

# Statement on the SRF Investigativ report "Zu wenig Geld: Bauern kritisieren Schweizer Klima-Projekt" (Too Little Money: Farmers Criticise Swiss Climate Project)

Zurich, 23 August 2023

Background: the SRF Investigativ research team has published a detailed report on the myclimate project "Community Reforestation in Nicaragua". This report is the result of a long process: the two journalists responsible made initial contact with myclimate in autumn 2022. Since then, myclimate and its project partner Taking Root have done everything possible within their own framework to support the research. For example, we organised a project visit to Nicaragua, but it did not take place because the journalists could not enter the country. The journalists also selected the project in question themselves, and myclimate gave them free rein when it came to selecting the project. myclimate also answered all questions from the journalists in detail, gave interviews and shared comprehensive project data and documents (such as contracts with participating farmers).

### Evaluation of the report from the perspective of myclimate:

The report was written according to journalistic standards, but is very one-sided and incomplete in its accusations and implicit criticism. myclimate explicitly disagrees with the allegations and points of critique conveyed in the report.

Together with our project partner Taking Root, we firmly reject the allegation of apparently widespread dissatisfaction or unfair treatment of the participating small farmers. The project involves thousands of families and owes its success not least to word-of-mouth publicity on the ground. We believe it is dishonest to add the statements of nine farmers who have also left the project as a reference for dissatisfaction.

We also strongly object to the implied statement that the project is not as effective for  $CO_2$  retention as communicated by myclimate and Taking Root and regularly verified by the Plan Vivo Standard. The method used by SRF does not allow for any conclusions to be drawn about biomass growth and does not stand up to the on-site measurements carried out annually by Taking Root. This was also explicitly confirmed by the ETH researchers who conducted the study for SRF.

Nor do we understand doubts about insufficient proximity or control over the project or poor communication. Based on the latest IPCC report, we remain firmly convinced that effective global climate protection must go hand in hand with a change in land use in general, towards more intact and protected (forest) ecosystems.

As set out in this statement, we are able to refute all the criticisms listed with facts to back up our argument. We do this in the form of an abbreviated (condensed) and a detailed version.



In conclusion, we very much regret that this "investigative" report, which involved a great deal of effort on both sides, casts doubt on a climate protection project that has been extremely successful for more than ten years and, therefore, further confuses people with regard to climate protection. This is the result of a very one-sided selection of interviewees, a methodology that seems to suggest project success monitoring from Switzerland, but is unsuitable for determining biomass growth (CO<sub>2</sub> sequestration).

Of course, there is potential for optimisation in every project. Taking Root is, therefore, constantly developing the project and its quality mechanisms. Due to its own obligation to compensate if a plot of land is lost, which entails financial outlay, it is in Talking Roots' vital interest to help all participants as much as possible and to take any complaints seriously. At the same time, biomass build-up must be guaranteed in the interests of project integrity. After all, myclimate has an obligation to support effective and verifiable climate protection among its customers.

Only those companies and private individuals who have not taken up their responsibility for climate protection for years will benefit from the confusion that may be caused by what we consider to be a dubious piece of journalistic reporting. The approach of making "perfect the enemy of good" comes entirely at the expense of those who volunteer (or plan to volunteer) and, last but not least, at the expense of the climate and the population of the project countries, in this case, Nicaragua. It is regrettable that Swiss television pays little heed to myclimate's arguments and, as a result, does not provide fair, balanced and climate-friendly reporting.

### A condensed categorisation of the main points of criticism (clickable links)

- <u>Apparent dissatisfaction of the participating families</u>
- Seemingly insufficient biomass growth
- <u>Too little on-site contact on the part of myclimate</u>
- Forest projects are unsuitable for permanent climate protection
- Poor and non-transparent communication

For detailed classification of the main points of criticism (clickable links)

- Apparent dissatisfaction of the participating families
  - How exactly will the money flowing into the project be used?
  - The project as a co-investment
  - o Criticism of Birgit Müller and lack of understanding
- Seemingly insufficient biomass growth
- Too little on-site contact on the part of myclimate
- Forest projects are unsuitable for permanent climate protection
- Poor and non-transparent communication

Additional information: climate protection in countries with a democratic deficit Links



# myclimate's categorisation of the main points of criticism in the report (condensed)

"The participating farmers have to contribute a lot of their own effort to the project, are not adequately compensated for it and are, therefore, critical of the project." This allegation is based on the testimonies of nine farmers who have left (or had to leave) the project and are not in the least representative compared to the number of thousands of families taking part, which has been steadily growing for years due to word-of-mouth publicity.

