foodwatch report on the Tambopata Forest Protection Project - independent experts provide evidence for methodological errors and false claims by foodwatch

December 2021

Major statements of the foodwatch report on the Tambopata Forest Protection Project are based on methodological errors and false claims.

The following expert analyses refute the criticisms made by foodwatch:

- In addition to our usual project risk management, we obtained updated information on the project progress and the accusations raised from the local project developer Bosques Amazónicos (BAM) in Peru.
- In addition, we have had an independent analysis carried out by Sylvera, an internationally recognized expert in certified emission reduction projects.
- In parallel, all available project documentation for the Tambopata project, which is regularly verified by independent auditors, has been reexamined.

Summary:

A fundamental flaw of the foodwatch report already lies in the fact that the author bases his analysis on an incorrect project area. The author also uses an inappropriate data source and a different, not externally audited, method for determining baseline deforestation rates than the project developer, BAM.

In addition to these methodological errors, the foodwatch report relies on misinformation: thus, it is demonstrably false when the author writes that local farmers in the project area did not receive any benefits in the first years, that deforestation in the project area increased, and that the supposed certifiers were subject to a conflict of interest.

The foodwatch report lacks scientific due diligence as well as external verification and general expertise on the certification process of climate protection projects. Given this background, the author of the foodwatch report comes to false and misleading conclusions.

The following seven aspects provide examples of the technical errors made by the author of the report - and thus also by foodwatch - resulting in false conclusions and allegations. All statements and information used are based on the analyses and evaluations of Sylvera and BAM mentioned at the beginning of this report.

1. Analysis of the wrong project area

The project area on which the analysis of the foodwatch report is based does <u>not</u> match the real project area. The author makes an assessment that is not limited to the actual project area, but also includes, among other things, adjacent areas outside the protected forest areas.

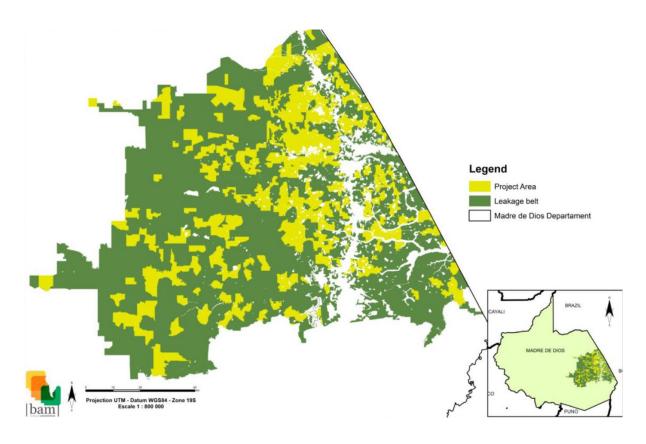


Figure 1: Actual project area (Source: BAM 2012: REDD PROJECT IN BRAZIL NUT CONCESSIONS IN MADRE DE DIOS, p. 15)

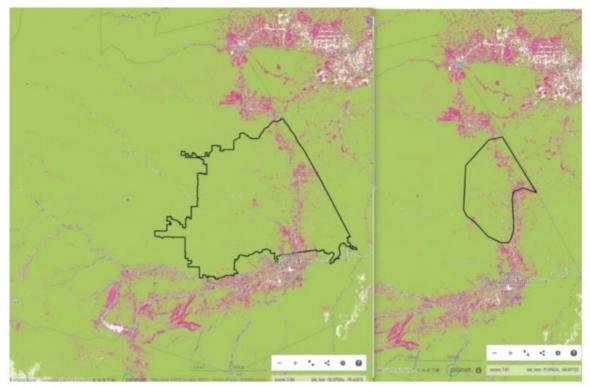


Figure 2: Project area used by foodwatch (left: entire intervention zone, right: core area) (Source: foodwatch 2021, p. 16)

It is clearly evident that the author makes incorrect assumptions for his report for the project area (see Figure 2), which in reality consists of many small and non-contiguous pieces of land (Figure 1 in light green = project area).

Accordingly, the statements on the development of the project are not possible on the basis chosen in the foodwatch report. The statements of the foodwatch report on the climate protection effectiveness of the project and the development of the deforestation rate after the start of the project cannot be transferred to the actual project area on such a basis because that would require that exactly the same conditions exist in both areas (the actual project area and the area incorrectly selected by foodwatch) - and this is not the case.

2. Use of an incorrect data basis

The author of the report uses data from Global Forrest Watch (*source: foodwatch report 2021, p. 14*). However, the data from Global Forrest Watch (GFW) is only a **global model** and **explicitly not adapted to the local conditions** of a specific region. In order to make a serious assessment of deforestation in the project area in Tambopata, it is necessary to adjust the data accordingly to local conditions (source: https://storage.googleapis.com/earthenginepartners-hansen/GFC-2020-v1.8/download.html, GFW "Cautions", 2021).

The foodwatch report itself even points out that a very precise evaluation on the basis is not possible (*source: foodwatch 2021, p. 15*), but then, against better knowledge, does it anyway.

