



Conservation through Poverty Alleviation
Annual Report 2018

CPALI Mission

Conservation through Poverty Alleviation, International (<http://www.CPALI.org>) is an international non-profit organization that identifies, develops, and implements new means of income generation for impoverished farmers living in areas of high biodiversity and conservation value. We were founded in 2002, incorporated in Massachusetts in 2003, and approved as a provisional 501(c)(3) by the US Internal Revenue Service in 2004. CPALI achieved permanent 501(c)(3) status in 2007.

CPALI is dedicated to a community-centered approach to conservation. Our mission is to help impoverished communities farm and transform endemic resources to create sustainable enterprises that benefit farm families and protect endangered ecosystems.

The CPALI vision is to build and test the effectiveness of an innovative environment-conserving enterprise. We have divided our efforts into four areas:

- piloting a silk gardening and textile production enterprise in northeastern Madagascar
- international marketing of the wild-silk products from Madagascar
- building recognition that endemic resource farming can be a successful international conservation strategy
- building SEPALI Madagascar to be a self-supporting conservation enterprise

Resources and Products: The CPALI method begins with identifying native species of plants and animals near the borders of protected areas that can be farmed and developed for commercial products. CPALI's first product was silk cocoons produced by the native silk moth *Antherina suraka*. We added *Ceranchia apollina* and *Borocera cajani*, which are also collected sustainably.

In 2017, we extended our product base to include *Bombyx mori* and two additional native species of silkworm as well as raffia and raffia textiles. Raffia is a product of the raffia palm, of which there are about 20 species in Madagascar. We are currently germinating raffia seeds to plant a raffia nursery.

Human Organizations and Incentive Structure: In Maroantsetra, we helped establish an independent local NGO, "Sehatry ny Mpamokatra Landy Ifotony" (Association of Wild Silk Producers of Madagascar), or SEPALIM, which manages training, raw materials growth and distribution, textile production, and cocoon purchases and develops additional income opportunities. In 2015, SEPALIM established a product workshop that now employs approximately 11 artisans.

Letter from the President

Dear Friends and Colleagues,

CPALI is in its 16th year of working in Madagascar. The project was initially organized to implement an enterprise-based conservation effort that would provide new sources of income for farmers displaced from the Makira Protected Area, today the Makira Natural Park. The CPALI program has persisted through two Malagasy presidential elections and one coup d'etat largely by working "under the radar." The program has had to reinvent itself as the prices on fluctuating commodity markets cause SEPALI subsistence farmers to jump from one high-value crop to another. Subsistence farmers cannot afford to commit to just one product because every year the price of the most profitable commodity seems to change.

Mamy Ratsimbazafy, the director of SEPALI Madagascar (SEPALIM) (<https://www.sepalim.org>), has brilliantly run all of the organization's activities for several years. Our initial programs focused in Madagascar on farming endemic resources, learning how to work with subsistence farmers, and identifying a product that could be marketed in industrialized nation markets. That work has all been taken over by the SEPALIM team, who now plan their own agenda and new directions based on the orders they receive from the market as well as the effects of local commodity markets on subsistence farmer behavior.

The team has worked hard to diversify its product portfolio while CPALI is working to respond to their market needs. When vanilla prices caused farmers in one area to drop silk production, SEPALIM searched for a new type of caterpillar cocoon produced in a different ecological environment where vanilla is not grown. Due to Madagascar's habitats and rich biodiversity, there are many possibilities for new natural products if we can recognize them and develop enough markets to support endemic resource farming. We hope we can work fast enough.

Thanks to Mamy's insight, patience, and observations, SEPALIM has identified new ways to work with subsistence farmers as well as to manage its artisan workers. SEPALIM's success in the field is due to its structured economic approach to project implementation, which we hope will be used in other parts of Madagascar. The program is initiated by building a demonstration garden and then outlining a series of targets for subsistence farmers, each target resulting in an economic earning that can be gleaned from the garden. In addition, the activity achieved at each target results in a new activity that builds on the first but is even more profitable. There are no competitions—everyone has access to the same earnings (and future). Furthermore, SEPALIM provides a continuing market for the endemic product farmed. Farmers may drop out of caterpillar farming for a year or two, but if they start up again, SEPALIM is there waiting to support them. It has not been easy, but as a result of these practices SEPALIM has diversified its product portfolio, allowing it to better roll with fluctuations in the commodity market. The system also fits the time constraints of subsistence farmers and, we hope, will allow them to step into a higher income bracket.

