



# Activity Report

2019



## Summary

2019 was the year where TROFACO moved on from a start-up to a business with well-established clients, a tested and tried production system, excellent partners in developing countries, and increasing name recognition by the public and press.

We signed our first contract with a major Danish company, extended and deepened our long-term partnership with DanChurchAid and sharply increased the volume in our collaboration with GrowFort. The press also noticed our efforts and three articles in printed media brought additional attention.

Our partnership in Uganda with CIDI was extended and solidified, and CIDI was able to facilitate the development of a tripartite agreement between the Kingdom of Buganda, CIDI, and TROFACO. Furthermore, we took the first tentative steps towards a new partnership in Vietnam, mainly for planting mangroves along threatened coasts together with local communities.

Internally, TROFACO has contracted Huong Le, who is also in charge of our verification, as book-keeper, bringing order to our increased transactional volume. Sune Johnsen has joined as CTO, which has led to a major upgrade of our IT capacities, starting with a much-improved database and site for our image-based verification.

Kind regards,



**Steffen Johnsen, CEO of TROFACO**

## Production

In 2019 CIDI together with community partners planted 59,498 trees in Uganda. The bulk was planted in the western part of the Central Region, and CIDI's office in Kyotera has been very busy, as has the Masaka office, which organized many school plantings. CIDI has provided strong support and commitment nationally. Formally, the collaboration moved from the NGO (CIDI) to a newly created business wing CIDI Development Innovations, CIDI-DI..

With the increased volume in Uganda and larger sponsors, TROFACO and CIDI-DI have initiated a focus on larger, coherent planting areas. Such areas have been identified and the communities consulted and we have started the process of developing formalized management agreements.

## Sponsorships and Sales

In 2019 TROFACO gained a new important customer, the danish company ANCOTRANS, which marks a new step in our development. We greatly appreciate our relationship with ANCOTRANS and their active role in developing and promoting our partnership.

TROFACO also deepened our long and highly positive collaboration with DanChurchAid, which now includes joint promotion of TROFACO's solutions to DCA partners among businesses and the general public.

In addition we have provided climate offsetting to a number of medium-sized companies and the Nordic branch of a multinational company.

TROFACO's webshop has been busy beyond our wildest expectations, and we have had pleasant customer contact and sales throughout the year.

## Operations

### **Verification in Uganda**

In order to support CIDI in its extensive work on verification, TROFACO contracted a part-time consultant to support the photographic verification and communication of its results to TROFACO. We also acquired a drone for documenting larger areas, especially for when the trees grow so big it is hard to see the forest from its edges.

### **Financial transparency**

TROFACO agreed with CIDI-DI to set up two designated accounts for our collaboration. In early 2020 this will be underpinned with a set of guides and agreements on the detailed use and oversight over these accounts. We have in our 2019 accounts moved consulting services to a separate company, so the annual financial report only reflects activities immediately related to climate change mitigation.

## Moving forwards

### **Production**

In order to increase options available for sponsors, and increase resilience towards potential political upheavals, TROFACO will identify and test potential partners in 1-2 additional countries within the coming year. This will include further development of initial contacts in Vietnam and scouting for partners in an African country.

In Uganda, the direct partnership with the Kingdom of Uganda will be developed when the Kingdom has proven itself capable of ensuring the survivability of plantings managed by its organizations.

### **Marketing and sales**

We always strive to improve our reliability. In the coming year, we will develop a comprehensive 'charter' describing our values, aims and ways of doing things with sponsors, local communities and

local partners. The charter will include the issue of 'product warranty'. TROFACO will stress it as an important element of the credibility of its model and the sustainability of results.

### **CO2 fund**

An important way of providing direct benefits to partner communities is through financial compensation for the caretaking of the trees. In 2020 we will set up an independent CO2 fund that will receive funds as a share of all TROFACO contracts. This way financial compensation procedures will be improved to ensure all communities are rewarded fairly when they have proven to take good care of the trees.

### **Organization and systems**

TROFACO will establish an Advisory Council with representatives from business, press/opinion, research, and NGOs active in international development. This will serve to give advice on strategic development and expand our reach.

In 2020 TROFACO will start paying 1 or 2 key staff members some compensation for their work in creating and developing TROFACO.

In order to prepare for increased production and sales in the years to come, TROFACO will initiate the process of identifying a potential manager of operations'. This will start by outlining the qualities sought and defining the process for the identification.

Our image-verification system will be further improved in collaboration with Manao Software in Chiang Mai. Additionally, we will implement new systems to support customer relationship management and production planning.