

ALIADOS

Annual Report

2021



Photo: Lino Fureez, community leader, farmer, and entrepreneur in Cumbas, Imbabura Province.

Letter from the **Executive Director**

For Aliados, 2021 was a year of consolidation, learning and growth. We consolidated regenerative agriculture into our model as a powerful tool to support farmers have more profitable farms while nourishing soil and plant biodiversity. We strengthened farmer-led innovation with Communities of Practice and built systems to replicate successes. The lessons we learnt were fed into an improved Theory of Change and operational model. This is a continuous work in progress and there is so much more to learn.

Our incredible team worked tirelessly to deepen our work in three critical landscapes: expanding our agroforestry work to nine farmer enterprises working with guayusa, wild jungle peanuts, macambo and lemongrass in the lower Amazon; helping farmers transition away from cattle farming to agroforestry in the Andes-Amazon cloud Forest; and expanding regenerative agriculture from 50 to 188 smallholder farmers producing goldenberry, grains and honey in the Andes highlands.

In 2021, despite prolonged effects from the COVID pandemic, we helped farmers earn an additional \$218,420.47 from regenerative agriculture and bioeconomy. Importantly, 61% of the direct beneficiaries of our work are women. This reinforces that women are often at the frontlines of land-use change, and key allies in the stewardship of the Andes-Amazon ecosystems for future generations.

***We disrupt business
as usual.***



We consolidated a more robust funding platform: our revenues have more than doubled since 2019 with generous support from a diverse portfolio of institutional donors in 2021, including 3 new multi-year projects.

I am proud to report that we are heading into 2022 with a stronger platform in every sense to connect smallholder farmers to responsible markets through regenerative agriculture. Thank you to everybody who is a part of this important mission. I look forward to continuing the journey together!

A handwritten signature in black ink, appearing to read 'Wain Collen'.

Wain Collen

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**Our team worked
tirelessly to deepen
our commitment in
three critical
landscapes**



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Photo: Table of Lima Beans being processed for sale as part of a diversified agriculture portfolio in Azama, Imbabura Province.

\$2.7 M

Farmer income generated through Aliados support to date.

Photo: Farmer showing off freshly harvested beans in Santa Rosa, Pinchacha Province.



Development without destruction.

Aliados is
transforming the
way business
is done in the
Andes and
Amazon
ecosystems.

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Local and indigenous farming families are the key to more sustainable land use and reducing deforestation.

Wain Collen
Co-Founder & Executive Director



Photo: Veronica Muenala is a goldenberry farmer using regenerative agriculture on her family farm. Taken in Azama, Imbabura Province.

Our Mission

Aliados connects smallholder farmers to global markets through regenerative agriculture, unlocking new value for the world's most biodiverse landscapes.



Photo: Organic Mint is hand harvested by Aromas De Cayambe cooperative members for the sustainable brand Tippy Tea. Photo taken in Muyurco, Pinchincha Province.

\$218.4 K

Additional farmer income from Aliados support in 2021

73%

Year on year increase in program investments for 2021

61%

Of farmers we work with are women

Where We Work

ANDES

The Andes in Ecuador consists of two glacial mountain ranges - Eastern and Western - that are connected by a central valley that is home to many campesino and indigenous farming families. Our work takes place in this valley between the Coca-Cayambe and Cotacachi-Cayapas National reserves. Aliados is promoting regenerative agriculture with nearly 200 families, six farmer associations and two corporate partners working with goldenberry, honey, herbal aromatics, and a variety of Andean grains.

AMAZON

The Andean Amazon is arguably the most biodiverse region in the world, and faces significant pressure from rapid, unplanned agricultural expansion and extractive industries. Aliados is partnering with 13 indigenous communities to incubate a basket of seven regenerative agroforestry products to help conserve forest in the Sumaco-Galeras National Park buffer region. In concert with local and national conservation organizations, these communities are contributing to protecting 225,000 ha of Amazonian forest along an altitudinal gradient from 300-2000m.

CLOUDFOREST

Andean cloud forests are a major conservation priority owing to their biological richness and high level of species endemism. These forests, home to emblematic species like the Andean bear, mountain tapir and Andean eagle, are threatened by deforestation and degradation. Aliados is demonstrating a new agroforestry model with local communities that promotes sustainable forest management and agroforestry to reduce cattle pasture expansion. Our work sets up replication across a 30,000-ha buffer corridor connecting three national parks that cover 800,000 hectares of Andes-Amazon ecosystems.



