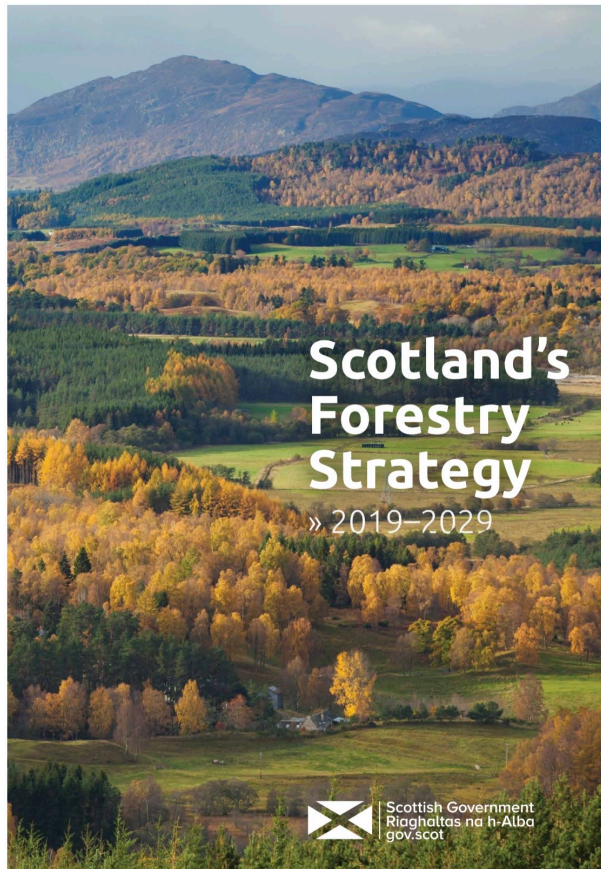


The Woodland Carbon Code

Dr. Pat Snowdon, MICFor, Scottish Forestry



Scotland's Forestry Strategy

» 2019-2029 overview

- Supports 25,000 jobs and contributes £1bn to Scotland's economy
- A net carbon sink, absorbing 7.6 million tonnes of CO₂ in 2020, c14% of Scotland's gross GHG emissions
- Woodland creation targets (set out in the SG Climate Change Plan) increasing to 18,000 ha in 2024/25. Annual target for native woodland planting, at least 4,000 ha each year
- Scotland creating around 75% of all the new woodland in the UK
- Additional private finance through rapid expansion in the number of woodland creation projects under the Woodland Carbon Code

- Integrity Council for the Voluntary Carbon Market
- Voluntary Carbon Market Integrity Initiative
- ICROA, UK Env Rep Guidelines, PAS2060:
 - Independence & good governance - consultation
 - Real =real and ex-post
 - Measureable =baseline, leakage, project benefit
 - Permanent -Reversal risk – buffer?
 - Additional
 - Independently Verified
 - Unique = Transparent registry
 - Do no harm = Env/Social benefits – UK Forestry Standard

What is the Woodland Carbon Code?

UK's govt-backed, **domestic** voluntary carbon market standard

- helps companies to become carbon neutral/negative
- helps the UK to meet national GHG targets
- woodland creation only (wide range of woodland types)

WCC's purpose is to underpin market trust and confidence



2011
launched by
Forestry
Commission



2019
managed by
Scottish Forestry
under cross-
border MoU

WCC team

Executive Board
(UK 'forestry
authorities')