Mamy has also designed a unique system for working with artisans who make cocoon-silk. Most, but not all, of the artisans are women. The artisans have been trained to make a variety of natural

products using simple sewing and weaving skills. "Mamy's rule" is that if an artisan needs to drop out of the workshop for a few days, a month, or even a year, they can return to work as long as they provide a substitute for the time they are gone. Jobs with SEPALIM are demanding and "Mamy's rule" allows members of the workforce to take a rest or attend to their homes as needed. It also serves to slowly extend training to more individuals in the Maroantsetra community. While it may not be a system that would be profitable in a higher-income country, it works well for individuals living subsistence lifestyles and can help them move to new jobs and non-subsistence incomes. SEPALIM also hopes it will allow the team to expand the workshop as they build up production and add new endemic products to the mix.

SEPALIM continues to adapt to fluctuating electricity, market isolation, and the effects of climate and climate change by positioning itself to be a materials supplier, as opposed to producer, of finished products. To address the costs of overseas shipping, SEPALIM is trying to market its card-woven raffia trims to designers working in Madagascar who are making finished hand bags, belts, and shoes.

On behalf of SEPALIM, CPALI is now working to develop the collection presented at the Sheehan Gallery, Whitman College in 2018 into a traveling display available to other museums or colleges. If you have any suggestions or contacts in your local community who might be interested, please be sure to contact us.

CPALI has long taken a backseat to SEPALIM's day-to-day operations and focused on looking for new ways to sell SEPALIM products. We are searching for importers and new buyers, especially in France and the US, who are interested in integrating cocoon-silk and raffia textiles into their collections and sales. We would like to hire a marketer for each of our natural products, including placemats and table décor, wall art, art supplies, cocoon-silks, and raffia mats. Most recently SEPALIM has added school bags made of the endemic grass, "penza" (*Lepironia*), which are being introduced by [Sanjo Silk](#), SEPALI's distributor. If you are interested, and have a network to introduce our goods into, please contact CPALI or SEPALIM directly. SEPALIM is eager to work with buyers to make the exact materials they aspire to integrate into their product lines!

Looking ahead to 2019:

In 2019, we will be looking for someone to take over CPALI in 2020. We hope to find someone familiar with the world of buyers for materials, papers, and textiles as well as or in addition to an individual interested in marketing SEPALIM's art pieces. That individual could be an importer, artist, or academic interested in continuing the conservation enterprise work we have been engaged in for the past 16 years. If you are interested in this opportunity, or know someone who might be, please contact me (craig@cpali.org). Better yet, visit the SEPALIM booth at the International Folk Art Market in Santa Fe, New Mexico, 12-14 July, for a preview of some of SEPALIM's innovative products as well as to meet Lalaina Raharindimby, leader of the women's artisans workshop and creative force.

All the best.