The report complains that participating farmers are dissatisfied with the programme. We vehemently disagree with that. The fact is that participation is voluntary and primarily advertised by word of mouth, whereby farmers see the positive results of their colleagues and ask to participate in the programmes. In addition, many farmers who initially took part in the programme with one plot of land added additional plots in the following years. The steady growth of the programme over the past 15 years is a clear indication of the satisfaction of farmers.

The survey was conducted among a total of 11 farmers, nine of whom, according to SRF, have not or are no longer taking part in the project. It is these nine who are also critical (two of the nine are cited in the report). However, to be able to make a well-founded and reliable statement, a representative study would have to be carried out that primarily covers farmers <u>actively involved in the project</u>. It would be interesting to know whether the respondents – who have probably conducted a video interview with foreign journalists for the first time in their lives – have used the mechanism offered to lodge complaints.

The journalists did not ask basic questions in the report, such as how long the farmers concerned received support from the programme before they left the programme, or whether they left the programme due to poor performance, for example (which would be proof of the seriousness of the programme). It is understandable that families who have had to leave the programme express their dissatisfaction and look for reasons beyond their own responsibility. However, turning this into a point of criticism is highly questionable from a journalistic point of view.

In a project with voluntary participation and the explicit demand to invest their own time and effort, it is also perfectly normal for some participants to leave the project, sometimes even in discontent. The 200 farmers who have left the project explicitly mentioned by SRF represent a loss of land of eight per cent. This, in turn, represents a 92 per cent success rate, but is an excellent figure for a nature-based solutions project with weather dependencies and thousands of participants. The fact that this is not mentioned in the article is a serious omission and gives the audience a false impression.

Participation in the project is not only purely voluntary for the families in Nicaragua, they also have the option of withdrawing from the programme at any time, without having to make any repayments to the programme. For this reason, too, there are formal complaint mechanisms to solve farmers' problems at an early stage. This is not least in the vital interest of the organisation Taking Root, as it has to replace any plot of land lost to the project due to dissatisfied participants at their own expense.

We also find it difficult to accept the criticism and statements from ethnologist Birgit Müller. Unfortunately, we cannot trace whether Ms Müller had contact with farmers who actually took part in the project. This does not seem plausible, as the Plan Vivo Standard clearly defines or expressly excludes farmers who have very small farms or no unused agricultural land from participating in the project.



These statements suggest that Ms Müller did not examine the Plan Vivo Standard in detail and did not fully comprehend the (admittedly very complex) project down to the finest level of detail, and that the interlocutors she mentioned could not have been involved in the project.

We regret that we were unable to hold a meeting with Ms Müller in advance of the report to clarify this suspicion and the issues on our part. We would have expected the journalists to involve us here in the spirit of balanced research to verify and clarify the situation. Unfortunately, we have not been involved in this regard.

# "ETH Zurich's analysis of satellite data raises doubts about the actual growth of trees (biomass)."

However, the method used is unsuitable and the conclusion implied in the report that the project is ineffective is simply incorrect. This can be proven by on-site measurements.

The approach of using remote sensing to test the success of a reforestation project or its impact "independently and unrelated to a particular location" is understandable. However, the method NDVI (Normalized Difference Vegetation Index) has flagrant weaknesses. It can only partially supplement the method currently used on site, but neither replace nor – and this is essential for the overall conclusion – cast doubt on the results of this complex on-site measurement. Satellite data and an NDVI analysis are unable to answer the question "Was carbon really stored as stated?".

The method, as implemented by the ETH researchers, appears to be applied correctly and with integrity. However, the interpretation of the data is awkward and not a justification for making a statement, as the report implies. The analysis of satellite data in the project area commissioned by SRF simply does not support the claim that the growth of trees in most plots is low.

