

**WCC Advisory Board
Minutes
08 March 2023, via MS Teams**

Present: Pat Snowdon, Vicky West, Andy Baker, Heather Conejo (Scottish Forestry), Mark Broadmeadow, Chris Waterfield, Annie Gordon (Forestry Commission), Fiona Hay (Welsh Government), George Hepburne Scott (Forest Carbon), Andy Grundy, Alex Hart, Anne-Mari Cobb (Soil Association), Nick Blyth (IEMA), Julia Raybould (Defra), Matthew Brander (Edinburgh Uni), Andy Leitch (Confor), Renée Kirkvliet-Hermans (IUCN – Peatland Code), Robert South (ICF), Peter Wilson (Wilson Applied/UKWAS), Graham Clark (CLA), Peter Coleman (BEIS), Gregory Valatin and Tom Nisbet (FR – Woodland for Water Code Item), Josephine Tucker (BEIS – Nature Markets Framework item).

Apologies: Bruce Auchterlonie, Jamie Smith (Scottish Forestry), Ben Searle (NI Forest Service), Steve Clarkson (OF&G), Ilona Coulson-Ashworth (Woodland Trust), Ewan Mackie (FR)

1. Minutes of the last meeting

No actions carried over.

2. 2023 Preview

Pat Snowdon gave a preview of issues facing the WCC in 2023, Vicky West summarised the principal areas likely to be included in a 2023 update to the WCC. Vicky also updated the Board on the Integrity Council for the Voluntary Carbon Market (ICVCM) and International Carbon Reduction and Offset Alliance (ICROA) developments; ICVCM are due to publish Core Carbon Principles in March 2023, and ICROA, plan to re-assess endorsed standards, including WCC, in 2024.

There was a question on the relative hierarchy of ICVCM, ICROA and any other standards accreditation bodies/initiatives like the UK Nature Markets Framework. Globally ICVCM is placing itself as the overall ‘arbiter’ of high integrity supply-side of voluntary carbon markets. The global bodies are working together to ensure alignment.

3. New methodologies for WCC

Two methodologies have had a concept note approved by the WCC Executive Board and are proceeding with methodology development. These were presented to the WCC Advisory Board for comment:

3.1 Woodland for Water Code

Gregory Valatin and Tom Nisbet presented plans for the development of a [Woodland for Water Code, with the preferred option to integrate water credits with carbon credits under the Woodland Carbon Code](#). This Defra-funded project will look further into the feasibility of water nutrient credits in the first instance, followed by flood/volume and temperature regulation.

Gregory and Tom confirmed that this methodology would apply to woodlands in targeted areas, where research suggests clear benefits to reduction of pollutant inputs to watercourses through the creation of new woodland buffer strips. A nutrient credit would equate to tonnes of avoided nutrient input/year to watercourses (nitrate or phosphate). For flood risk management the units could be m³ water stored.

Other schemes exist globally, and the project will review these. For example, nutrient trading in southern England (the Solent and Somerset), and other local schemes in Europe and the US (e.g., Oregon). Natural England are developing a scheme for forty-four catchments at worst risk of excess nutrient loads in England. There was a question about how easy it would be to market water vs carbon credits. The team are confident there is a way forwards, given other examples implemented globally.

WCC project developers are interested in trialling the methodology over the next 12-18 months, but this is not part of the current project funding. Establishment of a 'catchment-scale lab' would be the ideal scenario to evaluate the process and confirm the benefits.

There was a question how a Woodland Water Code would operate in relation to relevant UKWAS, FSC and PEFC initiatives and the development of ecosystem markets more widely. This will require further investigation.

3.2 Agroforestry Code

Vicky presented the NEIRF-funded [Soil-Association-led project to develop a methodology to evaluate and credit the carbon stored in new agroforestry systems](#). Again, the preferred model would be integration of this methodology into the WCC.

Julia Raybould requested that links are made with the Defra farming team. There was also a request from project developers to consider potential eligibility criteria for projects under an agroforestry carbon code. For example, whether there is baseline data they should be collecting.

Peter Coleman noted that pilot studies funded through the Shared Outcomes Fund will be used to develop data for carbon modelling and monitoring purposes and several include agroforestry systems. These could provide useful data to support the Agroforestry Code.

AP1: Vicky to feed back to Clive Thomas, Agroforestry Code project manager at the Soil Association (Done).

4. UK Nature Markets Framework (Defra) and Country Policy Updates

4.1 UK Nature Markets Framework and work with British Standards Institute (BSI)

Josephine Tucker provided an update on work by Defra to develop a UK Nature Markets Framework and explained work with the British Standards Institute to develop overarching and habitat or ecosystem-specific standards.