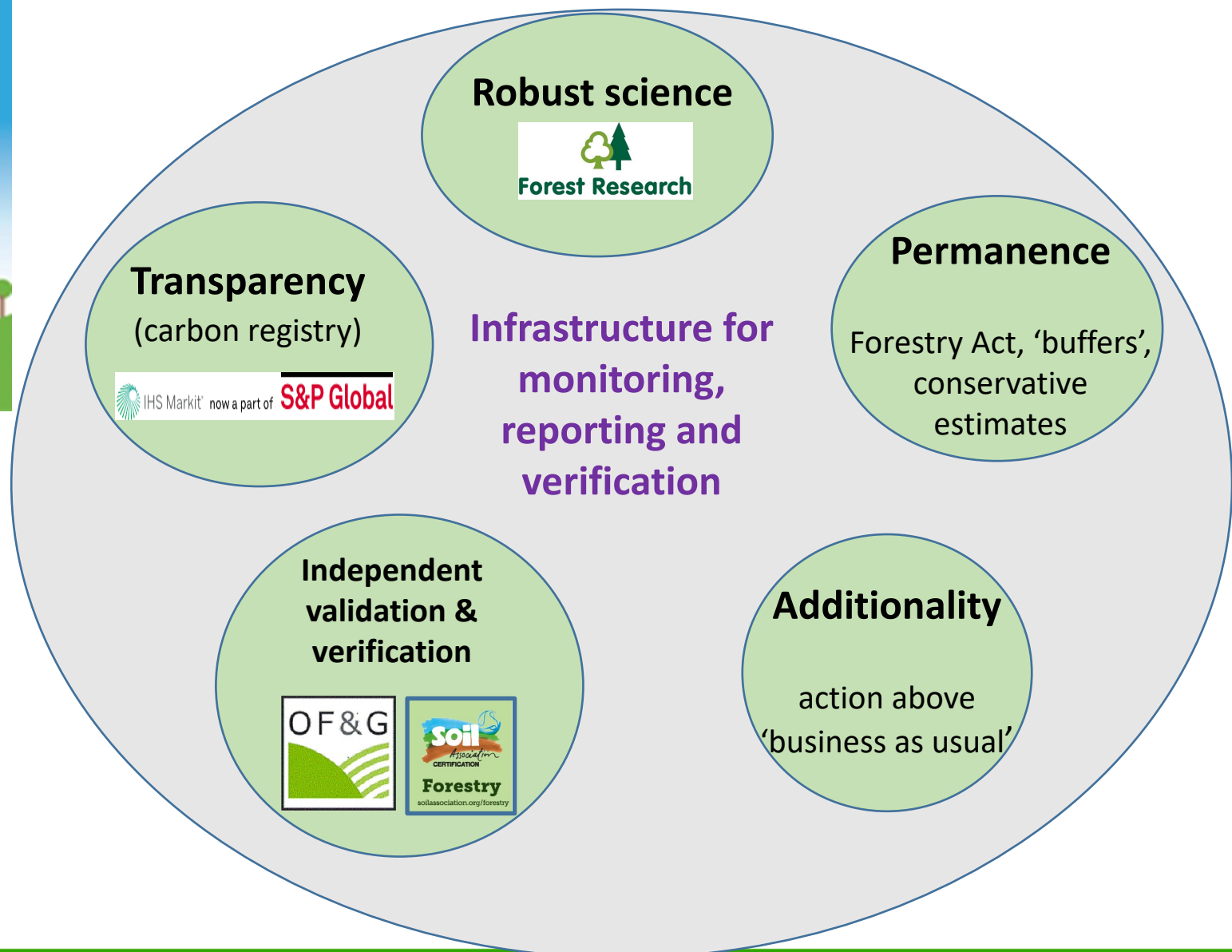
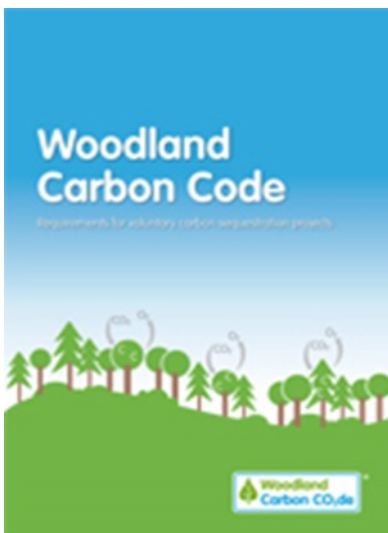
Advisory Board
(stakeholders)



