

Response to questions regarding The Guardian and Die Zeit REDD+ criticism for ClimatePartner

Verra Statement on Studies

1. *The article states: Only a handful of Verra's rainforest projects showed evidence of deforestation reductions, according to two studies, with further analysis indicating that 94% of the credits had no benefit to the climate. What is your opinion on this statement, and do you consider this calculation to be correct?*

The Guardian article includes numerous inaccuracies and distortions that misrepresent the activities projects that are certified with Verra's Verified Carbon Standard (VCS) Program implement to address deforestation in tropical forest countries.

Verra published a [Technical Review](#) conducted by Verra's most senior experts, who have assessed the article and the three studies on which it draws, two by West et al. and one by Guizar-Coutiño et al. The Technical Review found multiple failings in the West et al. studies, which make their conclusions patently unreliable, because they contain multiple serious methodological deficiencies. Specifically, they:

- Constructed their synthetic controls by looking at only a small set of superficial physical characteristics such as initial forest cover, slope, and proximity to state capitals, while excluding the key determinants of deforestation such as forest type, agricultural practices, and in fact any socioeconomic factors whatsoever;
- Selected geographic areas for their synthetic controls that were not facing any serious threat of deforestation, thereby underestimating the risk of deforestation in the REDD project areas;
- Selected too few geographic areas in composing their synthetic controls; and
- Used unsuitable data, including satellite imagery at a resolution of 250 meters x 250 meters (6.5 hectares), which is too crude for REDD projects, and much lower than Verra's recommendation of a resolution of 100 meters x 100 meters, and a dataset from Global Forest Watch that scientists widely recognize should not be used to estimate deforestation or for REDD purposes without appropriate adjustments that the authors failed to make.

The Guardian focused its own "further analysis" on 29 of the 36 REDD projects reviewed in the two West et al. studies in order to reach a sensational conclusion that 94% of the credits from these projects should not have been issued. The journalists' failure to publish this analysis is a breach of transparency and seriously undermines the credibility of their reporting, as unlike the scientific studies, these can not be reviewed. The Guardian also failed to report that the methodologies employed by the two groups of researchers (West et al. and Guizar-Coutiño et al.) reached largely different results, instead noting that "the data showed broad agreement on the lack of effectiveness of the projects compared with the Verra-approved predictions." Major inconsistencies found by the Technical Review include that, of the 12 REDD projects in Brazil considered by both West et al. 2020 and Guizar-Coutiño et al., the former found that deforestation or degradation was lower in 33% of projects, whereas the latter found deforestation was lower in 92% and degradation in 75%.

2. *The article states: The threat to forests had been overstated by about 400% on average for Verra projects, according to analysis of a 2022 University of Cambridge study. Is this statement correct?*

The Guardian grossly misrepresented the Guizar-Coutiño et al. data by claiming that the baselines of the 32 projects were inflated by approximately 400%.

First, Guizar-Coutiño et al. considered deforestation and degradation, not emission reductions, and made no statements at all about the baselines.

Second, the Guardian, after converting Guizar-Coutiño et al.'s findings into emission reductions, compared these figures with the pre-project predictions of the project developers. This is a false comparison. For a variety of reasons, the number of credits eventually issued almost always falls below initial estimates – not because baselines were poorly-constructed, but because emission-reduction activities are difficult to implement, among other things. What the Guardian should have done, and failed to do, is to compare Guizar-Coutiño et al.'s findings not with the early-stage predictions of project developers, but with the actual emission reductions achieved by the projects.

Third, it is incorrect to refer to the project developers' predictions as "Verra's claims". As noted above, Verra issues carbon credits on the basis of actual emission reductions that have been achieved, not on the basis of the predictions of project developers. Taken together, it appears that The Guardian grossly misrepresented the Guizar-Coutiño et al. findings in order to support the hypothesis that they drew from the flawed West et al. 2020 and West et al. 2023 studies.