Catherine L. Craig

CPALI Timeline

2003	<ul style="list-style-type: none"> • CPALI's first visit to Madagascar • Initial meeting with potential stakeholders and partners in Madagascar • CPALI established as 501(c)3
2004	<ul style="list-style-type: none"> • Field surveys at Ranomafana National Park Rainforest • Silk cooperative established • CPALI board writes strategic plan
2006	<ul style="list-style-type: none"> • Field surveys in Makira/Masoala • CPALI House established in Maroantsetra
2007	<ul style="list-style-type: none"> • Experimental work at CPALI House; Mamy Ratsimbazafy, SEPALIM's current director, identifies A. suraka host tree • Field trials continue • Permanent field team organized • Demonstration sites established in Maroantsetra • Three initial target species identified • Kenney family visits CPALI House
2008	<ul style="list-style-type: none"> • Second demonstration site and nursery organized at Manambia • Mamy completes CPALI training manual • CPALI competes at the World Bank Development Marketplace • CPALI achieves permanent 501(c)3 status • Farmer nursery established in Ambodivoagany
2009	<ul style="list-style-type: none"> • 3-year contracts with first farmers • 7 additional farmers join the project • First farmer in Ambodivoagany completes transplant of 1,000 trees • First crop of cocoons sold and exported to Thailand
2010	<ul style="list-style-type: none"> • Sehatry ny Mpamokatra Landy Ifotony Madagascar (SEPALIM) is founded by Mamy Ratsimbazafy (current SEPALIM Director) • SEPALIM introduces silk program in 3 new communities: Marovovonana, Ambinentelo, Amblalmahago • Provisional Patent filed for non-spun textile • Non-spun textile juried and accepted into Material ConneXion's Worldwide libraries
2011	<ul style="list-style-type: none"> • CPALI skirt appears in Tara St. James Collection, Fashion Week, NYC • SEPALIM begins publishing monthly newsletters for farmers • Tom Corcoran's CPALI film wins \$10,000 prize to support SEPALIM programs • Peace Corps volunteer Kerry O'Neill joins SEPALIM in Madagascar • Lalaina Raharindimby appointed to organize women's program • 45 farmers plant a minimum of 250 trees and are awarded SEPALM t-shirts • 10 breeders receive ponchos and rain-proof notebooks to keep records • 60 women participating in artisan groups support farmers • Lead farmer and lead artisan programs established • First farmer's picnic and awards ceremony • 4 farmers produce cocoons • SEPALIM receives SEED Award (UNEP, UNDP, UNESCO) • SEPALIM Equator Initiative Finalist

2012	<ul style="list-style-type: none"> • SEPALIM purchases permanent demonstration site • 15 farmers produce cocoons • Partnership with Stanford Design School; 4 students visit SEPALIM for 2 weeks and discuss new products and more efficient ways to make them • Farmer communities extend to Mahalevona and other sites that border Masoala National Park • First Global Giving project completed after reaching its \$50,000 target! • SEPALIM bank accepts its first cocoon “deposits” • William Barclay joins the CPALI board • Cornell University partners with CPALI/SEPALIM to sample soil from farmer sites and initiate a long-term monitoring program
2013	<ul style="list-style-type: none"> • 28 farmers produce cocoons • 300 farmers join SEPALIM • SEPALIM welcomes second Peace Corp volunteer, Donald Quinn-Jacobs • CPALI expands its program mission to include the integrated production of natural resources for food and cash • SEPALIM begins training and introduction of insects for protein • SEPALIM initiates biological studies on <i>Ceranchia apollina</i>, a new species of silk-producing moth • SEPALIM sells 25 m of non-spun textile to Habu Textile • James Toupin joins CPALI • CPALI self-imposes an audit by Tonneson and Company • Kerry O’Neill joins CPALI as Assistant Director • Heidi MacLean joins the CPALI board and takes position of Chief Financial Officer • CPALI partners with dConstruct to sell silk for jewelry
2014	<ul style="list-style-type: none"> • 32 Farmers producing cocoons, plus 25 collecting cocoons • CPALI product debut at DWELL Trade Show in Los Angeles • dConstruct wins eco-choice award from New York Now for wild silk jewelry • Architects for Humanity partner with CPALI and design a training center for the Maroantsetra demonstration site • CPALI products are reapproved as Fair Trade by the Fair Trade Federation • Repeat textile sales to Habu Textiles and dConstruct jewelry company • CPALI introduces Insects for Food program to farmers • Manoely Denis finds the previously rare <i>Ceranchia apollina</i> in abundance and organizes 3 communities to collect cocoons and raise pupae • May Berenbaum, member of CPALI founders board, receives National Medal of Science from President Obama • First farmers double their average annual household income

