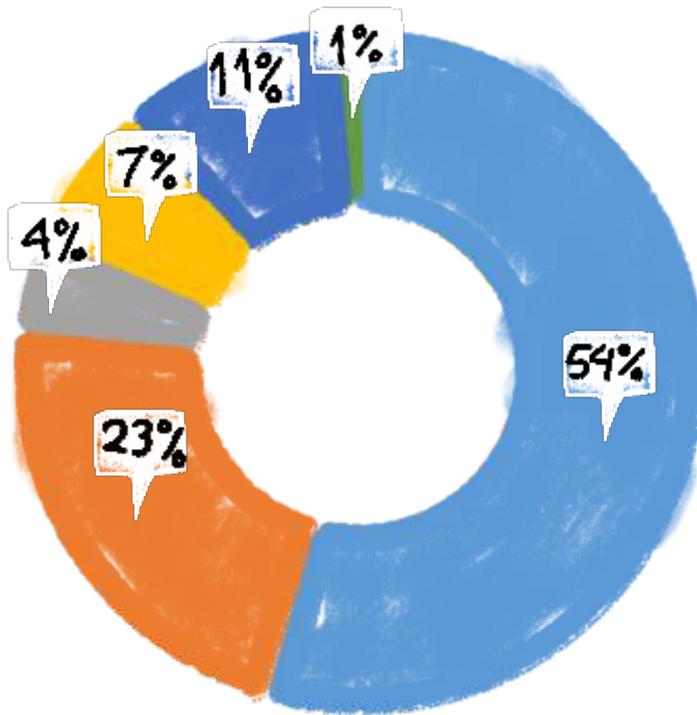
Our work would not be possible without the thousands of smallholder farmers and their families that are part of our program.

Finances

2019 Revenue

Total: Euro 1,694,218

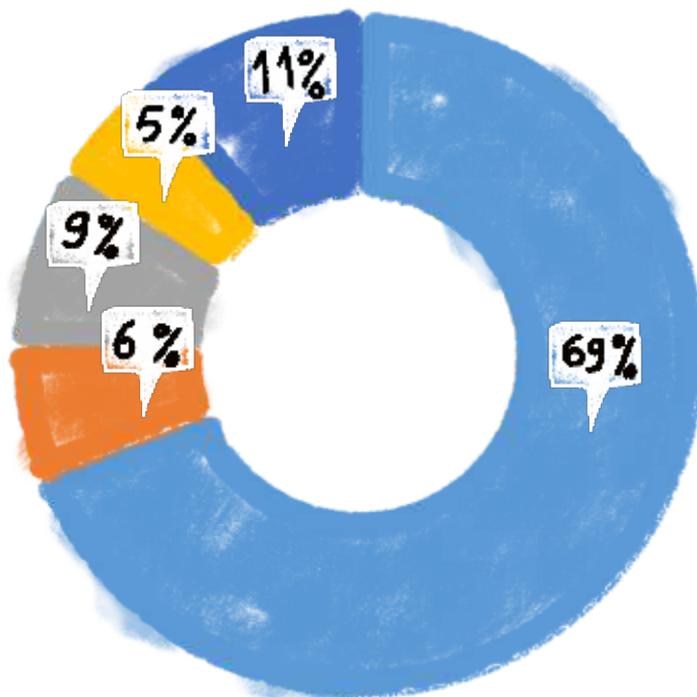
- Institutional donors
- Individual donors
- Foundations
- Sponsoring
- Consultancy services
- Others



2019 Resource Allocation

Total: 1,842,236,71

- Indonesia
- Uganda
- Other countires
- Fundraising
- Administration



Our book have been audited by:

KANZLEI SCHUHMANN
Wirtschaftsprüfung - Steuerberatung



Finances over time

	2017	2018	2019
Revenue	1,160,005	1,877,745	1,694,218
Institutional donors	711,142	705,390	920,458
Individual donors	80,472	251,701	382,249
Foundations	94,160	579,000	75,146
Sponsoring	82,298	129,322	118,257
Consultancy services	167,325	191,184	177,847
Others	24,608	21,149	20,261
Resource Allocation	-1,132,534	-1,507,254	-1,842,237
Indonesia	-761,589	-1,018,901	-1,271,210
Uganda	-17,760	-64,837	-117,756
Other countries	-150,126	-160,804	-156,844
Fundraising	-49,522	-75,713	-95,171
Administration	-153,537	-186,999	-201,255
Surplus / Loss	27,471	370,491	-148,019
Profit carried forward (+)			
Loss carried forward (-) from previous year	-20,349	7,123	27,614
Retained earning	0	350,000	-150,000
Net earnings	7,123	27,614	29,595

Others about us

Fairventures' app TREEO clearly has the potential to become a key tool to achieve our global reforestation goals, curb climate change and support nature-based rural development.

