

12 October 2022

WCC Advisory Board Minutes 12 October 2022, via MS Teams

Present: Pat Snowdon, Vicky West, Andy Baker, Jamie Smith, Heather Conejo (Scottish Forestry), Mark Broadmeadow, Chris Waterfield, Emma Stewart, Annie Gordon (Forestry Commission), Fiona Hay (Welsh Government), George Hepburne Scott (Forest Carbon), Ewan Mackie (FR), Andy Grundy, Alex Hart (Soil Association), Nick Blyth (IEMA), Julia Raybould (Defra), Matthew Brander (Edinburgh Uni), Andy Leitch (Confor), Renée Kirkvliet-Hermans (IUCN – Peatland Code)

Apologies: Bruce Auchterlonie (Scottish Forestry), Ben Searle (NI Forest Service), Robert South (ICF) Steve Clarkson (OF&G), Ilona Coulson-Ashworth (Woodland Trust), Peter Coleman (BEIS), Graham Clark (CLA), Peter Wilson (Wilson Applied/UKWAS)

1. Minutes of the last meeting

No actions carried over.

2. WCC Update

- <u>Statistics on the Woodland Carbon Code</u> have been expanded to include project size, management regime, tree species groups and give further information on units available for sale or sold.
- Many validations were submitted prior to the implementation of Version 2.2 of the Woodland Carbon Code on 1st October 2022, with over 160 now 'queued' with the validators.
- There's still a small backlog of verifications but these should be finalised soon.
- Biomass lookup table in the WCC Carbon Calculator is being updated by Forest Research and will include wider spacing to 5m and more broadleaved species. New allometric equations for stem, branchwood and foliage are nearly complete, a scientific paper is being drafted. The WCC Secretariat hope to implement this in the standard in 2023.
- Soil Carbon changes with afforestation: Forest Research (FR) have funding to sample 60 WCC sites in each of 2022/23 and 2023/24. Focus is on sites with organomineral soils and FR sample soil 0-20cm under trees, in open areas within the woodland and open areas outwith the woodland. This will help improve the prediction of soil carbon changes with afforestation as well as allow development of a soil carbon measurement protocol for use by project developers.

AP1: WCC Secretariat will check what soil data is already available from Scottish Forest Alliance sites and whether they are included in the current site selection.

3. Policy Updates

England

- BEIS have commissioned an independent review of government's Net Zero Strategy
- Government will respond to <u>Climate Change Committee's 2022 Progress Report</u> by the end of March 2023.
- On 12 Oct Climate Change Committee published a report on <u>Offsetting and the Voluntary Carbon</u> <u>Market</u>.
- UK Government with devolved administrations will respond to the consultation on changes to the UK Emissions Trading Scheme by March 2023.
- A Biomass Strategy is in development.



WCC Advisory Board **Scotland**

- Scottish Forestry commissioned FR to produce a report: <u>Quantifying the sustainable forestry carbon</u>
 <u>cycle</u>
- Scottish Government are preparing the next update to the Climate Change Plan
- Scottish Government is focussing on a <u>Just Transition to a Net Zero economy</u>, including publishing <u>Interim Principles for Responsible Investment in Natural Capital</u>.
- The <u>Strategy for Economic Transformation</u> echoes these principles.

4. WCC Governance

WCC Secretariat highlighted the principles proposed by <u>ICVCM</u> for more transparent and formal governance processes. As also discussed at a previous Advisory Board, the WCC Secretariat will provide formal competence requirements for each position and introduce 'rotating 2-year' positions for the market player organisations (project developers, buyers, investors) as well as rotating representatives for forestry/landowner bodies. The WCC Secretariat will set out requirements and select new members in time for the Feb (market players) and May (landowner/forestry representative bodies) meetings.

AP2: WCC Secretariat to circulate Advisory Board Terms of Reference with the minutes. Feedback welcome before next meeting.

5. Developing Markets

Julia presented Defra's proposals for a UK-wide Ecosystem Markets Framework – to provide the infrastructure for broad, deep and liquid markets for ecosystems.

There has been some early market engagement over the summer and the framework will be published in November 2022. Members of the WCC Advisory Board expressed an interest in inputting at the early market engagement stage.

AP3: Julia to provide draft framework document for circulation to the WCC Advisory Board, **WCC Secretariat** to collate comments to feed back to Defra.

AP4: ALL to send any comments on the Framework to <u>info@woodlandcarboncode.org.uk</u> by **31**st **Oct (tbc)** if they are to be included in a combined response.

WCC Secretariat outlined other developments including:

- Development of new platforms to promote carbon and other ecosystem projects, including the <u>Kana</u> <u>Ledger</u>, and other platforms developing wider infrastructure.
- Lots of interest in developing a secondary market in credits, particularly PIUs, and uncertainty over the requirement for regulation.
- Work to better protect the Intellectual Property of the Woodland Carbon Code's 'tools'.
- The development of many other standards which could compete with or complement the Woodland Carbon Code and Peatland Code. The overarching Ecosystem Markets Framework is important in ensuring integrity in this developing space and it will be important that standards can be 'endorsed' as meeting the principles of the framework.



WCC Advisory Board 6. Changes to the Code

Version 2.2, Including changes to additionality

- Since 1st October 2022, Version 2.2 of Code has to be used by those submitting for validation or verification. This includes changes to the way additionality is assessed.
- Since the launch of Version 2.2, the WCC Secretariat have received some feedback on the WCC Cashflow tool, including discount rates, income forgone values, as well as some other minor issues. The WCC Secretariat are reviewing feedback and will announce any amendments soon, as well as publishing further guidance on using the WCC Cashflow tool. Soil Association are also refreshing their training materials for project developers to include information on Version 2.2 of the standard.
- The WCC Secretariat will also continue to examine the case for an alternative more in-depth financial test. This will include consultation with stakeholders, as well as the WCC Advisory Board.

ICVCM Core Carbon Principles

The WCC Secretariat Responded to the ICVCM's <u>consultation on Core Carbon Principles</u>. Some of the assessment criteria under the principles would be a challenge for the WCC to meet as presented, and they do not take account of the legislation and guidance such as the UK Forestry Standard that already exists in the UK. In particular under the Governance and Sustainable Development Impacts and Safeguards principles, and the requirement for verifiers to rotate.

- Soil Association explained how they deal with International Labour Organisation requirements in FSC/PEFC Chain of Custody auditing, and also that individuals within the verifying organisation rather than the verifying organisation rotated with other standards.
- IEMA had been involved in an ISO committee response and highlighted some of the challenges for verifiers in verifying working conditions and other aspects. They also highlighted terminology issues with 'reduction' and 'removal' credits.

7. AOB and Date of Next Meeting

- The <u>England Woodland Creation Offer will transition to the Local Nature Recovery scheme</u>, one of the new Environmental Land Management schemes, from 2025, offering consistency in government funding for woodland creation as schemes change in England.
- ISO are providing an international platform to <u>develop net-zero guiding principles through an</u> <u>International Workshop Agreement</u>. This will help parties for consensus on definitions surrounding net zero.
- Next meetings via Teams: 2 Feb 2023, 4 May 2023, 14 Sept 2023