2015	<ul style="list-style-type: none"> • James Toupin elected president of CPALI Board • SEPALIM team begins experimenting with both natural and artificial dyes • CPALI joins the Lemur conservation network • CPALI debuts at the Architectural Digest’s Home Design Show with Karen Brown • CPALI attends the Fair Trade Federation conference • CPALI is featured in Hand-Eye magazine and ASPIRE magazine • Karen Brown’s silk chair “Natural Selection” is auctioned off for \$1,600 • Moth Matching Kickstarter campaign is launched and funded • dConstruct launches a new jewelry line of SEPALIM silk in green and purple • Mamy’s rearing book is translated into English • Tim Barclay’s children’s book on wild silk farming translated into Malagasy • CPALI silks are Certified Wildlife Friendly • CPALI develops table runners and placemats and sells the first line to ABC Carpet and Home • CPALI launches a wholesale site • International design consultant Docey Lewis begins to experiment with SEPALIM silks and creates a new line of dyed products • CPALI sells over \$20,000 of silk in 2015 to individuals and retailers • SEPALIM silk production increases from 300 meters in 2014 to 490 meters in 2015 • SEPALIM’s silk production workshops run every week in 2015 with a team of local artisans
2016	<ul style="list-style-type: none"> • Docey Lewis travels to Madagascar to teach SEPALIM how to dye textiles • Pricing of textiles re-evaluated and lowered to increase volume sales • Raffia textiles are adopted into product mix • Madagascar team receives a grant from US Embassy in Madagascar to purchase looms and sewing machines to take program directly to villages • Docey Lewis develops 6 product lines for SEPALIM that include lighting materials, handbags, gift ties and tags, textile arts for the leisure industry and fine arts, and art papers for artists • CPALI establishes commercial partnerships with Color by Amber and Gold Leaf Design • SEPALIM becomes a Full Circle partner • Rouge Foundation, WCS, and CPALI establish children’s conservation art program • <i>Landy Dia</i>, silk farming book by Tim Barclay, is introduced in village schools and libraries; SEPALI Madagascar holds two group readings at its headquarters • Rogue Foundation, CPALI, and WCS auction paintings and SEPALIM’s textile arts at the Rogue Gallery in New York City • CPALI’s donors surpass all previous giving, allowing Docey Lewis to return to Madagascar in 2017 and continue team training • CPALI begins to build Tanana brand

2017	<ul style="list-style-type: none"> • Cyclone Enawo devastates northeastern Madagascar on 3 March. CPALI donors donate \$3,000 to Medair towards the purchase of 150 wash kits for immediate use. In addition, SEPALIM provides materials and labor to repair a local bridge. Using funds from donors, SEPALIM purchases and ships 8 new mattresses to the Ambinentelo hospital. • Docey Lewis and Catherine Craig return to Madagascar in April to hold a second artisans workshop in Maroantsetra. The team purchases raffia mats from a village outside Antananarivo that Docey visited to extend a SEPALIM partnership. • Docey teaches the SEPALIM team how to build a standing loom that is later copied with funds awarded by the US Ambassador. Two additional looms are built. • Docey Lewis shows CPALI/SEPALIM cocoon textiles at NY ICFE artisan showcase and attracts Donna Karan with sales to Urban Zen. • IBU designs and sells shibori raffia cosmetic bags made by Madagascar and US teams. • Mamy and Lalaina participate in Aid to Artisans Market readiness program in New York. The training includes market trends, pricing, and critiques of SEPALIM products by experienced buyers. • The Insects for Food partnership holds working meeting at the Madagascar Biodiversity Center focused on building insect rearing enclosures, collecting local crickets, and exploring potential funding opportunities in Madagascar. • SEPALI plants Tsidimy seeds to begin raising “Sakondry” at SEPALIM demonstration site.
2018	<ul style="list-style-type: none"> • Linda Cartwright visits SEPALIM and writes a comprehensive article about the program for Wild Fibers Magazine • Docey returns to Madagascar to help team prepare for NY Now, held in August • Tanana welcomes Sanjo Silk and Diane Sanderson to the team. Sanjo is now the Canadian and US distributor for all undyed silk. • Whitman College's Sheehan Gallery hosts "Requiem for a Rainforest." The exhibit includes photographs by Nick Garbutt and Safidy Andrian, silk sculptures by Mandy Coopes-Martin, and non-spun cocoon silk and raffia textiles. Catherine Craig gives a lecture for Whitman's Parents Day. • Docey Lewis visits Whitman College for two days to give two lectures highlighting her work with SEPALIM as well as her career as a textile designer and artist • Safidy Andrian visits Whitman College to discuss his work with the SEPALIM team as well as his career as a photojournalist in Madagascar • CPALI exhibits Safidy Andrian's photographs at the Columbia Arts Gallery "identity" exhibit in addition to cocoon-silk and raffia textiles • Lalaina Raharindimby selected by the International Folk Art Market to represent the SEPALIM team and sell products in 12-14 July 2019. Please join us for this festive event! • SEPALIM program website is revised and beautiful! www.sepalim.org • CPALI sells 97 items and 3,207 units. Sales returned \$28,663 to the program.