The Challenge

Agriculture is the primary driver of biodiversity loss and a major contributor to global greenhouse emissions, driving climate change.

In the Amazon, between 1978 and 2020, more than 75 million hectares of rainforest were lost, mainly for agricultural commodities and cattle ranching.

Smallholder farmers – who constitute 83% of the global agricultural population and produce most of the world's food – are a high-potential opportunity to help move farming to a more nature-friendly way.^{1 2}

1 Benton, T.G., et al. "Food System Impacts on Biodiversity Loss: Three Levers for Food System Transformation in Support of Nature" (2021)

2 Peter R Steward, et al. "Pollination and biological control research: are we neglecting two billion smallholders" (2014)



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The Chachi indigenous people are grappling with agricultural pressures emblematic of those driving deforestation across The Tropical Andes. Here, Chachi cocoa farmers attend a territorial mapping workshop hosted by aliados in collaboration with Fundación Jocotoco. This work is boosting farmer incomes and conservation outcomes in one of the most endangered and biodiverse forests on earth.

Our Integrated Approach

Aliados has developed a four-pronged approach to connect smallholder farmers to responsible markets through regenerative agriculture.

Our model enables local farmers, entrepreneurs, and communities to unlock new value from biodiversity in the Andes and Amazon.

1. ■ Regenerative Agriculture

2. ■ Local Bioeconomy

3. ■ Responsible Markets

4. ■ Agroecological Landscapes

Pictured is Maria Sanchez attending to her goldenberry Farm. The ladies of the Cuzubambe cooperative have been successful growing goldenberry, grains and honey with purchase guarantees from our partners at Nature's Heart.

The \$18,989 earned by Cuzubamba in 2021 is showing that it can pay to invest in diversified farms and regenerative agriculture.



1.

Regenerative Agriculture

Deforestation, overgrazing, and industrial agricultural practices have degraded half of the world's soil already, threatening food and water quality and supply, biodiversity, and increasing climate related risks. Aliados supports smallholder farmers with training, inputs, and micro-grants to transition to regenerative farming practices that increase soil fertility, farm profitability and ecological services.

2.

Local Bioeconomy

We incubate successful local bioeconomy businesses through seed capital grants and patient capital, business plan development and training to produce high quality products in line with corporate offtake agreements.

In 2021 Aliados supported value-chains like Goldenberry, Herbal Tea, Poroton, and Jungle Peanut which generated over \$218k for our community partners.



A change in farming practices has never been more urgent.

Photo: Farmer showing off fresh beans in Santa Rosa, Imbabura Province.

3.

Responsible Markets

We leverage our strong corporate network to ensure stable and fair market access for local bioeconomy products.

In 2021 Aliados worked with stand out brands like Nature's Heart, Tippy Tea, Canopy Bridge, and Cloud Forest Organics to fulfill our commitment to farmer partners across Ecuador.

4.

Agroecological Landscapes

We bring local communities together into knowledge-sharing and coordination networks to create agroecological corridors at the landscape level. In 2021, Aliados worked on developing three agroecological corridors:

1. The Sumaco Napo Galeras corridor in the upper Napo watershed
2. The eastern Andes-Amazon cloud forest corridor between the Coca-Cayambe, Antisana and Sumaco National parks.
3. The Inter-Andean corridor between the Cotacachi and Coca-Cayambe National Parks.



Photo: Program Manager Caro Engel harvesting jungle peanuts with Yawari community member Rosario Shiguango in Napo Province.



“ Thanks to support from Aliados we have learned that reusing what we have on our farm and applying natural homemade fertilizers is even better! ”

Youth Spotlight

Flor Jiménez

Using regenerative farming to plant seeds for the future

Flor Jimenez is one of the youngest members of the newly formed farmer group *Productores de Cuzubamba*. Flor shares a farm with her three sisters and her mother and is a firm believer that organic agriculture does work. Flor is now in charge of the administration and billing for her farmer group.

She is happy to report that through Aliados' administrative support package, they have been able to make their sale process more agile and transparent. For example, Flor helped the group sign up for electronic billing in order to receive their payments more quickly. This has inspired Productores de Cuzubamba to grow from 25 farmers to 80 in 24 months! This year the association made an impressive \$15,990.00 in additional income from their partnership with Terrafertil. As for Flor, she is using the income she is earning from regenerative agriculture to pay for her university studies in Education at Loja Technical University.