Verra finds that the journalists grossly misrepresented the Guizar-Coutiño et al. findings by comparing them with project developers' early-stage predictions, rather than Verra's issuances of carbon credits. Verra further finds that this flawed comparison seriously undermines the journalists' conclusions about the REDD projects in question.

3. *The three studies mentioned in the article as the only ones known to have attempted to apply rigorous scientific methods to measuring avoided deforestation. How do you evaluate the scientific statements of the studies mentioned and are you aware of other studies that meet these criteria?*

Verra has identified multiple deficiencies in the West et al. 2020 and West et al 2023 studies. Every deficiency seriously undermines the credibility of the authors' conclusions; together, these deficiencies point to a work that is fundamentally flawed to the point of being patently unreliable for assessing the impact of REDD projects. Verra has identified two deficiencies in the Guizar-Coutiño et al. study. These deficiencies somewhat undermine the reliability of the authors' conclusions. These two deficiencies should, however, be viewed in the context of larger methodological choices made by the authors that enhance the credibility of their conclusions. The net effect is a report that is moderately reliable and a useful contribution to the literature.

Verra welcomes scientific review of its work that is based on rigorous methodologies and results in peer-reviewed research studies. At this point, Verra is not aware of any studies that meet these criteria. However, Verra regularly consults scientific experts from a range of fields on the development and updates of its methodologies and also transparently documents these processes.

4. *According to the article credits from 21 projects had no climate benefit, seven had between 98% and 52% fewer than claimed using Verra's system, and one had 80% more impact, the investigation found. What is your position on this claim? Can you provide additional information/insights/analyses on the projects?*

The Guardian article includes numerous inaccuracies and distortions that misrepresent the activities projects that are certified with Verra's Verified Carbon Standard (VCS) Program implement to address deforestation in tropical forest countries. Verra published a [Technical Review](#) conducted by Verra's most senior experts, who have assessed the article and the three studies on which it draws, two by West et al. and one by Guizar-Coutiño et al. The Technical Review found multiple failings in the West et al. studies, which make their conclusions patently unreliable, because they contain multiple serious methodological deficiencies. All information about the projects is available on the Verra Registry.

5. *Can you provide any additional information why the baseline calculation based on Verra's methodologies, and the methodologies of the study come to such different results?*

Both West et al. studies used "synthetic controls" when establishing their alternative baselines that ignored key factors driving deforestation. While Verra acknowledges that the use of synthetic controls in conservation is a novel and useful approach, these studies constructed overly simplistic synthetic controls. The characteristics that define these synthetic controls are simple physical ones, such as distance from a state capital. Further, their synthetic controls excluded key factors in deforestation and land-use change, which include physical characteristics but more pertinently also cover a large number of socio-economic characteristics.

Verra, in its methodological approach to registering REDD projects and issuing carbon credits, considers not only the simple, superficial physical characteristics identified by the authors, but also the key determinants of deforestation. The selection of these characteristics is the result of Verra's robust and rigorous methodology development process.

The authors acknowledged the limitations of their approach, noting that "the construction of our synthetic controls may not have included all relevant structural determinants of deforestation." The authors did not, however, elaborate on their rationale for excluding such important factors or the consequences of excluding them. The authors' omission of multiple key factors in deforestation weakens the relevance of their synthetic controls and, therefore, the credibility of their alternative baselines. This construction of non-credible baselines seriously undermines the authors' conclusions about the REDD projects in question.

In the **Guizar-Coutiño et al. study**, the authors' selection of characteristics for their control pixels, along with their use of data from the Tropical Moist Forest database, ensured that comparisons were always made between tropical moist forests located in the same biome in the same country, under comparable bioclimatic conditions. These simple specifications in the construction of the controls likely made them more comparable to their real-life counterparts, the REDD projects, than the controls developed in the loose approach of West et al. 2020 and West et al. 2023.

