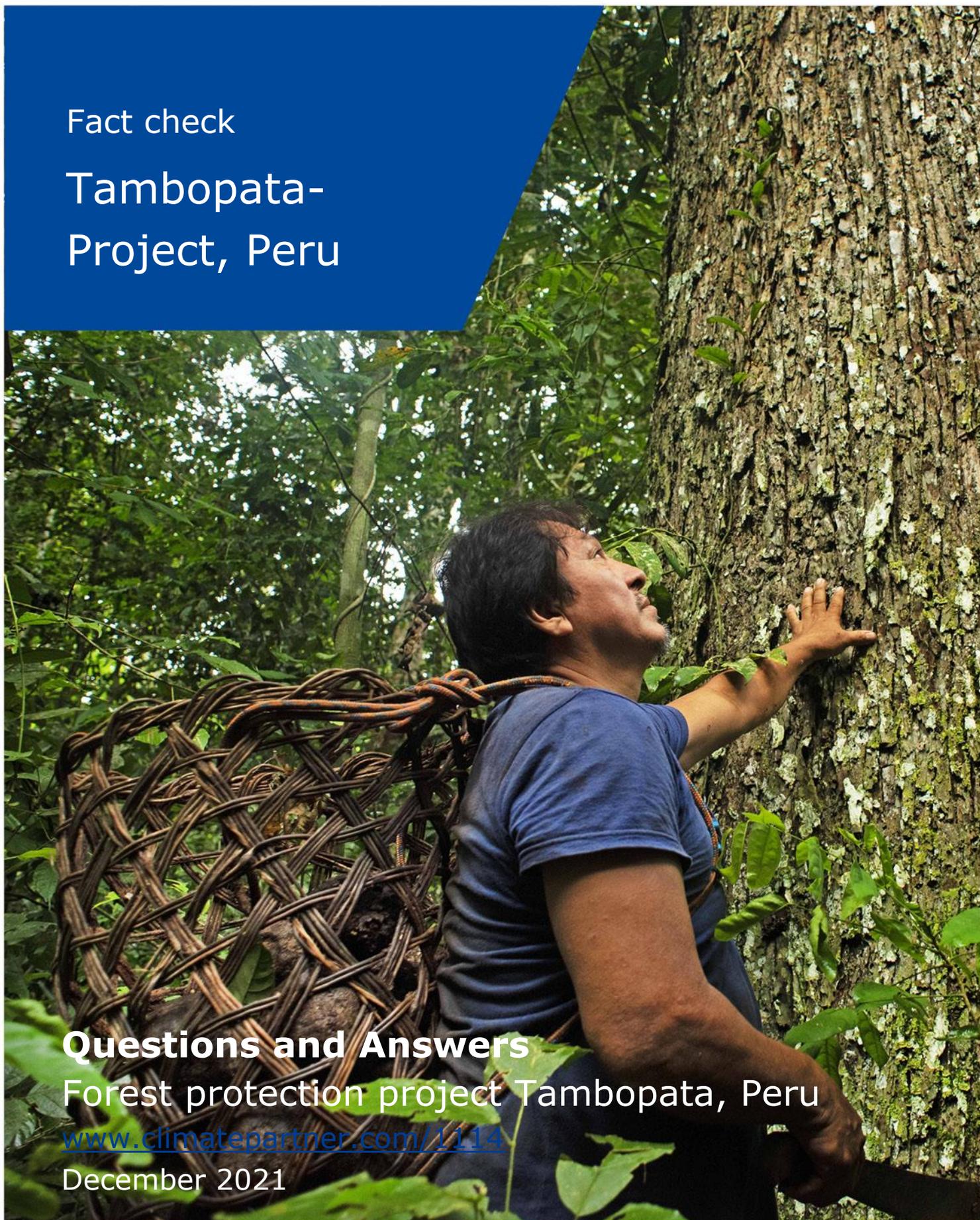


Fact check

Tambopata- Project, Peru



Questions and Answers

Forest protection project Tambopata, Peru

www.climatepartner.com/1114

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Summary

The foodwatch report's criticism of the Tambopata forest protection project is based on methodological errors and is not justified.

The requirements of VERRA's Verified Carbon Standard—in particular the criterion of additionality and the baseline assumption—are fulfilled and validated. The saved CO₂e emissions have been confirmed through an independent analysis by the CO₂ project rating agency Sylvera using satellite and geodata analysis.

Insofar as there were delays or deviations in individual projects compared to the project outline submitted to VERRA in 2009, these were justified by the project developer, are plausibly comprehensible and do not affect the value of the CO₂e certificates issued.

Background

foodwatch published a report on the Tambopata project in Peru in November 2021. The report questions the legitimacy of the emission reduction certificates, the so-called Verified Emission Reductions (VERs).

Our **analyses consistently confirm the positive impact** of the Tambopata project in compliance with VERRA's quality standards and regular external verification by independent auditors. In our view, the statements of the foodwatch report are baseless, they are based on unsubstantiated assumptions, methodological errors and have not been verified by an independent body.