Simply put, the NDVI, as a widely used indicator for large-scale analyses of satellite data, represents the "density of green" within a pixel of a satellite image. For various reasons, this "density of green" in the project areas is not a reliable measure of the success of the project, as it cannot differentiate between new plantings, trees and other "green sources". The analysis merely shows that the project has generally shown a positive development in most plots, but it is not possible to deduce from the available data how strong and resilient this development is.

However, further development of a remote sensing method and data analysis would be extremely welcome for many reasons, which is why Taking Root is keen to continue the dialogue with the researchers.



"myclimate has no control over the project, as myclimate has only been on site twice in ten years."

myclimate actually has been and continues to be regularly involved with the project over the past ten years. For example, there is a direct exchange with the project partner several times a year. But also through the Plan Vivo Standard, which certifies the project, and other organisations involved in the project, a constant flow of information is guaranteed. Mistrust of the project is completely unfounded.

Our team has already visited the supported project twice on site and another visit is planned for this year.

We also hold quarterly direct coordination meetings with the Taking Root project team. Their CEO reports on the progress of the project in person every two years in Zurich. The performance data is transparently shared with us by the project partner. In addition, we are in close contact with other supporting organisations and subject the project to a regular internal due diligence review. The review by Plan Vivo's Technical Advisory Team also provides another evaluation channel.

These comprehensive evaluation methods keep us up to date and, at the same time, reduce the environmental footprint of unnecessary air travel. As we work extremely closely and trustingly with Taking Root, there is no need for more intensive monitoring.

"The promise of long-term CO<sub>2</sub> retention in trees is not being kept, as there are no mechanisms to ensure permanence."

This is a statement that we vehemently reject here, as our aim with this project is to achieve a sustainable change in land use that has also functioned in Swiss forest management since 1876. This accusation is also in stark contrast to the latest assessment report of the Intergovernmental Panel on Climate Change.

The current IPCC World Climate Report clearly highlights: without comprehensive protection of existing forests, without reforestation measures and without mechanisms to make forests more resilient, we will not reach the climate targets (as well as the biodiversity targets set out in the Montreal Protocol).

Reducing the "Community Reforestation in Nicaragua" project to just planting trees fails to hit the heart of the matter – as with most other projects in the field of land use and forestry (LUF). These projects aim for a sustainable, long-term change in land use. For this reason, the "loss" of individual trees is not a decisive criterion – the constant life and growth of the forest ecosystem and the increase in its resilience are.

This change is achieved by consciously encouraging farmers to preserve and manage their forests sustainably. Compared to technical solutions, which could also be used as a comparison for the removal of  $CO_2$  from the atmosphere, forests have the potential to absorb significantly more  $CO_2$  while also enabling biodiversity and influencing local weather and its effects.

In addition to planned reforestation, effective mechanisms for the coexistence of agricultural land and forests must be established. This can be done by means of laws and bans, i.e. state



regulation, or by economic incentives that benefit the local population. That is the idea behind the project in Nicaragua.

"myclimate communicates about the project and its own involvement in a nontransparent and imprecise way." This allegation is also completely unfounded, as myclimate provides transparent information on its website and also acknowledges the very long partnership and close relationship.

The SRF Investigativ team criticises myclimate for advertising the project as its own. We maintain that we do not do this. On the website with the project description, the partners, and the project owner and, therefore, the structure of the project are explicitly described.

We also have long-standing and very close contacts with many of our projects. These contacts, which in some cases are exclusive to us, often enable these projects to develop successfully in the first place. This "close relationship" also gives rise to the understanding expressed in the use of the term "our projects".



# myclimate's categorisation of the main points of criticism in the report (detailed)

"The participating families have to contribute a lot of their own effort to the project, are not adequately compensated for it and are, therefore, critical of the project." This allegation is based on the testimonies of nine farmers who have left (or had to leave) the project and are not in the least representative compared to the number of thousands of families taking part, which has been steadily growing for years due to word-of-mouth publicity.

The report complains that participating farmers are dissatisfied with the programme. We vehemently disagree with that. The fact is that participation is voluntary and primarily advertised by word of mouth, whereby farmers see the positive results of their colleagues and ask to participate in the programmes. In addition, many farmers who initially took part in the programme with one plot of land added additional plots in the following years. The steady growth of the programme over the past 15 years is a clear indication of the satisfaction of farmers.