Nevertheless, the authors' claim that the characteristics chosen (elevation and slope, distance to the nearest urban center in 2015, and distance to forest edge) reflect the sociodemographic and biophysical features associated with deforestation across different countries, is somewhat tenuous, given that these processes are highly location-specific. The authors' omission of some key factors in deforestation somewhat weakens the relevance of their control areas. Verra further finds that the somewhat weakened

relevance of their control areas slightly undermines the authors' conclusions about the REDD projects in question.

6. *Can you explain in more detail why the synthetic calculation in one of the studies is so problematic according to Verra and why the calculations based on Verra methodologies are more realistic?*

Both West et al. studies ignored key factors in deforestation when establishing alternative baselines. While Verra acknowledges that the use of synthetic controls in conservation is a novel and useful approach, these studies constructed overly simplistic synthetic controls because they looked at superficial characteristics only. All their characteristics are simple physical ones, such as distance from a state capital. Their synthetic controls excluded key factors driving deforestation and land-use change in a given location. These factors include some physical characteristics but more pertinently include a wide number of socio-economic characteristics.

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Statements on the projects/process:

7. *How does Verra ensure that meaningful deforestation and hence emission reductions take place?*

To ensure the projects we accredit have demonstrable impact, Verra's employs a methodologically rigorous and robust approach that includes expert review and public consultations. Verra works with third-party auditors, known as validation and verification bodies (VVBs), independent entities that are responsible for assessing whether projects have reduced or removed emissions. Verra routinely checks the work of these auditors and periodically audits them. VVBs must be independently accredited to ISO 14065 General principles and requirements for bodies validating and verifying environmental information by an International Accreditation Forum (IAF) member, before being approved by Verra to audit projects to the Verified Carbon Standard.

8. *The article states: The analysis indicated about 94% of the credits the projects produced should not have been approved. Can you provide any information why it is justified that these credits have been issued?*

The Guardian article includes numerous inaccuracies and distortions that misrepresent the activities of Verra to address deforestation in tropical forest countries. The article makes sensational claims about the value of carbon credits issued by Verra for rainforest offset projects, also known as REDD projects.

Verra registers REDD projects that meet the robust and rigorous rules and requirements of the VCS Standard and the respective methodology. Verra issues carbon credits to projects after they have successfully implemented activities that have achieved emission reductions by reducing deforestation or forest degradation. Independent third-party auditors confirm that the emission reductions have been achieved before Verra issues these credits. Verra continues to believe that REDD+ projects are one of the best hopes for conserving large swaths of forest under threat while providing alternative development pathways to communities living in and around these forests.

9. How do you ensure that project developers don't inflate their calculation for emission reductions?

The calculation of emission reductions and removals is specific to each carbon accounting methodology. Projects undertake the monitoring in accordance with the procedures in the methodology and must contract a third-party auditor — an approved, independent validation/verification body (VVB) – to verify that all emission reductions or removals are quantified according to VCS requirements.

Statements on human rights violations:

10. How does Verra ensure that no such human rights violations take place? What is your comment on this claim?

All projects registered with Verra's VCS Program must adhere to the rules and requirements laid out in the [VCS Standard](#) (current version is v4.4). One of the requirements of the *VCS Standard* is the following: "Projects and the implementation of project activities shall not lead to the violation of any applicable law, regardless of whether or not the law is enforced." (Section 3.1.4)

The *VCS Standard* also includes a section on safeguards (Section 3.18) that states: "Project activities must not negatively impact the natural environment or local communities. Project proponents must identify and address any negative environmental and socio-economic impacts of project activities and must engage with local stakeholders during the project development and implementation processes."

The VVB for each project must ensure that the project complies with these rules and requirements. In cases where Verra learns that communities are negatively impacted by a project, we take these allegations very seriously. Verra has thorough, standardized procedures for such situations in place for such cases.

11. Rainforest protection projects are often carried out in jurisdictions with a history of complex land tenure challenges, violent forced evictions in some cases and lengthy armed conflicts that make understanding true land tenure rights and particular indigenous customary land rights difficult. How does Verra ensure that projects handle these sensitive issues accordingly?