Endorsed in the wider carbon market

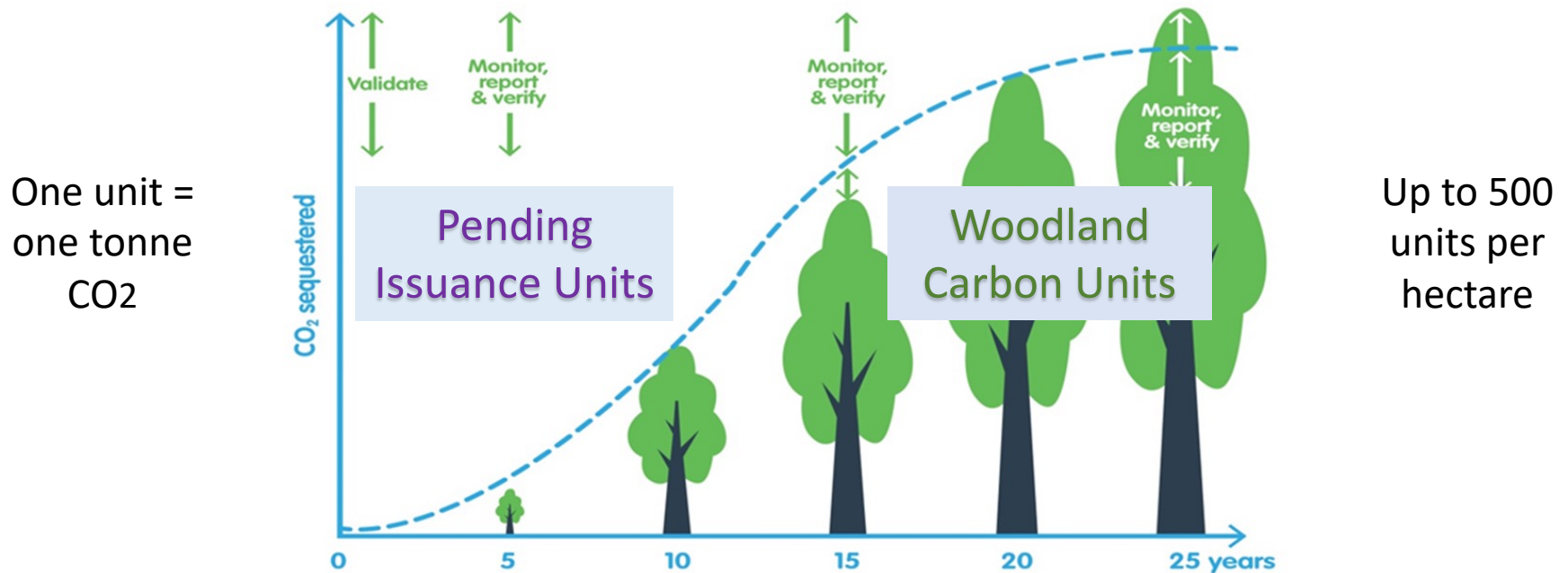


What are the main components?



Pending Issuance Units (a promise to deliver) – validated but not verified

Woodland Carbon Units (actual sequestration) – validated and verified



Both types of units can be sold, but only WCUs can be used as offsets

Prices/tCO₂ – 2011 (£5 or less), 2015-20 (£5-15), 2022 (£15-20, even £25+)

Part of a cost-effective approach to GHG mitigation

- Legal: The activity cannot be legally required.
- Financial/Investment: Only 'unviable' projects should receive carbon funding.
 - Woodland creation without carbon income is not viable (ie negative NPV)
 - Woodland creation without carbon income is less viable than the previous landuse (ie NPV woodland creation < NPV of previous landuse)
 - Test was standardised and strengthened in 2022

- Register of projects, carbon units and documentation
- Track issuance, ownership, transfer and use
- Pending Issuance Units (PIU) - 'Promise to deliver'

→ Converted upon verification to

- Woodland Carbon Units (WCU)
 - Actual measured sequestration
 - Guaranteed (with buffer)
- Costs of registry funded by:
 - Scottish Forestry (government)
 - Levies paid by users (private)

Validate

- Within 3 years of registering
- Desk-based
- Meets the standard (incl UKFS)
- Validate carbon prediction

Monitor and Verify

- Year 5 and every 10 years
- Field survey
- Meets the standard (incl UKFS)
- Verify the actual amount CO₂ sequestered

- Carried out by UKAS-accredited bodies (ISO14065, ISO14064/3 & UKFS)



Project type: standard or small

- **Standard projects:** any size, can be multiple woodland blocks (up to 5 consecutive planting seasons);
- **Small projects** (max. 5 hectares), streamlined **validation & verification:**
 - simplified carbon calculator
 - default assumptions (e.g. *baseline* and *leakage*)
 - less intensive 'Small Project Monitoring Protocol' from Year 15

Project Process: single or group

- **Group:**
 - up to 15 **standard projects**
 - up to 50 hectares in '**small**' projects;

requires a Group Manager and a Group Agreement

- Costs

- Registration: FREE
- Validation:
 - ~£800+ / project – group savings
 - 10 pence per carbon unit - list units in registry
- Verification:
 - ~£1,500- £2,000 / project - with site visit
 - ~£750 / project no site visit – group savings
 - 5 pence per unit to convert units in registry

- Potential Income

- £15-20 / tCO₂ – ~400 tCO₂/ha native broadleaves →
- £6,000-8,000 per hectare

- ‘internal’ Executive Board
- Wider Advisory Board
- New stakeholders
 - Carbon sector
 - Investors
- Growing number of project developers
 - linking land managers and investors
 - facilitating the WCC process