CPALI Profit and Loss
January through December 2018

	Jan - Dec 18	Jan - Dec 17	\$ Change
Ordinary Income/Expense			
Income			
4000 · Contributions Income			
4010 · In Kind Contributions	0	2764	-2764
4050 · Restricted			
4051 · Global Giving	11467	21565	-10098
Total 4050 · Restricted	11467	21565	-10098
4000 · Contributions Income - Other	46375	80378	-34003
Total 4000 · Contributions Income	57842	104707	-46865
4300 · Wild Silk Markets	21756	25575	-3818
4700 · Miscellaneous Income	0	28	-28
4800 · Dividend Income	2704	2038	666
4900 · Interest Income	218	226	-8
Total Income	82521	132573	-50052
Expense			
6701 · Payroll Tax	1288	983	305
6702 · Payroll Processing Fees	885	182	703
6700 · Payroll Expense - Wages	15300	10117	5183
8000 · Maroantserta Disaster Relief	0	3000	-3000
6100 · Wildsilk Markets			
6160 · Commission	0	3025	-3025
6101 · Postage Outbound	2705	2332	373
6120 · Product Development			
6126 · Meals	0	364	-364
6124 · Supplies	7701	1406	6294
6125 · Travel	3794	9028	-5234
6127 · Consulting Prod Dev	8275	1484	6791
6120 · Product Development - Other	2906	5225	-2319
Total 6120 · Product Development	22676	17508	5168

6150 · Product Marketing			
6161 · Website	35	33	2
6150 · Product Marketing - Other	8684	17803	-9118
Total 6150 · Product Marketing	<u>8719</u>	<u>17836</u>	<u>-9116</u>
Total 6100 · Wildsilk Markets	34100	40700	-6601
6200 · Fund raising			
6213 · Communication	0	40	-40
6214 · Gift Purchases	321	-57	378
6218 · Fundraising Subscriptions	377	794	-416
6200 · Fund raising - Other	<u>0</u>	<u>0</u>	<u>0</u>
Total 6200 · Fund raising	699	777	-78
6500 · CPALI G&A			
6513 · Communication - G&A	0	1879	-1879
6502 · Research	0	618	-618
6501 · Accounting	0	1750	-1750
6505 · Bank Fees - G&A	1329	502	826
6507 · Consulting G&A	799	3008	-2208
6510 · Dues	250	275	-25
6520 · Legal Fees	0	70	-70
6525 · Miscellaneous	0	193	-193
6550 · Office Expenses	512	554	-42
6552 · Postage G&A	325	0	325
6555 · Reimbursements	0	0	0
6565 · Seminars/Training	0	3851	-3851
6570 · Supplies and Software	225	43	182
6575 · Telephone	484	75	409
6580 · Travel (overhead travel)	5395	9461	-4066
6500 · CPALI G&A - Other	<u>52</u>	<u>0</u>	<u>52</u>
Total 6500 · CPALI G&A	9370	22278	-12908
6600 · Program Expense - Madagascar			
6660 · Seminars & Training	0	5000	-5000
6605 · Bank Charges	0	926	-926

6610 · Computer Services	0	307	-307
6615 · Equipment	88	0	88
6620 · Travel	1254	0	1254
6625 · Field Supplies	0	1483	-1483
6650 · SEPALI	49304	38640	10664
Total 6600 · Program Expense - Madagascar	50646	46356	4290
6800 · Depreciation Expense	941	941	0
Total Expense	113228	125334	-12105
Net Ordinary Income	-30708	7239	-37947
Other Income/Expense			
Other Income			
8800 · Realized Gain / Loss	546	0	546
Total Other Income	546	0	546
Net Other Income	546	0	546