Dr. Christoph Hoffmann,
Member of the German parliament

After experiencing the work of Fairventures on site in Borneo, I am fascinated by the potential of using technology in connection with forestry to secure a sustainable livelihood for thousands of small farmers in Borneo.

Dr. Stefan Ebener
Manager, Machine Learning, Google

One of the biggest challenges for the new social forestry program in Indonesia is implementation. Local communities have limited capacity – especially when it comes to capital and investment. The collaboration between Fairventures and the Batu Bulan community area is a new model that can contribute to the success of social forestry across Indonesia. We hope that more investors will support this program. It's a great learning opportunity for all of us.

Dadang Riensyah,
Executive Secretary, Social Forestry Task Force, Indonesia

Fairventures is implementing a modern interpretation of the Sustainable Development Goals in Uganda: native, fast-growing trees are becoming part of existing banana-coffee-agriculture systems and contribute to the country's wood production chain. This package creates diverse benefits for all participating groups. At the same time, it has a positive effect on biodiversity, climate and soils.

Dr. Horst Freiberg,
Former Head of Forest Division, German Federal Ministry of the Environment, Nature Conservation and Nuclear Safety (BMU)

Who does not enjoy becomes un-enjoyable. But the products we enjoy must be produced in a decent and fair manner! That is why the project of sourcing jungle chocolate from Kalimantan is so important to me: It preserves and protects the livelihoods of humans and animals for future generations, all in excellent taste.

Eberhard Schell,
Founder and Executive Director, Schell Chocolates

We were really impressed with Fairventures' solution in Uganda and would recommend it as a great approach to forest landscape restoration.

James Rawles,
WWF France

After my trip through the oil palm plantations, I understood why Fairventures' approach is so important. The Borneo community forest is a small place of big hope!

Niklas Jonas,
Cradle to Cradle Expert, EPEA

Partners and Supporters

We thank you from the bottom of our hearts and look forward to many more years of cooperation!

Worldwide

Good Energies Foundation
IDH – The Sustainable Trade Initiative
International Union for the Conservation of Nature (IUCN)

In Indonesia

Ministry of Trade
Indonesian Lightwood Association
Ministry of Environment and Forestry
The Borneo Institute
Batu Bulan Farmers Group

In Uganda

Bwera Farmers Group
Global Woods AG
HolyDove Vocational Secondary School
Kikandwa Environmental Association
Kasese Youth Polytechnic Vocational School
MIIKA Estates
People and Nature Rwenzori Mountain
St. Simon Peter's Vocational Institute
Uganda Timber Growers Association

From Germany

Andreas Stihl AG & Co. KG
attempto GmbH
Brot für die Welt (Bread for the World)
German Federal Ministry for the Environment, Conservation and Nuclear Safety
German Federal Ministry for Economic Cooperation and Development
ELO Digital Office GmbH
enway GmbH
GD Holz (German Timber Trade Federation)
Google.org
Heidehof Foundation
Karlsruhe Institut for Technology (KIT)
Löffler & Schmeling Architects
Louis Leitz Foundation
Out for Space GmbH
Schmitz Hille Foundation
Schöck Family Foundation gGmbH
Unique Forestry and Land Use GmbH
University of Hohenheim
VENRO (umbrella organization for development and humanitarian aid, Germany)

Thank You!

We would like to thank all our partners for their hands-on support - including the countless private donors who were not mentioned here.



CONTACT

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D-70178 Stuttgart

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DONATIONS

Fairventures Worldwide account for
donations:

Baden-Württembergische Bank
Account number: 223 411 1
Bankleitzahl: 600 501 01

IBAN: DE62 6005 0101 0002 2341 11
BIC: SOLADEST600

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