

## TROFACO and Climate Standards

A comparison of the differences between established voluntary carbon market standards and our approach Edition 2023/08

## Introduction

This is a comparison between our approach, and the approaches of the established voluntary climate standards. We believe our approach is superior due to its cost-efficiency, tangible documentation, and most importantly, because the benefits go to the communities most affected by climate change.

Reading through our comparison, we believe you will come to the same conclusion.

Aspect	Established voluntary carbon standards	TROFACO
CO2e calculation	<ul> <li>The climate standards (incl. for trees) have grown out of standards developed for 'everything'. This means:</li> <li>They get data from templates/tables, that they use multilevel control/verification and that specialist qualifications are needed in applying the standards.</li> <li>In the case of trees, the standards use data for (e.g.: how fast a given tree species may grow on different soils and conditions of water etc.). This means only tree species for which these data are available may be planted.</li> </ul>	<ul> <li>TROFACO exploits the fact that trees:</li> <li>Remain standing where they are planted.</li> <li>Absorb CO2 and this is incorporated into the wood. So, it is possible to measure tree volume and calculate the CO2e. We take measurements directly on the trees. This can be done with minimum training and our calculations are quite simple. Therefore, any species of trees can be used.</li> </ul>

Community ownership of the activity	Projects are often developed by outsiders.Projects need to find large areas in order to cover high project development costs. This often excludes households from participating. Together with the often alien or not-so-desired species of trees planted, this limits local ownership. Limited local ownership increases the risks of failure.	Communities sign up (ask) to participate. TROFACO can plant on smaller areas – often belonging to a community, a school, a family, or a church/temple. And the tree hosts can plant any species they see useful (and which can be made available) This gives a strong sense of ownership. Ownership is the key to success.
Documentation and verification	Standards send consultants, whom the community never sees before or after – alien to the community - to document and verify. The consultants produce reports to clients in predefined and not easy-to- understand formats and language and with a danger of wanting to please the client, which may be the organization behind the standard or the trading	People who are known to the community through many visits, come to take images or videos. Usually, they get accompanied by, and chat with, curious local people. The images/video are shown to each client, placed on Google Earth, in TROFACO database. Additionally, TROFACO can add reports on the amount of CO2 absorbed, how the community views the project, and who gets the benefits. This can be verified by an independent third party.

Biodiversity	Standards are limited to certain species, and sometimes plant plantations of one or few species. This will give negative or very small positive effects on biodiversity.	TROFACO plants on land that was previously forested, and always plants a mix of locally used/native species (and <i>never</i> destructive species such as <i>Eucalyptus</i> ). This contributes to increasing biodiversity of trees, but also of animal, plant and microbial life in the location.
Price	Prices are quite high. The highly complicated procedures involving many experts as consultants cause this high price.	TROFACO's simpler, more straightforward procedures allow for much lower prices combined with larger direct benefits to the communities. This is true even when all 'bells and whistles', such as third-party verification are included.
Warranty (tree death, land grab et cetera)	Most standards have a certain warranty that trees may be replaced if not surviving. Whether the warranty can be applied may depend on how the client bought the credits. Some brokers may not honor the obligation.	TROFACO has a firm warranty. And has a proven record of applying it. TROFACO maintains a stock of 20% additional trees solely for this purpose.
Security that same offsets not sold to other customers	Projects are registered in international registers. Usually this prevents double-selling,	TROFACO, by design, cannot (even by mistake) sell the same offsets more than once. Client names are listed on the website together with images from each planting site, as are the

	but several cases show this not to be 'bullet- proof'.	number of trees planted and the numbers sponsored by each client.
Differences for communities	Projects under standards may be perceived as 'alien' because of the many foreigners coming – and often deciding. The high costs of project development under the standards creates a need for large scale projects. These are often agreed with local authorities, and may not be welcomed by communities.	<ul> <li>TROFACO'S CO2 estimation method is simple, and a bit entertaining to apply. Local people can participate. The approach may even be used for instruction (math and biology) in local schools.</li> <li>The communities in TROFACO projects are very active in developing the project even more and they suggest new planting sites and new activities.</li> <li>TROFACO plantings are by and with the community, and strong relations are developing</li> <li>TROFACO's prices include a 30% direct payment to communities. This is paid out through a legally and financially independent CO2-fund, established by TROFACO. So, large, direct benefits go to the community.</li> </ul>
Differences for sponsors /partners	The reports from the standards are hard- to-digest text, graphics and tables, not amenable for use e.g., in motivation of internal company staff or communication to outside.	TROFACO: Delivers "What you see is what you get", through (georeferenced) images/video. Customers may show images and videos on their own website, intranet or otherwise. The customer can

And they often have to be accepted based on trust alone. Prices are higher and the payment mainly goes to the international actors in providing and selling the credits.	directly show this internally or to the outside. Staff feel proud of what they contribute to. May even visit. Customers get a better, and much more inexpensive product.
If 'credits' are bought from the standards, there <i>may</i> be uncertainty about warranty. Selling of the same credits more than once has happened.	It includes significantly higher benefits to the local people. TROFACOs method excludes any 'double selling'.

## Summary

The main point in tree-based CO2 removal is not to <u>plant</u> trees.

It is to make sure that the trees <u>survive</u>!

They survive if local people, communities and authorities have ownership. This they have when they appreciate the trees for their landscape and for their benefits. TROFACO is designed to make sure both of these conditions are met.