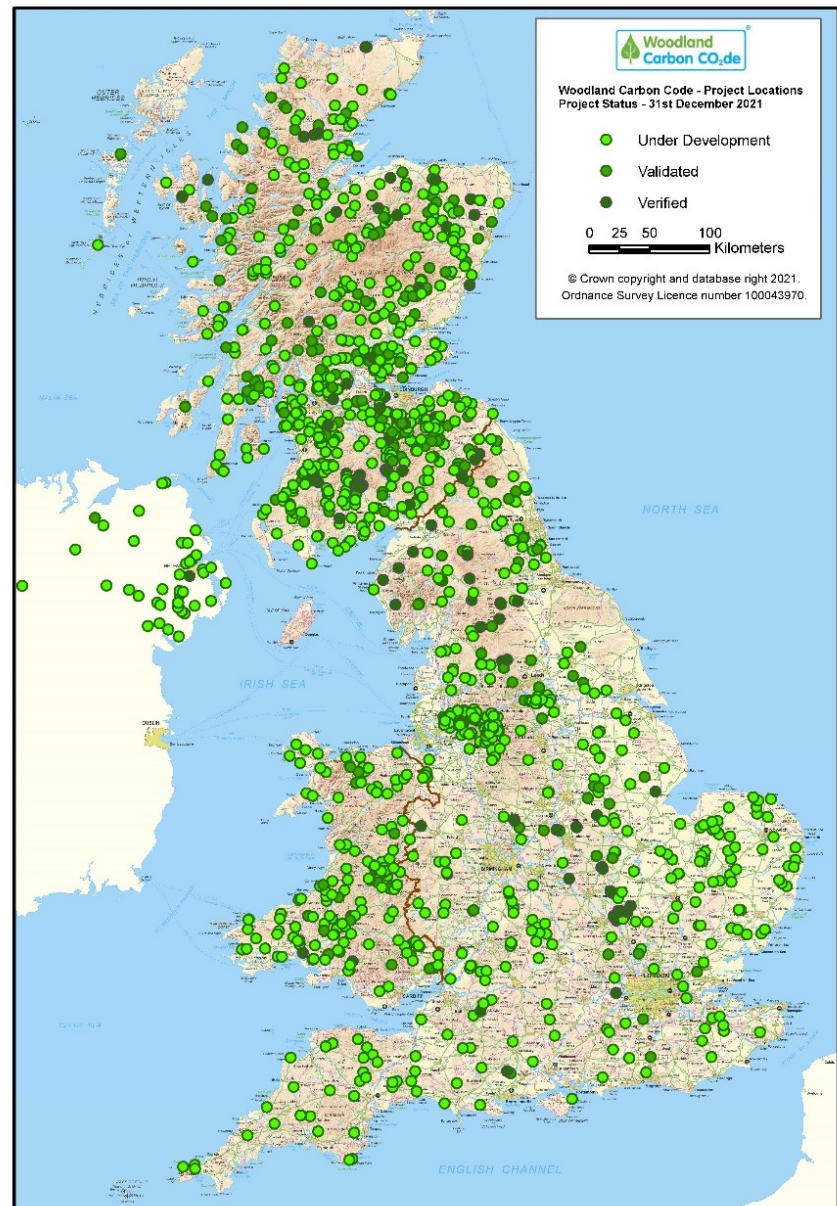


- **451 projects validated**
- 24,344 ha woodland
- 8.5 MtCO₂ over lifetime

Of which

- **124 projects verified yr 5**
- 4,640 ha woodland
- 2.0 MtCO₂ over lifetime

- **In the pipeline:**
- 1,465 projects
- 46,055 ha
- 14.4 MtCO₂ over lifetime
- > 500 corporate buyers



Project developers – help landowners to participate

Andrew Bronwin & Co Ltd	Forest Carbon	Ribble Rivers Trust
Bidwells LLP	Forest Direct	RTS Forestry
Bowts Chartered Surveyors	Fountains Forestry	Savills
Brown & Co	FWAG South West	Scotland's Rural College (SRUC)
Carter Jonas	Galbraith	Scottish Woodlands
Charlton Abbotts	Highfield Forestry	South Pole
City of Trees	Ian Thomas	Sylvan Resources Env Consulting
Climate Care	JDM Woodland Management	Sylvawood Agriculture
Coed Cymru	John Clegg & Co	Tillhill Forestry
Davidson & Robertson	Land and Heritage	The Rivers Trust
Dee Atkinson & Harrison	Lockhart-Garratt	Tim Lucas Forest Management
Diverse Ecology	Mark Seed Forest & Land Mgmt	Treeconomy
Dunnewoods	Natural Resource Consultants	White Rose
E4 Environment	Patt Foundation	Williams Round
Edenviro	Pryor & Rickett	Woodland Trust
English Woodlands & Forestry	Quercus Woodland Management	Yorkshire Dales Millennium Trust
Fisher German LLP	Ribble Rivers Trust	

- 'Units for sale' page on WCC website
- Intermediaries source credits for corporate clients

Avon Energy.