Summary

- In 2018, the total raised was about \$58,000, \$50,000 less than in 2017. The total net income, however, decreased by only about \$30,000 due to sales returns of \$28,000 to SEPALIM. FOB buyers pay SEPALIM directly; wholesale buyers pay CPALI and the funds are then forwarded to SEPALIM.
- Losses in donations were due to the loss of a major donor as well as a reduced fund-raising effort on Global Giving during the holiday season.
- Product development costs were about \$22,600 and marketing costs were \$8,700, hence total marketing costs were \$34,000 and program costs in Madagascar were \$50,645. All of these costs were covered by CPALI through its fund-raising efforts and program development. Product sales returned \$21,756, a slight decrease from 2017. However, despite the decrease, returns that were largely wholesale from Walla Walla in 2017 were sold directly from SEPALI Madagascar in 2018 and hence at FOB pricing without the importer processing the goods.

Market

In 2018, about 50% of SEPALIM's sales were to repeat buyers and about 50% to Sanjo Silk. Sanjo purchases silk directly from SEPALIM and pays for shipping as a Freight on Board (FOB) buyer. An FOB buyer is required to purchase a minimum order of \$2,500 at FOB prices, which are 2.2-2.5 times lower than US wholesale prices, which include shipping. The actual volume of products produced in 2018 was about 30% higher than in 2017 even though the returns were lower due to the increase in FOB sales. In 2018 about 50% of SEPALI Madagascar's sales were to repeat buyers and about 50% to Sanjo Silk. Sanjo purchased about \$7338 in goods. Hence, because SEPALI is selling at FOB prices, the actual volume of products produced is about 30% high than it was in 2017. Despite a drop in absolute money earned, this is a

significant advance for the SEPALI Madagascar program as they initiate product sales directly from their workshop and increased independence from CPALI.

Year	Total Customers	Unique Customers	Gross total (\$)	Net total (\$)
2013	10	9	4,098	4,098
2014	19	17	4,498	4,453
2015	62	46	21,022	20,750
2016	52	31	16,453	15,209
2017	73	44	28,953	28,672
2018	51	31	20,119	19,861

Donor Report

We are grateful to all our donors for their generous support during 2018. Thank you!

\$30,000+

Kenney Family

\$1,000-\$10,000

William Barclay	Carolyn Pidduck	Judy Munzig	May Berenbaum
Jane Pidduck	Nancy Merrick	Elinor Farquhar	

\$500-\$1,000

Brent Opell	Willam Kenney	Janet and Wylie Greg	Helen Kenney
Henry and Sue Bass	Larry Wiberg		

\$1-\$500

Margery M. Craig	Gallery Unconfined	Anonymous	Claire Kremen
Caroline Kenney	Leslie Brunetta	Carole Levin	Catherine Caufield
Douglas Kolozsvari	Parry Grossman	Judy Craig	Susan Bell
Michael Cain	Anne Vanderstoep	Gonzalo Giribet	Angela Pava
Diana Sanderson	Ann Hanson	William Pfitsch	Darlene Benson
Joan Shulmann	Mary Sears	Catherine Leslie	Frances Chew
Laura Rumpf	Jeanne McMenemy	Susan Monahan	Yael Lubin
Anonymous	Jon Barry	Lorraine Du Rusqyee	Edward Delaplaine

In-Kind Support

Harvard University, LL Tonneson and Company, Docey Lewis Designs, Tim Barclay, May Berenbaum PhD., Leslie Brunetta (Clerk), Catherine Craig PhD., Heidi MacLean (CFO), Walter

Simons, Amelia Thrall, Robert Weber PhD, Andry Ralijaona

How You Can Help CPALI

CPALI is reviewed on Guidestar and Great Nonprofits' websites, and our financial data is posted on the www.CPALI.org website. We appreciate any and all donations of volunteer assistance, money, equipment, stocks (please contact C. Craig for Merrill Lynch account details), frequent flyer miles, and Amtrak miles. All of your gifts and donations are tax deductible. Donations can be made by credit card through Global Giving, Network for Good, PayPal directed to craig@cpali.org, or by a check made out to CPALI and sent to:

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