In contrast, our findings are based on first-hand information and are confirmed by independent third parties.

In order to refute the criticisms raised by foodwatch, in addition to our usual risk assessment of the project, we have obtained up-to-date information from the local project developer Bosques Amazónicos (BAM) in Peru on the project process and the allegations that have been made. Furthermore, we have commissioned an independent analysis by Sylvera, an internationally recognised expert for certified emission reduction projects, and have re-examined all available project documentation.

Responses to the foodwatch criticism

In the following sections, we address foodwatch's claims point by point.

Does the project meet the criterion of additionality?

Yes, the project fulfils the criterion of additionality. The author of the foodwatch report bases his report on an incorrect interpretation of the principle of additionality.

Additionality is clearly defined in the VCS standard and the Tambopata project fulfils this principle according to both, our audit and the confirmation by independent, accredited certifiers.

Financial additionality

Financial additionality is given if a carbon offset project cannot finance itself without the sale of emission reduction certificates. This means that the project is dependent on the income of the sale of the certificates. In the case of Tambopata, financial additionality is given because without the income of the sale of emission reduction certificates, the project activities could not be financed.

Foodwatch, on the other hand, has an incorrect understanding of financial additionality. The author of the study claims that financial additionality is only given if the project participants receive financial support from the project. This is wrong and is not assumed by the VCS standard.

Environmental additionality

The environmental additionality of the Tambopata project has been confirmed by independent external auditors (S&A Carbon, SCS) as well as by Sylvera and is given.

A project is considered environmentally additional if it leads to lower CO₂e emissions compared to the baseline scenario. The baseline scenario describes what would happen in the project area in the future without the project activities. In the case of Tambopata, this means how high deforestation would be in the project region.

There were several drivers for increasing deforestation in the region before the project began. These included, in particular, deforestation for the extraction of arable and pasture land and improved access to the region through the construction of the Interoceanic Highway. In particular, the highway and the associated resettlement of people posed the risk of increasing deforestation.

What would have happened on the ground without the project can be seen from the so-called reference area. For each forest protection project, such a reference area is defined according to the rules of the Verified Carbon Standard. In this case, it is clear that the deforestation rate in the adjacent reference area is higher than in the now protected project area.

Legal additionality

The foodwatch report assumes that the project does not bring any additional benefit because the farmers already had the land rights for their plots before the project started. However, this statement is inaccurate. Neither the United Nations nor other internationally recognised standards for carbon offset projects presuppose that the legal status of land must change in order for emission reductions to be certified and corresponding emission reduction certificates to be issued.

The author also neglects the local conditions in the tropical rainforest in his claims. Just because a family owns land rights does not mean that they can perform their rights. Tambopata's project activities include the demarcation of concession areas. Only in this way,

the farmers can know in which areas they should exercise their rights and which part of the rainforest they should protect.

Video footage exists showing related activities in Tambopata. In the video, a geospatial expert is shown who checks and marks the concession boundaries.

Does the project also have an additional benefit for the climate?

In terms of climate, additionality means that a project can be shown to result in lower CO2 emissions than if the project had not existed. Both the independently verified monitoring reports and an additional assessment by Sylvera conclude that more trees would have been cut down in the project area without BAM's activities.

By protecting the forest, the project makes an important contribution to the fight against climate change. The importance of the tropical rainforest as a global carbon sink cannot be emphasised enough. However, due to ongoing illegal logging, the rainforest is increasingly losing its function as the planet's green lung and threatens to become another source of emissions. This makes projects like the one in Tambopata all the more important.

Is it true that the project has not brought any financial benefits to the farmers?

The families participating in the project benefit from the Tambopata project in many ways.

In the first years of the project, they received support in various ways. Project activities included training on the cultivation, harvesting and processing of Brazil nuts as well as the provision of machinery or the marking of plots in the jungle to enable the perform of land rights. The author does not mention these activities in his report.

Since 2020, the project has been generating income and since then, the farmers have been receiving direct funding from BAM in addition to the activities mentioned above, which the author does not disclose. Each family has received the equivalent of EUR 1,250 so far.

Direct financial participation for project participants is, moreover, not a prerequisite for a project to be approved for the issuance of emission reduction certificates.

Is it true that no project activities were carried out and therefore the project did not provide any benefit?

No, these accusations are false and in no way comprehensible. The project developer has undertaken numerous activities to enable the farmers to use their land rights and to protect the rainforest. These include:

- Workshops for knowledge transfer
- Establishment of a monitoring, control and surveillance system
- Organisational strengthening of the representation of small farmers' interests
- Scientific assessment of the ecological capital in the region
- Demarcation of the plots
- Development of management plans for the concessions

Is it true that the project developer benefited excessively financially from the project and disadvantaged the small farmers?

No. In the first years, the project was not able to generate sufficient income through the sale of emission reduction certificates to finance all project activities and, in addition, to pay money to the local families.

Regarding this point, the author fails to mention that the sharing of income from the sale of emission reduction certificates was adjusted in July 2021 from the original 70/30 split (70% of revenue for BAM) to a 50/50 arrangement in order to better serve the interests of all project stakeholders.