BeZero

climatecare

ecoact

firstclimate
Green Energy, Climate Neutral, Water

FOREST
CARBON

highland
carbon

NATURAL
CAPITAL
PARTNERS

REDSHAW
advisors Ltd.

south pole

SWEL

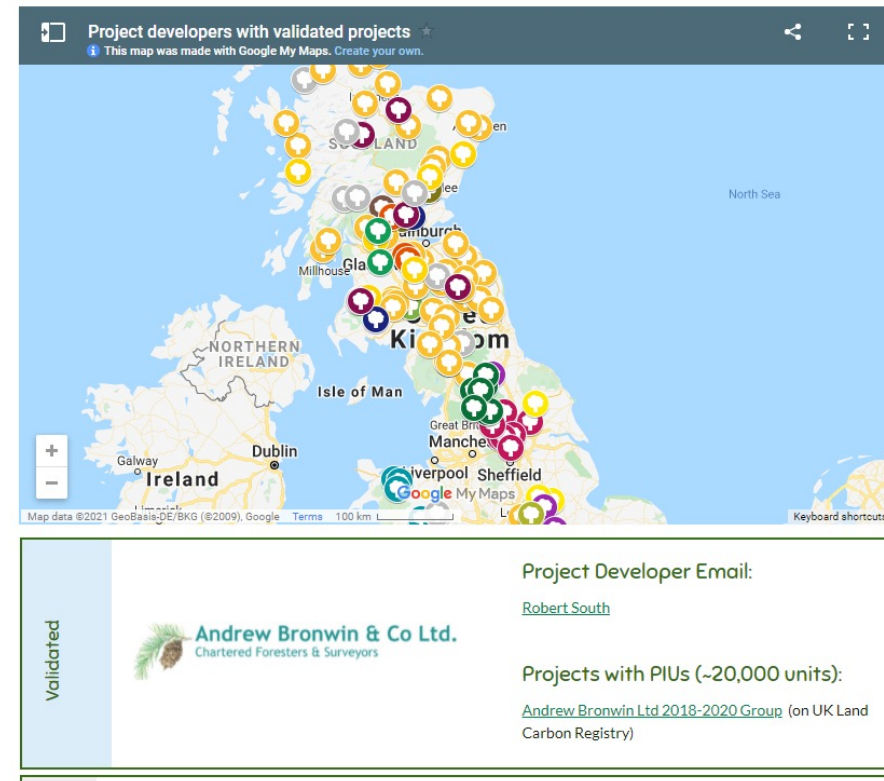
SQSTR

Now

- 'Buy carbon' page on WCC website
- Intermediary organisations
- 'For sale' board within registry

Project developers with validated (PIU) units available to sell

These project developers/projects have **Pending Issuance Units available for sale for future vintages**. Note that as of 31 March 2021, there are around 1 Million Pending Issuance Units available for sale which will be delivered over the projects' lifetimes - up to 100 years. 1 PIU = 1 tonne of Carbon Dioxide equivalent that will be sequestered in future.



- YDMT Group: 5 projects, 2-13 hectares
- Project Developer: YDMT
- Will sequester 15,000 tCO₂ over 100 years
 - 13,000 tCO₂ for sale
 - 2,000 tCO₂ to buffer
- Sold 2 projects to Allstar Ecopoint via Forest Carbon, other smaller local sales



Lamberts Wood



Storthwaite



Warcop, Cumbria,
160 has



- Since 2011 with Woodland Trust
- Compensate for home delivery fleet emissions over time
- Warcop, an MOD site in an AONB, Cumbria
- Bought over 22,000 carbon units

Why?

- Believe in trees, biodiversity, recreation & flood control benefits
- Environmental and CSR credentials
- Strong marketing messages to stakeholders
- Staff engagement through tree planting



- Technology for improved/more frequent monitoring
 - Carbon price index (transparency)
 - Standardisation and consistency (e.g. contracts?)
 - Further risk mitigation - insurance for carbon credits?
 - Automation – validation/verification, sales platforms
 - Development of new methodologies
 - Wider markets and infrastructure
-
- Wider benefits
 - Market segmentation?

Wildlife	5		Community	4	
Wildlife haven			Community asset		
Water	5		Economy	3	
Freshwater friendly					



THANK YOU FOR LISTENING

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www.woodlandcarboncode.org.uk