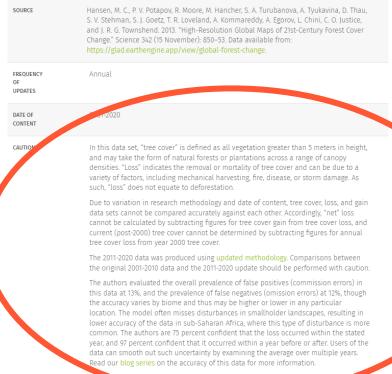


Figure 3: Screenshot from Global Forest Watch website, 2021

In contrast, the local developer of the Tambopata project, BAM, used data and maps that reflected local conditions. The geospatial data used for baseline determination came from an official government agency, and the map material used was provided by the Research Institute for the Peruvian Amazon (IIAP). On this basis, deforestation simulations were created using Dinamica EGO software to derive a plausible baseline for the project. (source: REDD PROJECT IN BRAZIL NUT CONCESSIONS IN MADRE DE DIOS, Estimation of carbon stock changes in baseline and greenhouse gas emissions from unplanned

deforestation, BAM 2012 und Zonificación Ecológica y Económica del Departamento de Madre de Dios, IIAP, 2008)

3. Use of a non-comparable method to determine the baseline scenario

In certified forest protection projects (REDD+ projects), different approaches exist to determine a baseline scenario, in accordance with the Verified Carbon Standard (VCS) regulations. The author of the foodwatch report has chosen a different approach than BAM and excludes future developments in the project region from his analysis. In addition, he made methodological errors.

The project developer, BAM, selected a forward-looking baseline scenario and conducted a comprehensive risk assessment in the project area to determine the deforestation expected in the future. In doing so, the conditions on the ground were included in its assessment (source: BAM response to foodwatch, 2021).

Given that increasing deforestation was expected due to local development (construction of a highway), BAM's approach is justified and was consequently externally validated by the independent auditor SCS Global Services.

In contrast, the author of the foodwatch report used only historical data to construct his own and untested baseline scenario. In this context, already known and expected influencing factors were not considered or not considered to the same extent as in BAM's independently validated risk assessment.

In order to ensure comparability between the foodwatch report and the BAM baseline scenario, it would have been appropriate for foodwatch to include the different factors influencing deforestation in a region to the same extent in the analysis, as was done comprehensively and externally verified by the project developer BAM. This was not done and proves the lack of scientific diligence of the foodwatch author and the lack of "peer review" at foodwatch particularly clearly.

4. Incorrect reproduction of the baseline deforestation rate

The foodwatch author states on page 17 of his report in Table 1 that a static baseline deforestation rate for the entire project period of 1.23% is assumed. That this claim is false can be seen from the monitoring reports also cited by the author, which are publicly available on the VCS project page (https://registry.verra.org/app/projectDetail/VCS/868). The records show that the baseline logging rate evolves dynamically over time and varies from year to year.

The baseline deforestation rate of 1.23% is **not** the basis for determining the CO2 reduction credits to be issued - but this is suggested by foodwatch. The basis for the amount of CO2 reduction credits is the actual annual deforestation rates, which vary from year to year. (source: REDD PROJECT IN BRAZIL NUT CONCESSIONS IN MADRE DE DIOS, Estimation of carbon stock changes in baseline and greenhouse gas emissions from unplanned deforestation, BAM 2012)

5. False claim of allegedly increasing deforestation in the project area

Contrary to foodwatch's claims, there is no evidence of increasing deforestation in the project area. On the contrary, geodata from the project area obtained via satellites clearly show that the change in forest cover in the project area is significantly lower than in the reference area.

6. False claim about lack of project measures on site

In its external communication, foodwatch claims that the project "existed only on paper, at least in the first few years," implying that no local project activities took place during that time. This is wrong and in no way comprehensible. Since the start of the project in 2009, the project developer BAM has undertaken numerous activities to enable the farmers to use their land use rights and to protect the rainforest (*source: BAM response to foodwatch, 2021*). These include:

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

Since 2020, the project has also been generating positive financial returns through the sale of emission reduction credits. Since then, the farmers have received direct financial resources from BAM in addition to the activities mentioned above. This is not mentioned in the foodwatch report. Each family has so far received the equivalent of EUR 1,250 in total, which is a multiple of an average monthly wage in Peru.

7. False claim of a conflict of interest by VERRA

foodwatch claims in a so-called "factsheet" (source: https://www.foodwatch.org/fileadmin/-DE/Themen/Windbeutel/Dokumente/Factsheet_Rewe-Gefluegel_final.pdf) that there is a conflict of interest for the VCS standard administrator VERRA, because as a "certification company" they receive a commission per CO2 reduction credit issued.

It is a fact that VERRA does not verify or certify climate protection projects. VERRA defines the VCS standard as a so-called standard administrator and maintains the corresponding register for its CO2 reduction credits.

VERRA **has no influence**, as claimed by foodwatch, on how many emission reduction credits a project ultimately issues. The determination of the amount of emission reduction credits issued is done by auditors independent of VERRA and the project developer BAM. The accusation of foodwatch is therefore not comprehensible and false.