Our Team

Our team grew in 2021, with new board and team members bringing key skills in-house, including agronomy, M&E, food certification, food and hygiene management and business and financial management.

As Aliados grows, we are committed to supporting each team member as they convert their care and passion into meaningful results for the families and communities we work with.

A unique part of Aliados' model is that the indigenous entrepreneurs and promoters that we work with are really a part of the team. Aliados field staff and local leaders and promoters work closely together. The goal is to "build together".



Our Board

Tyler Gage
Rebecca Ruff
Sharelle Klaus
Frank Hicks
Kaia Ambose
Stephen Sherwood

Our Staff

Wain Collen
Executive Director
Carolyn Engel
Program Director
Narcisa Puma
Agronomist - Andes
Gonzalo Torres
Agronomist - Amazon
Jaime Palacios
Biologist - Amazon
Vicente Torres
Sustainable Forestry - Amazon
Vinicio Vega
Field Technician
Freddy Avilez
Field Technician

Carmen Tanguila
Office Administrator
Ximena Rodriguez
Accountant
Enma Alvarado
Local Promoter
Estela Grefa
Local Promoter
Ruben Tanguila
Local Promoter
Patricio Gordón
Local Promoter
Javier Almeida
Local Promoter
Luis Emilio Flores
Local Promoter