The Framework will be published in the spring alongside the Green Finance Strategy ([now published here](#)). It is a cross-department document with input from Defra, Department for Energy Security and Net Zero, and Treasury, and will cover:

- Vision for the role of nature markets
- High level principles for market development – where possible streamlined with initiatives such as ICVCM and other existing standards, developed with a range of interested party inputs
- Policy positions on stacking and bundling, combining public/private finance, the development of infrastructure and governance going forwards
- Details on supporting farmers for accessing markets e.g., through the Environmental Land Management scheme in England
- Commitment to monitor, update the framework and provide further research in support
- Plans to work with BSI to produce a framework for nature market standards. Over the next 2 years, an overarching standard and then more specific standards for other habitats/ecosystem services will be developed. These will be determined in an initial 'discovery' phase.

There was a question on the difference between the Nature Markets Framework and the Green Finance Strategy. Josephine confirmed the Green Finance Strategy is broader and covers Environmental Finance beyond Nature (for example, energy and waste) as well as the role of the financial sector in greening the economy.

There was a further question on how the new UK Framework would fit with global frameworks like ICVCM and ICROA. Josephine confirmed that ICVCM are yet to release their final principles ([now published here](#)), but the BSI work is aware of these other initiatives and will align where appropriate. There was a suggestion that UK and Global Level standards should be aligned as much as possible, to minimise confusion as well as the amount of work required for standards to be accredited at each level. Nick Blyth also noted that BSI are one of the governing bodies of ICVCM, so this would hopefully enable alignment.

4.2 England

England have legislated for [statutory targets under the Environment Act](#), including a target for tree and woodland cover to rise to 16.5% by 2050 in England, with an interim target requiring 34,000ha of new woodland by 2028. There is a separate target to restore or create 500,000ha for wildlife-rich habitat by 2042. See the [impact assessment](#).

4.3 Scotland

- 1) There is a current [consultation on the future of the forestry grant scheme](#). Responses are due by 17 May 2023.
- 2) An update to the Climate Change Plan will be laid before parliament in early 2024.

4.4 Wales

- 1) Welsh Government have [opened a new grant scheme including a scheme for woods under 2 hectares](#). The requirement to register 'Native Woodland – Carbon' grant projects with the WCC has been removed, although all applicants are invited to consider the WCC.
- 2) Welsh Government have also commissioned Finance Earth to look at a public interest company to encourage private investment as delivery model for the Wales National Forest.

4.5 Northern Ireland

No representative was present to provide an update from Northern Ireland.

5. Woodland Carbon Code Updates

5.1 Capacity

Andy Grundy noted that the average size of projects coming forward for validation is decreasing. Added to ambitious planting targets, a greatly increased number of validations can be anticipated in the next few years. Current limits to capacity in the WCC Secretariat Team are adding delays to the process. George Hepburne Scott also supported the work of the WCC Secretariat but requested increased capacity in the team to deal with the volume of projects.

Vicky West confirmed that the volume of validations and verifications is increasing 5-fold in 2023 and up to 10-fold in 2024. The WCC Secretariat are looking at options to increase capacity.

5.2 New Advisory Board members

Andy Baker confirmed that the WCC Secretariat have selected new Advisory Board members, approved by the Executive Board, to serve a 2-year term, as follows. New members will attend from the May 2023 meeting.

- **Project Developers:** Emma Kerr, Scottish Woodlands, and James Russell, Forest of Marston Vale/Community Forests
- **Retail Aggregator (new post):** Josh Holland, Atos
- **Investor (new post):** Robert Guest, Foresight
- **Corporate Buyer (new post):** Bruce Kennedy, Boston Consulting Group

Andy Baker thanked outgoing members Forest Carbon and Woodland Trust for their invaluable input to the WCC Advisory Board and the development of the WCC.

6. Buyer Credibility

Vicky West presented information on the way the UK Land Carbon Registry records carbon credit purchases, highlighting issues with credits which are 'assigned' to buyers who do not have accounts. The preferred direction is to require all buyers to have accounts in future and to find a more streamlined way to enable this for smaller buyers.

Project Developers were comfortable with this direction of travel, provided the process to setup accounts is as streamlined as possible to avoid account setup becoming a bottleneck in the market for small purchases. Robert South suggested improvements to the look and feel of the

registry to ensure clarity, transparency, and traceability. Vicky confirmed that the current registry provider intend to improve the user interface later this year.

7. New WCC Research Projects

7.1 Carbon Pricing

Vicky West presented work with Ecosystem Marketplace and the Peatland Code to develop a carbon price index for UK carbon credits. First outputs are expected April 2023. This increased transparency was welcomed by Advisory Board members, who added that it will be helpful if such work improves understanding of the interplay between carbon and other ecosystem service values.

7.2 Community Benefits

Pat Snowdon presented plans for a research project to look at how community benefit is considered and included in the Woodland Carbon Code in future. He confirmed that the project will consider Welsh language issues and sharing of carbon revenues with local communities.

8. AOB and Date of Next Meeting

Next meetings via Teams: 4 May 2023, 14 Sept 2023