# The statements from the interviewed farmers can be explained, but are by no means representative.

- The survey was conducted among a total of 11 farmers, nine(!) of whom, according to SRF, are no longer taking part in the project.
- It would be interesting to know whether these individuals who have probably conducted a video interview with foreign journalists for the first time in their lives used the mechanism offered to lodge complaints, or how long they received support from the programme before they left or had to leave the programme.
- It is natural for the participants who have had to leave the programme to express their dissatisfaction and look for reasons beyond their own responsibility.
- In a project with voluntary participation and the explicit demand to invest their own time and effort, it is also perfectly normal for some participants to leave the project, sometimes even in discontent.
- Eight per cent loss of land in 2022 means a 92 per cent success rate for a nature-based solutions project with weather dependencies and thousands of participants.
- To be able to make a well-founded and reliable statement, a representative study would have to be carried out that primarily covers the families actively involved in the project.

The CommuniTree programme includes several mechanisms to ensure that the stated and promised effects are achieved, while maximising support for participating farmers. The programme's performance data demonstrate that the structure and mechanisms are effective in achieving the objectives.

#### Every single plot of land lost in 2022 was replaced at the expense of Taking Root.

- As for the farmers reported in the 2022 Annual Report who left the programme, each lost plot of land was replaced by new plots corresponding to an equivalent number of carbon credits.
- These new plots will be planted and managed by Taking Root at its own expense. At last year's market prices, this corresponds to an investment of approximately two to three million US dollars in lost revenue.



• Taking Root covers the cost of replacing plots to ensure that the programme meets the climate targets expected by buyers.

Land loss is a normal and expected phenomenon that Taking Root plans for and manages:

- In a programme with over 3000 farmers, it is rare, if not impossible, to achieve a 100 per cent success rate. The targets must be achievable but ambitious, meaning that some farmers find it difficult to achieve them.
- To support farmers who fail to meet the targets, the project has introduced a number of processes and practices to identify problem plots and implement improvement plans in collaboration with the farmers.
- To further reduce the loss of land within the programme, additional measures and quality controls were introduced to enable greater success and to support difficult plots earlier.
  - Early intervention: preparations for the nurseries are now starting earlier to allow trees to be planted efficiently when the short rainy season arrives. Larger seed buffers have also been introduced to ensure the seedlings reach the right size.
  - Quality controls: Taking Root has set up a dedicated quality team for the local partner, which reviews the monitoring practices internally to ensure that all farmers receive effective support.
  - Finally, new training programmes have been developed for technical teams to ensure that they are best prepared and equipped to better support farmers.

The costs of additional support to farmers and other resources to implement these improvement plans will be financed by the project and not by the farmers.

## <u>The contracts are voluntary and farmers can join and leave at any time. There are formal complaint mechanisms to solve farmers' problems.</u>

- Farmers can join and leave the programme at any time, as stipulated in the contract. Withdrawal will not have any negative consequences for farmers, as they will not have to repay the money they have already received.
- Every year there are active farmers who add extra land to the programme because they are enthusiastic about the opportunities it offers them.
- The programme has been growing extensively for years because the participating farmers are so enthusiastic about the opportunities it offers them that they promote the project.
- Most of the leaders of the local team started out as farmers themselves, and many of them continue to be active as farmers while working for the local team.
- The programme has a formal mechanism to receive and deal with complaints from farmers.

It is in the vital interest of Taking Root that farmers are satisfied with the programme. After all, when farmers leave, Taking Root must replace the plots to meet the carbon commitments.

• When farmers leave the programme, Taking Root replaces their plots at its own expense. At last year's market prices (2022), this corresponded to an investment of approximately two to three million US dollars in lost revenue. There is no incentive not to support farmers as much as possible



- The local team works throughout the year to provide the best possible support to the farmers. To do this, it has established training courses, centralised nurseries and a range of procedures to support farmers.
- Structures have been set up to identify farmers experiencing difficulties in meeting forestry objectives. Taking Root works with them to solve problems (e.g. cattle breeders and seedlings).
- If several attempts to solve problems fail (over several years), the project team, in cooperation with local partners, may decide that it is in everyone's interest to remove farmers from the programme.
- Some farmers are excluded from the programme, not many, but some. This is what distinguishes CommuniTree from other programmes.
- This is precisely why the programme is credible in terms of its reforestation claims. If there were no exclusions, this would mean that low-performance plots would be accepted. This does not happen because binding promises are made to customers about carbon sequestration.