What happened to the originally planned processing plant for Brazil nuts?

Contrary to the original planning, the plan to purchase an own processing plant for Brazil nuts was refrained from during the course of the project. This happened although the project developer bought land and machinery with the intention of building the plant during project implementation. Unfortunately, the author of the foodwatch report does not mention that both the land and the machines were given to the farmers.

There was a very good reason for the change of plan. In the first years of the project, several Brazil nut plants had already been built in the region outside the project, which the concessionaires could use. Since the Tambopata project took more than 10 years to reach a break-even through the sale of emission reduction certificates and the local project partners had enough plants available, there was no longer a need to build a private plant in the project area.

Did ClimatePartner falsify video footage of the processing plant?

ClimatePartner provides a video promoting the Tambopata project on its project page. The video illustrates the processes within the project. The foodwatch report claims that the video appears to fake the facts. ClimatePartner has not falsified the video footage and at no point claims that the video shows a specific processing plant mentioned in a project plan. The project video shown on the ClimatePartner website shows a complete value-added process from harvesting to processing with footage from the region. Misleading the viewer was not intended and no false claims are made by ClimatePartner in the video.

Is the amount of emission certificates generated by the project appropriate?

The amount of emission reduction certificates issued by the project is adequate. This is evidenced by both the regular reviews of the project by external certifiers (SCS and S&A Carbon) and an independent analysis by Sylvera.

The claims made by foodwatch are based on methodological errors. The author incorrectly equates the emission reductions estimated in advance (ex-ante) with the emission reductions actually achieved (ex-post). However, the amount of emission reduction certificates issued is determined on the basis of real data and project observations.

An independent analysis by Sylvera based on satellite images and geodata additionally concludes that the amount of emission reduction certificates is realistic.

Was the amount of emission savings miscalculated by an exaggerated baseline scenario?

In its report, foodwatch insinuates that the project developer has chosen questionable sources for the determination of the baseline scenario in order to calculate the amount of emission savings. This accusation is false.

The baseline scenario refers to deforestation and the resulting emissions in the project area, which would have occurred without the project activities. It is based on official data from the regional government that meet the quality requirements of leading international standards and has also been verified several times by independent certifiers. The approach of foodwatch shows methodological deficiencies.

Was the amount of emission savings exaggerated because of unexpected logging in the project region?

This allegation again assumes that the issuance of emission reduction certificates would take place purely on the basis of forecasts (ex-ante). This is wrong.

The verification of emission reductions is based on real, past-related data (ex-post). Emissions caused by unexpected logging were taken into account when determining the savings from the project. The amount of emission reduction certificates issued was reduced accordingly. The certificates are thus correctly issued according to the specifications of the VCS standard.

Were small farmers who log timber excluded from the project in order to make the amount of certificates look good?

No. According to the VCS standard, farmers who want to log on their land must even be excluded from the project if they cannot show FSC certification. The author hides this fact in his report.

The project operator has no choice but to exclude families, who log, from the project. This is despite the fact that Peruvian law allows the holders of land rights to extract timber to a certain extent. These are therefore legal activities, which are, however, not accepted by the VCS standard due to its always conservative calculation methods.

The author also fails to mention that even in an area where trees are felled on a small scale, more CO₂ is stored than released. These areas therefore still have an important function as carbon sinks, as long as no more wood is felled than can regrow. However, these areas are excluded from the project as described, despite their function as carbon sinks.

Why was the project's CCBS certification not renewed? The certification at-tests additional social and environmental benefits of a project.

The certification was valid until 2019 and is currently being renewed by the project developer.

How does the REDD mechanism underlying the Tambopata project work?

REDD stands for Reducing Emissions from Deforestation and Forest Degradation. REDD projects aim to avoid the deforestation of trees in the project area. To this end, the people in the project areas are usually offered alternative income opportunities so that they do not have to rely on the economic use of the forest and its wood. The conservation of the forest is an essential factor in global climate protection, since an existing forest binds a lot of CO₂ and new plantations need a long time before they can do in comparable quantities.

How can CO₂ be saved if no trees are planted and there may even be logging?

The CO₂ emission saving results from the deforestation rate in the project area compared to the deforestation rate in a comparable area. Using the different deforestation rates of the two areas, the CO₂ savings in the project area are determined by protecting the old tree population.

In addition to their important role in protecting carbon sinks, forest conservation projects also have great significance for the preservation of biodiversity. Biodiversity is irretrievably lost when rainforest is cleared. Therefore, forest conservation projects are very important in two respects.

It is important to note that forest conservation projects are always about avoiding expected deforestation in the future.

Has the project been subject to regular monitoring?

Contrary to what the author of the study would want the reader to believe, it is irrelevant for the quality of emission reduction certificates whether verification takes place at shorter or longer intervals. The decisive factor is that emission reduction certificates may only be issued after successful external verification.

According to the VCS standard, a project must undergo an external audit after 5 years at the latest in order to be able to continue generating emission reduction certificates. These requirements were met by Tambopata, which is why the accusations are not comprehensible.

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