



Activity Report

2020

Summary

TROFACO's 2020 has - as for all others - been challenged by the COVID-19. The pandemic has, however also demonstrated we have strong and reliable partners in production countries, who can perform many tasks on their own and we have planted more than 20.000 tropical trees.

The year has also brought progress for TROFACO: Our strategic collaboration with a major Danish transport company (ANCOTRANS) was extended and deepened by the company bringing in its own partners in DK and other EU countries through an [innovative campaign](#).

We have signed a strategic collaboration with the leading Danish NGO, DanChurchAid, which found in TROFACO's approach the same values and objectives as they have in [climate-focused](#) work, and a process is underway of possibly duplicating this with one of DCA's 'sisters' in Scandinavia. We hope this will bring strong activity in 2021.

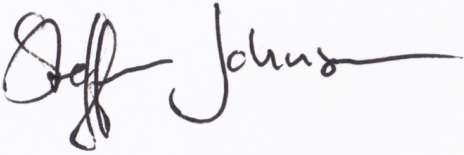
To further underpin our sustainable approach by providing rewards to communities that perform well in our collaboration we are establishing a legally and functionally CO₂-fund through kind support from a leading [law-firm](#).

Uganda is our main production country, but there is also demand in Asia. So, we are undertaking scoping work in Vietnam to identify production partners and potential customers. There is ample scope for planting trees with communities, and also indications of good market opportunities.

The global campaign for 1 trillion trees has focus on numbers of trees planted. We have joined them ([Plant for the Planet](#)) as well and the ground-breaking research initiative '[Restor](#)' to which we supply data.

Finally, we are proud to announce the creation of an Advisory Board for TROFACO, consisting of committed personalities in Danish and international climate action and sustainability.

Best regards,

A handwritten signature in black ink on a light blue background. The signature reads "Steffen Johnsen" in a cursive, flowing script.

Steffen Johnsen, CEO of TROFACO

Production of tropical trees.

In 2020 CIDI in Uganda, together with community partners, planted more than 20,000 tropical trees for TROFACO. The bulk was planted in the western part of the Central Region, and CIDI's local office has been very kind, supportive and busy and has performed excellently, as has the national leadership.

With the projected increased volume in Uganda and larger sponsors, TROFACO and CIDI-DI have initiated a focus on larger, coherent planting areas, with much barren land. Such areas have been identified and planting has been initiated. This Google Earth image shows the potential of one such site:



The area around Kachira in western/central Uganda, where TROFACO and CIDI have started collaboration with the communities. The image shows the extent of barren (sand-coloured in the image) hills, available for further expansion. The hills used to be covered in trees, which were cut down over time and now grazing cows prevent regrowth. So, the agreements within local communities have one focus on keeping the cows away until the trees are large.

Sponsorships and Sales

In 2020 TROFACO expanded the excellent collaboration with the danish company ANCOTRANS and put significant efforts into expanding our long collaboration with DanChurchAid, which now includes joint promotion of TROFACO's solutions to DCA partners among businesses and a campaign towards political parties, on the 5-year anniversary of the Paris Agreement. We expect this to bring results in 2021.

In addition, we have provided climate offsetting to a number of medium-sized companies, the Nordic branch of a multinational company and an internationally known [band](#) (Efterklang). TROFACOs webshop has been doing very well, and through that we have had pleasant customer contact and sales throughout the year.

Operations

Verification in Uganda

TROFACO operationalised its drone for documenting from the skies - and then COVID-19 closed us down. It is clear that use of drones will help us increase our already high credibility. A drone can be pre-programmed to fly and take pictures (or video) along the same path every time it flies above a given planting site. This makes very direct observation of progress possible and exciting:



A drone photo from one of ANCOTRANS' plantings, Kiya Hill, Uganda 2020



A flight path to be uploaded onto the drone. (Example from a Copenhagen park, where we could test)

Moving forwards

Tropical Tree Production

We keep focus on Uganda, where we have an outstanding partner. The partnership with the Kingdom of Uganda will be developed when the Kingdom has proven it can plant in ways that ensure survival of plantings managed by its organizations. In order to increase options available for sponsors, and increase resilience towards potential political upheavals, TROFACO has initiated search for and consultations with partners and potential customers in Vietnam.

Marketing and sales

In Vietnam and with the Kingdom of Buganda the focus will be on planting trees, and less - or not at all - on documenting certain amounts of CO₂e mitigation. This will constitute an additional, slightly different product for TROFACO. It will be marketed through Plant for the Planet, potentially inside Vietnam, and through other channels.

We still have reserves of trees in Cambodia and they are doing well.

We have realised that we enjoy significant brand recognition in Denmark and people talk about us. That brings in customers. But it also shows a need for a more structured approach to marketing. With help from good friends, we will develop this and apply it in 2021. We will also expand marketing of our

documentation system, as it is receiving increasing and promising interest.

CO₂ fund

An important way of providing direct benefits to partner communities is through financial compensation for their taking care of the trees. In 2020 the independent CO₂ fund has been designed and formal registration has been applied for. The fund will receive income through a 30% share of all TROFACO contracts and starts with a capital of 1 million DKK, provided by TROFACO. Our transparency and accountability will be strengthened further.

Organization and systems

TROFACO has initiated an Advisory Board consisting of a vice-chairman of the Association of Danish Industries/CEO of ANCOTRANS, a renowned forestry professor, an international climate scientist, the CEO for Nordic Impact Funds, the CEO of a biodiversity company (Habitats), a DCA-representative and a master networker within urban sustainability. This board will be giving advice on strategic development and expand our reach. First meeting had to be postponed due to Covid-19-related restrictions but is planned to take place in early 2021.

The TROFACO website has been much upgraded, and the communication made clearer, through efforts of our CTO (Sune) and a good friend of his. The database for images created last year works very well, and in 2021 it may be linked to a Customer Relations Management system, to manage the growing customer portfolio.

In order to prepare for increased production and sales in the years to come, TROFACO has initiated the process of identifying a potential 'Chief Operating Officer'. We have outlined the qualities we seek in the person and defined a process for the identification. As the person will be initiated (and tested) through work with our production partners, the process has been put on hold till international travel and in-country travel in producer countries again is possible. When the pandemic eases and our sales (as projected) increase, there will be more even work to key staff in 2021.

When TROFACO's accounts for 2020 have been finalised by the auditor it will be published on the website together with budget and plans for 2021.