The result: the area performance within the programme, measured using the data from the forest inventory on site, corresponds to the programme objectives.

- Taking Root will continue to carry out field inventories on the plots throughout the programme's contract period to formally assess the plots against the objectives.
- On an aggregate basis, the performance of the programme is consistent with current and long-term objectives.

#### How exactly will the money flowing into the project be used?

The project in Nicaragua is certified under the Plan Vivo Standard. This stipulates that 60 per cent of the money the project owner receives per tonne must go directly to the participants. This is also explicitly stated in the Project Design Document, PDD, which is published on the myclimate project website ("cash over ten years or material payments for ecosystem services, for example").

Beyond the 60 per cent mentioned above, 15 to 20 per cent of the funds are invested through the local partners of the programme to support farmers, three to five per cent cover certification fees and 15 to 25 per cent go to Taking Root for the management of the programme.

## <u>Much of this additional investment results in additional benefits for farmers and surrounding</u> communities through non-monetary value creation and broader economic development.

- For example, by developing a local market for forestry and other products, such as coffee cultivation, seedlings, tree pruning and the thinning of fast-growing trees, which creates long-term income opportunities for small farmers beyond the purchase of certificates.
- In 2022 alone, farmers received more than 84,000 dollars in payments for forest products.
- Farmers also derive many additional, non-monetary values from their forests (e.g. shade for livestock, improved water irrigation, reduced soil erosion). These are often anecdotally cited by farmers as one of the most valuable benefits of their forests.
- The central idea behind the programme is to ensure that the programme's participants can improve their livelihoods by growing trees. Taking Root and APRODEIN, a local organisation, are constantly striving to develop local markets so that farmers can maximise the value of tree cultivation.



- The operation of the reforestation programme generates additional benefits outside the payments to farmers, including:
  - o 11,613 training sessions with farmers on climate and forestry in 2022 alone
  - Creation of 76 permanent jobs from 2022
  - 5297 seasonal jobs\* were created in 2022 to support forestry activities

\*86 per cent of seasonal jobs were for landless farmers, one of the groups most affected by the economic impact

#### The project as a co-investment

Lack of understanding of the programme design: the programme is a co-investment to create a productive asset.

- Ecosystem Service Payment (PES) programmes are designed as a co-investment between the programme and the farmers. They are designed in such a way that farmers have to invest their own time and energy into building their livelihoods.
- It is, therefore, perfectly normal for farmers to say that they have to invest their own money to reforest the land necessary, even.

The farmers get what they have been promised and the value they derive from participating in the programme goes well beyond the contract period because they have access to the forestry market (e.g. wood, coffee).

- Any payment to farmers in kind or farm inputs shall be 100 per cent financed by the sale of carbon credits. Each year, the scope of the contract is determined based on the prices agreed with the programme's customers.
- The value that farmers derive from participating in the programme is not just the payments, but rather the fact that they can create a new source of income for their families.
- The forests they plant under the programme will provide them with a source of income for the coming decades (coffee, thinning, etc.).
- Farmers earn incomes well beyond the term of the contract, which is why forests are preserved.

#### Criticism from Birgit Müller and lack of local understanding

We also find it difficult to accept the criticism and statements from ethnologist Birgit Müller.

- Unfortunately, we cannot trace whether Ms Müller had contact with farmers who actually took part in the project.
- This does not seem plausible, as the Plan Vivo Standard clearly defines or expressly excludes farmers who have very small farms or no unused agricultural land from participating in the project.
- These statements suggest that Ms Müller did not examine the Plan Vivo Standard in detail and did not fully comprehend the (admittedly very complex) project down to the finest level of detail, and that the interlocutors she mentioned could not have been involved in the project.



We regret that we were unable to hold a meeting with Ms Müller in advance of the report to clarify this suspicion and the issues on our part.

The lack of understanding of the local context leads to a misinterpretation of the answers given by the farmers in the interview.