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Statements on the system:

12. How do you respond to the allegations that Verra established a flawed system where systematic manipulation takes place?

Verra is a mission-driven, non-profit organization. Everything we do is in service of increasingly ambitious climate and sustainable development goals – and an accelerated transition to a sustainable future.

Verra’s standards programs are robust and rigorous programs. Every aspect of these programs (the rules and requirements of the standards programs as well as the methodologies) are developed with input from a broad range of experts and undergo public consultation (often more than one). The programs rely on the assessment of independent third-party auditors to avoid a conflict of interest. All documentation related to our projects is transparently available on the Verra Registry. We are constantly working to update our systems to ensure they are based on the best-available science and technology and reflect best practices.

13. What influence do the managers of Shell, Bayer, and Danone have at Verra? How strong can they lobby for their interests?

Claims that Verra has “close ties to industry” or insinuations that business interests are disproportionately influential are highly misleading. Verra has 15 advisory committees and groups, panels, and working groups, comprised of over 200 people, including academics, business representatives, staff of environmental organizations, and employees of multilateral organizations. As members of Verra’s advisory groups and committees, the managers of the above-mentioned companies have no decision-making authority. In addition, they are part of a groups and committees that include members from a number of other organizations.

14. The article claims that Verra could have known earlier about the misuse of their system and knows that some credits are of low quality. What is your take on that?

Verra does not agree with the relevant findings from the Guardian article. Please see the detailed [Technical Review](#) on our website.

Statements on the consequences Verra draws from the reporting

15. Are you checking/adapting your methods because of these claims or are there any further action steps?

Verra began the process of updating its approach to REDD several years ago to ensure the respective methodologies reflect the most recent science and technology and best practices. This has been

extensively documented on our website. The consolidated REDD methodology will be released in Q3 2023.

16. Are you planning to set new/more conservative rules for deforestation forecasts?

Verra began the process of updating its approach to REDD several years ago to ensure the respective methodologies reflect the most recent science and technology and best practices. The changes include a different approach to baseline setting (see, for example, our announcement [Consolidated REDD Methodology Ensures Integrity of Forest Conservation Credits](#)).

17. Did you show the studies/article/your findings to independent third-party scientists, that can verify Verra viewpoint? If not, are you planning to do so?

Verra's most senior experts conducted a thorough technical analysis and assessed the articles and the three studies on which it draws. Verra invites stakeholders including the media to read the [Technical Review](#) and to reach out if they have concerns about reports in the media. Verra welcomes all constructive feedback on this Technical Review.

18. Are you planning to identify projects that allegedly misused the Verra system and exclude them from the standard?

Verra does not agree with the relevant findings from the Guardian article. In the case that serious concerns about the quality of integrity of a VCS project are brought to Verra, we have a procedure in place to address them (Section 6 of the [VCS Registration and Issuance Process](#)).

19. Are you planning to speed up the process to update rules and methodologies for REDD+ projects? What will change?

Verra has announced the consolidation of its REDD Methodology to ensure the highest possible integrity of its forest conservation credits. The updated methodology will be released in Q3 of 2023 and is an evolution of existing procedures for robust and transparent quantification of greenhouse gas emission reductions from high-quality forest conservation activities. Important innovations of this new REDD methodology strengthen projects' vital role in mitigating climate change and reducing the loss of critical forests and biodiversity. They include:

- Allocated activity data using a single deforestation dataset for the entire jurisdiction ensures that projects don't have to rely on reference regions to project future deforestation. Baseline data is allocated based on project areas' vulnerability.
- Crowdsourced data for deforestation risk vetted and provided by Verra ensures that projects use best-quality inputs to determine the expected danger of deforestation across the jurisdiction.

The "Timeline for Adoption" that is included in our announcement [Consolidated REDD Methodology Ensures Integrity of Forest Conservation Credits](#) lays in detail the mandatory adoption process for projects with different statuses in the Verra Registry. We anticipate that data for all jurisdictions with existing REDD projects will be available by 1 January 2025.