Financial Statement

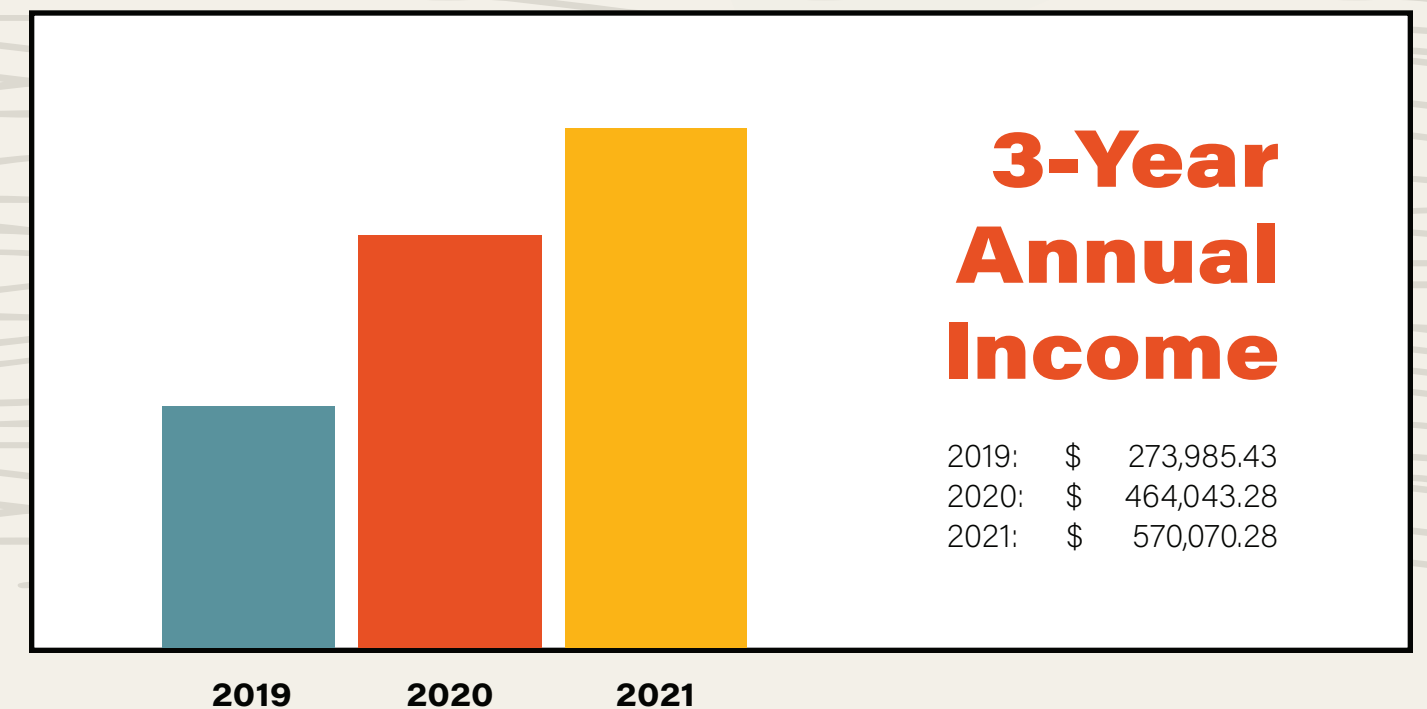
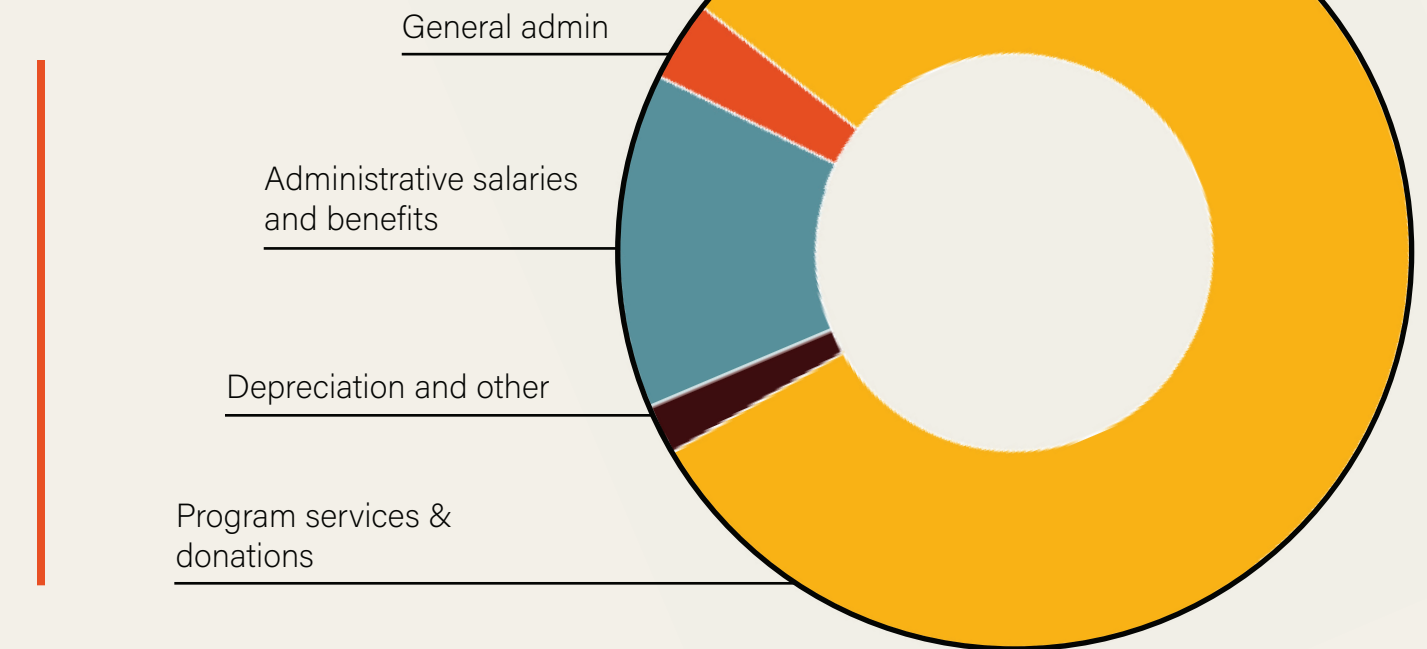
Support & Revenue 2021	Fundación ALIADOS	ALIADOS USA	Total
Grants & Contributions	\$ 418,213.20	\$ 101,797.51	\$ 520,010.71
Fee for service income	\$ 10,396.52	\$ -	\$ 10,396.52
Other income	\$ 39,663.05	\$ -	\$ -
Total	\$ 468,272.77	\$ 101,797.51	\$ 570,070.28

Operating expenses 2021	Fundación ALIADOS	ALIADOS USA	Total
Administrative salaries and benefits	\$ 61,053.54	\$ 0.00	\$ 61,053.54
General Administration	\$ 7,884.26	\$ 6,774.23	\$ 14,658.49
Program services & donations	\$ 264,697.19	\$ 95,254.48	\$ 359,951.67
Depreciation and other	\$ 8,435.90	\$ 634.67	\$ 9,070.65
Total	\$ 341,070.89	\$ 102,663.46	\$ 444,734.35