- Statements from farmers who say they are dissatisfied with the payments are quite meaningless in Nicaragua. The country is one of the poorest countries in the world and has a track record of government and NGO programmes that simply "distribute" money.
- CommuniTree's reach has spread primarily due to word of mouth amongst farmers. This in itself proves a level of satisfaction with the programme.
- In Nicaragua, most programmes involve handouts, which is what makes CommuniTree different. Farmers who want more money are not an issue. Anyone who is asked whether they would like to receive more money is likely to say yes.

"ETH Zurich's analysis of satellite data raises doubts about the actual growth of trees (biomass)."

### However, the method used is unsuitable and the conclusion implied in the report that the project is ineffective is simply incorrect. This can be proven by on-site measurements.

The approach of using remote sensing to test the success of a reforestation project or its impact "independently and unrelated to a particular location" is understandable. However, the method NDVI (Normalized Difference Vegetation Index) has flagrant weaknesses. It can only partially supplement the method currently used on site, but neither replace nor – and this is essential for the overall conclusion – cast doubt on the results of this complex on-site measurement. Satellite data and an NDVI analysis are unable to answer the question "Was carbon really stored as stated?".

However, further development of the method and data analysis would be extremely welcome for many reasons, which is why Taking Root is keen to continue the dialogue with the researchers.

The method, as implemented by the ETH researchers, been applied correctly and with absolute integrity. However, the interpretation of the data is awkward and not a justification for making a statement, as the report implies. The analysis of satellite data in the project area commissioned by SRF absolutely does not support the claim that the growth of trees in most plots is low. The analysis merely shows that the project has generally shown a positive development in most plots, but it is not possible to deduce from the available data how strong and resilient this development is.

The NDVI is not suitable as a method for assessing forest growth and carbon sequestration in early stages of forest growth, as in the project.

• Simply put, the NDVI, as a widely used indicator for large-scale analyses of satellite data, represents the "density of green" within a pixel. For various reasons, this "density of green" in the project areas is not a reliable measure of the success of the project.



• An example of the decrease in green density in forest management during the first years of planting is shown in *Figure 1*. In the illustration, a farmer removes the grasses in the plot so that the young trees can grow, which darkens the soil. This practice is applied intensively, at least for the first five years after reforestation. It can lead to a sharp decrease in the NDVI in the area, even though a lot of biomass i.e. carbon is stored in the growing trees.



Figure 1 (Image: Taking Root)

• But even without this practice, biomass growth cannot be determined, especially in the first year of a newly planted tree, due to the very small amount of leaf area above the NDVI. Large amounts of biomass are stored in branches, trunks and roots and are not proportional to the amount of "green", e.g. leaves. Additional seasonal effects (almost complete loss of leaves in the dry season) can certainly be taken into account through satellite analysis, but they are another factor influencing the situation.

An example of how ineffective NDVI can be in measuring forest biomass is shown in *Figure 2*. This figure shows a time series of one of the plots included in the programme in 2016, with carbon values from field measurements on one of the vertical axes and NDVI values on the other vertical



axes, complemented by georeferenced photos to provide a visual representation of activity and tree growth over time. As you can see, the NDVI value is very variable and even decreasing, although the forest area is increasing significantly.



Figure 2 (Images and graphics, Kahlil Baker, Taking Root)

Taking Root has extensive experience and expertise in measuring forest growth and carbon sequestration.

Measuring biomass growth in the context of the project is, therefore, much more complex and involves many factors that cannot be measured by satellite data. This was also confirmed by the scientists who carried out your study and is completely in line with our experience.

- For years, our project partner Taking Root has been working with scientists to investigate how remote sensing can be used effectively to measure forest growth and carbon, with the aim of monitoring the development of the project in the best possible way.
- To this end, Taking Root collaborated with teams of highly qualified doctoral students from the fields of forestry, machine learning and remote sensing and investigated many methods, including the NDVI and many more complex indices, for their correlation with ground truth measurements carried out in the project area.
- Similar to the researchers at ETH Zurich in the study commissioned by SRF and the general academic consensus on the subject (e.g. Ingram et al. (2005)), they concluded that there was insufficient correlation.

With current remote sensing data, it is, therefore, not possible to establish a strong link between early plantation growth and remote sensing values, even if the models are calibrated with field



data (this works much better with more established forests and if elevation measurements such as LiDAR are integrated).

