Woodland Carbon Code - Opportunities from carbon finance for forestry

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## Woodland Creation in the UK

<table>
<thead>
<tr>
<th>Country</th>
<th>Aspiration</th>
<th>Expressed in</th>
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<tbody>
<tr>
<td>England</td>
<td>Increase woodland cover from 10% to 13% by 2060 (average of 8000 hectares per year)</td>
<td>Natural Environment White Paper 2011</td>
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<tr>
<td>Scotland</td>
<td>Increase forest area by 10000 hectares per year for 10 years</td>
<td>Low Carbon Scotland: meeting the emissions targets 2010-2022</td>
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<tr>
<td>Wales</td>
<td>Create 100000 hectares of new woodland between 2010 and 2030 (5000 hectares per year)</td>
<td>Ministerial announcement (2010)</td>
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<tr>
<td>Northern Ireland</td>
<td>Double the area of forest from 6% to 12% from 2006 to 2056 (approx. 1700 hectares per year)</td>
<td>Northern Ireland Forestry: a strategy for sustainability and growth (2006)</td>
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</table>
Why have a guide for best practice?
• Increasing interest in using new UK woodland creation to capture carbon
• There were no uniform standards in UK carbon projects
• There was no accreditation or verification
• There was no consistency in the market

→ Woodland Carbon Code of Good Practice
• Underpinning UK voluntary carbon markets
  • Providing opportunities from carbon finance for forestry
  • not ‘offsetting’

• Providing Standards
  • carbon
  • environment
  • additionality & permanence
  • independent verification

http://www.forestry.gov.uk/carboncode
Sets out design and management requirements for voluntary UK based projects that aim to sequester carbon through new woodland creation.

It **does** account for

- carbon sequestration and emissions within the woodland boundary
- woodland created by planting and natural regeneration (where some intervention is necessary to establish woodland)
- carbon sequestration and emissions under various management regimes from frequent clear-felling to minimum intervention woodland.
- emissions outside the woodland boundary as a result of the project going ahead

It **does not** account for

- additional carbon sequestration due to changes to the management of existing woodland
- carbon stored in forest products
- the carbon saved when substituting wood products or fuels for other products or fuels with a larger carbon footprint.
What does a project have to show?

- **Register** with the FC, stating the exact location and long-term objectives

- **Meet UK standards** for sustainable forest management

- Have a **long-term management plan**

- **Use approved methods** for estimating the carbon that will be captured

- **Demonstrate additional** carbon benefits than would otherwise have been the case
Ask yourself if the planting would have happened anyway?

- Woodland planting must not be legally required (e.g. through a planning agreement or as a condition on a felling licence)
- The project could not have occurred with Government grants alone – although 85% of investment funding can come from government woodland creation grants
- Carbon finance (or the intention to obtain it) must be a deciding factor in the woodland creation going ahead
- Projects can show how they overcame barriers that could have prevented it from occurring

Each project will be assessed on its own merits, covering some or all of these tests
Does the previous land-use just move and cause woodland to be lost elsewhere?

- Regulatory arrangements reduce this possibility in the UK
- No account is taken for the reduction in emissions from stopping the previous land-use
Carbon sinks, stores and stocks are what is being measured

- Although we measure carbon stocks by measuring the trees, it is actually the *woodland* that is the carbon storage unit: primarily in the woody biomass, but also in the soils.
- The Forestry Act offers protection, it is not total (e.g. where planning permission is granted for development)
- Each project includes a contribution to a “pooled buffer” based on (a) uncertainty in estimations and (b) Unexpected & unavoidable catastrophic losses (e.g. fire, disease, drought)
What about independence & transparency?

All Woodland Carbon Code projects:

- Have registered their details on the Forestry Commission’s website
- Are Independently validated and verified
- Who are accredited by the UK Accreditation Service (under ISO 14065: 2007 standards)

FC is currently assessing options for a carbon unit registry
If you know landowners who are thinking of woodland as an additional and alternative legacy then it will provide........

Benefits

- **Income:** New woodlands which meet the standards set out in the Woodland Carbon Code could provide an alternative to agricultural income, with the future possibility of
  - Additional income upfront to help with the establishment of the woodland
  - Future income from the carbon sequestered in the woodland
  - Future income from timber products from sawlogs to woodfuel

- **Credibility:** Independent verification provides credibility to your project.

- **Reassurance:** For you and your customers that the carbon you claim will be sequestered, actually will be.

- **Permanence:** Woodland creation projects are sustainable projects which not only sequester carbon but also provide a range of social and environmental benefits
...UK forestry operates only in voluntary markets

By 2015, suppliers predict a global market size of 406 MtCO₂e.

Woodland Carbon sells now at between £3/tonne and £10/tonne depending on the buyer.

Predicted to increase in value to approx £100/tonne by 2040.

FTSE registered companies have to report gross greenhouse gas emissions from April 2013.
Progress to date

- Applications from projects for certification under the Code have been growing steadily since its launch in July ‘11
- 74 projects now registered;
- 19 projects validated over 480,000 tCO$_2$e;
- These projects will capture over 1.3Mt CO$_2$. 
What Next?

- Pilot a group certification scheme from July 2012
- Design and implement verification procedures
- Join a carbon registry for Woodland Carbon Units
- Establish a “carbon dating” facility?
- Consider implications of future international arrangements
- Extension of the Code
  - management of existing forests
  - other ecosystem services - potential?
If you are interested in this opportunity contact me

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