Net assets 31 Dec, 2021 ¹	\$ 230,362.29	\$ 259,587.76	\$ 489,950.05
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¹ Includes \$374,493 of deferred revenue

Operating Expenses 2021



Case Study

Ruta Escondida

The Ruta Escondida farmer's association is nestled in a remote part of the Ecuadorian Andean highlands at around 2,600 masl. Farmer members were making a good living from organic goldenberry production until the "mancha morada" plague arrived in Ecuador and decimated farmer incomes. Farmers made \$73,482 from goldenberries in 2019, and that plummeted to \$25,219 in 2020, a drop of nearly 65%.

Aliados began working with the association to implement a regenerative agriculture training program to overcome the pest. With regenerative agriculture, the program goes beyond organic to restore soil and plant biodiversity for more resilient farming systems. Farmers are provided with \$200 worth of organic fertilizers and pesticides, and other inputs needed to implement these practices. We apply a Community of Practice - learning by doing methodology, backed up by farm level data collection to identify and replicate best practices.

By combining regenerative agriculture with committed leadership, the association had outstanding results in 2021, bouncing back to generate \$75,000 from goldenberry. The pilot program that began with 14 farmers now has 50 farmers applying the new regenerative techniques, and Ruta Escondida is projecting \$120,000 income in 2022 for farmers!

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With regenerative agriculture, the program goes beyond organic to restore soil and plant biodiversity for more resilient farming systems.

Ruta Escondida Association members are on the forefront of regenerative agriculture, applying new techniques to their goldenberry production to increase yields and while restoring biodiversity to the soils.



Our Values

Regeneration

Modern farming has become a major source of environmental degradation, degrading soils and water systems and a leading cause of biodiversity and forest loss. Regenerative agriculture encompasses a range of farming practices aimed at restoration and sustainable management of soil health and of ecosystem rehabilitation.

By putting the tools of regenerative agriculture in the hands of smallholder farmers, we have seen first-hand they can be primary agents in the rehabilitation of soils and ecosystems and help fight climate change.

Innovation

To promote the change that is needed, an action-learning culture where everyone can contribute to problem-solving is needed. Aliados creates conditions for rural innovation to flourish; supporting stakeholders to identify, test, and convert promising ideas into breakthrough innovations.



Photo: Freshly harvested jungle peanuts in Napo Province, Ecuador.

Entrepreneurship

Entrepreneurship is a pathway for anyone who genuinely cares to help shape the future of their community. Aliados promotes entrepreneurship to help local visionaries solve local problems by creating “triple-bottom-line” value. We accompany entrepreneurs embed their enterprise activities and outcomes within holistic sustainable livelihood strategies to fundamentally transform the way business is done in the Andes and Amazon.

Partnership

Entrepreneurship may be an integral part of rural enterprise solutions, but no one individual or organization can do it by themselves. Aliados brings local and global partners together under a shared vision into a collaborative “innovation and partnership ecosystem”, to build partnerships for transformational change to take place.

Follow us on social:

Updates on our work and opportunities to contribute can be found on our social media channels! We encourage you to follow our pages to learn more about the projects and partnerships Aliados is supporting in the coming year!

The QR code to the right is a link to the Aliados LinkedIn Page and can be accessed through your phone camera.



2022 OUTLOOK

Looking beyond 2021, here are a few strategic developments on the horizon for 2022, and beyond.

In 2022, we will begin transitioning from project-focus to a longer-term programmatic focus in the three geographic regions we currently work in. In the short-term, we expect some geographic growth, but our main priority in 2022 will be on honing our model and deepening impact.

We are excited about the possibilities that technology offers for supporting farmers, our staff and replicating our work. In 2022, we will pilot and investigate digital tools, including agtech, blockchain and remote sensing that can support standardization and replication at regional scale in the medium-term.

To ensure the best possible service provision, Aliados will continue expanding its team on the ground in 2022, including operations, entrepreneurship, food and quality management, and knowledge management.

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**Our
main priority
in '22 will be
honing our
model and
*deepening
our impact.***



Photo: Wilson is a Chachi leader working to implement regenerative agriculture in community cacao production in the Choco forest of Ecuador.

ALIADOS

Transforming business in the world's
most biodiverse ecosystems

www.losaliados.org