This means that currently, reliable verification of biomass growth is only possible by combining field data and an additional plausibility check with satellite data.

Due to the inaccuracy of remote sensing in the early stages of forest growth, the CommuniTree programme uses field measurements to obtain accurate results. The measurements are verified externally by independent auditors.

- Due to the inaccuracy of remote sensing in the early stages of forest growth, the CommuniTree programme performs statistically representative field measurements on randomly distributed sample plots representing approximately ten per cent of the area of each plot.
- This approach is in line with widely accepted forestry and statistical best practices and has been approved by an independent panel of experts from the Plan Vivo Carbon Standard and an independent group of testing institutes.
- The programme uses this approach to produce accurate results, which are published in the programme's annual report. These results are reviewed and approved by Plan Vivo and verified every five years by independent auditors.
- In contrast to satellite data, field measurements make it possible to identify trends and difficulties in the development of individual plots at an early stage. This makes it possible to intervene quickly in the event of problems, especially in the critical first few years, and to ensure the best possible growth of the trees in the long term.

We greatly appreciate the efforts made to independently review the progress of the project and are open to continuing to work with the ETH team with the aim of developing even better monitoring and additional integrity of our projects by external, international research teams.

- In principle, we see great potential in the analysis of biomass growth using automated analysis of satellite or drone images for controlling the effectiveness of reforestation measures, especially potential losses, and for making certain processes (and, therefore, costs) simpler and leaner.
- For this reason, we greatly appreciated the direct exchange with the scientists, which we would like to maintain.
- However, in this case, an automated evaluation of the satellite images based on the NDVI is not at all a sufficiently reliable measure for measuring forest biomass.



"myclimate has no control over the project, as myclimate has only been on site twice in ten years."

myclimate actually has been and continues to be regularly involved with the project over the past ten years. For example, there is a direct exchange with the project partner several times a year. But also through the Plan Vivo Standard, which certifies the project, and other organisations involved in the project, a constant flow of information is guaranteed. Mistrust of the project is completely unfounded.

The project has so far been visited twice on site, including Florian Goppel's visit. The first visit was carried out by Silvana Comino, our forest specialist and project manager, who has more than 15 years of experience implementing reforestation projects in Latin America and, therefore, knows very well which project designs work and what the ingredients for a successful reforestation project are. Silvana Comino is planning another visit this year, as the previous one was cancelled due to coronavirus.

It is important to mention that in addition to on-site visits, we maintain very close contact with the project itself and have various other flows of information on and about the project.

- At least four times a year, there is a direct dialogue with Taking Root to discuss the quarterly reports and answer questions.
- Kahlil Baker, CEO of Taking Root, visits Zurich in person every two years to report on the project.
- There was also an internal due diligence review at the beginning of the partnership, which we regularly review to ensure that it is up to date.
- We also maintain close contact and exchange with other organisations that have supported the project for a long time (ZeroMission from Sweden, long-standing myclimate franchisee; Primaklima from Germany). They have also visited the project on site and shared their own findings with us.
- Another key evaluation channel is direct contact with the standard Plan Vivo, whose Technical Advisory Team reviews the PDD, the validation and verification reports and annual reports.

These comprehensive evaluation methods keep us up to date and, at the same time, reduce the environmental footprint of unnecessary air travel. As we work very closely and trustingly with Taking Root and Plan Vivo is the most rigorous standard in LUF, there is no need for more intensive monitoring.



"The promise of long-term CO<sub>2</sub> retention in trees is not being kept, as there are no mechanisms to ensure permanence."

This is a statement that we vehemently reject here, as our aim with this project is to achieve a sustainable change in land use that has also functioned in Swiss forest management since 1876. This accusation is also in stark contrast to the latest assessment report of the Intergovernmental Panel on Climate Change.

The current IPCC World Climate Report clearly highlights: without comprehensive protection of existing forests, without reforestation measures and without mechanisms to make forests more resilient, we will not reach the climate targets (as well as the biodiversity target set out in the Montreal Protocol).

Reducing the "Community Reforestation in Nicaragua" project to just planting trees fails to hit the heart of the matter – as with most other projects in the field of land use and forestry (LUF). These projects aim for a sustainable, long-term change in land use. For this reason, the "loss" of individual trees is not a decisive criterion – the constant life and growth of the forest ecosystem and the increase in its resilience are.

This is achieved by consciously encouraging farmers to preserve and manage their forests sustainably. Compared to the technical solutions that everyone is constantly talking about, forests have the potential to absorb significantly more CO<sub>2</sub> while also enabling biodiversity and influencing local weather and its effects.

Trees absorb CO<sub>2</sub>. That is why reforestation measures and the protection of existing forests are incredibly appropriate climate protection activities. This is confirmed by the latest IPCC report. We finance these reforestation projects with voluntary climate protection funds from our customers, enabling activities that would not otherwise have taken place. In addition to absorbing CO<sub>2</sub>, a forest also provides many other environmental benefits. Biodiversity has already been mentioned, but forests also have an important influence on local weather, counteract the emergence of zoonoses and hold invaluable scientific and research potential due to their abundance of plants. These benefits would be lost if only a technical solution were used. Not to mention that these are very expensive and much smaller in volume compared to forest systems.

The aim of the project in Nicaragua is to use forests and trees sustainably to obtain a value higher than other land use activities. The population benefits from sustainable management. The aim here is not to keep the same tree standing beyond the duration of the project, but rather to ensure that land is used for long-term and sustainable forestry, so that  $CO_2$  is absorbed long into the future.

With this project, as with other reforestation projects supported by myclimate, the collaboration with small farming families on many hundreds of different plots ensures that the risk of loss of a lot of biomass due to a fire is massively reduced compared to a contiguous area.

Last but not least, a project always includes a buffer pool of 15 per cent, which absorbs failures, as these, of course, cannot be 100 per cent avoided. Together with the conservative calculation, this ensures that forest projects achieve sustainable climate protection in addition to the positive side effects mentioned (sources of income, biodiversity).



### "myclimate communicates about the project and its own involvement in a nontransparent and imprecise way." This allegation is also completely unfounded, as myclimate provides transparent information on its website and also acknowledges the very long partnership and close relationship.

The SRF Investigativ team criticises myclimate for advertising the project as its own. We maintain that we definitely do not do this. On the website with the project description, the partners and the project owner are explicitly mentioned.

We also have long-standing and very close contacts with many of our projects. These contacts, which in some cases are exclusive to us, often enable these projects to develop successfully in the first place. This "close relationship" also gives rise to the understanding expressed in the use of the term "our projects".

In the case of this project, we have had a partnership with Taking Root since 2011 and, together with the organisations Primaklima and Zeromission, were the first to support the project and, therefore, make a significant contribution to its success.

# Additional information: climate protection in countries with a democratic deficit

The journalists were not allowed to enter Nicaragua. Nicaragua is considered an undemocratic country – is this the right place for such a project?

The political situation of a country is analysed and assessed in the preliminary due diligence process. The key factors are the opportunities for reducing or saving CO<sub>2</sub> and the sustainable development of the people affected by the project.

Another essential feature of the audit and our monitoring is that no funds intended for project services or project participants end up directly or indirectly with political actors. By definition, our project partners are never governmental or government-related institutions, but generally NGOs, social entrepreneurs, companies, etc.

Any doubts about the flow of funds may be a reason to end a project collaboration, which was specifically decided and implemented by us in a previous project in another country (Myanmar). This is an ultimate, drastic and painful step because, ultimately, it is the people on the ground who have little or no responsibility for political developments who end up suffering.

In the case of the Nicaragua project, we have not seen any indication that the political situation is having a negative impact on the project. The project does not work directly with the government – it only has a Letter of Authorisation (LoA) with the local government and registers the reforestation plots with the local forestry authority.

It cannot be the job of a climate protection organisation to impose sweeping political sanctions. This is more a task – which could be investigated – for large international companies or commodity traders.



It is doubtful that the government would even notice a withdrawal on our part, in contrast to the local people, who benefit greatly from the implementation, and in contrast to the climate and biodiversity.

### **Related Links**

SRF Investigativ report on YouTube

Project description "Community Reforestation in Nicaragua"

myclimate consolidated financial statements

IPCC Synthesis Report 6 on land use and ecosystems (i.a. p.27)

Plan Vivo Standard