

**WCC Advisory Board
Minutes
04 May 2023, via MS Teams**

Present: Pat Snowdon, Vicky West, Andy Baker, Heather Conejo, Bruce Auchterlonie (Scottish Forestry), Chris Waterfield, Annie Gordon (Forestry Commission), Fiona Hay (Welsh Government), Andy Grundy, Alex Hart, Anne-Mari Cobb (Soil Association), Steve Clarkson (OF&G), Nick Blyth (IEMA), Julia Raybould (Defra), Renée Kirkvliet-Hermans (IUCN – Peatland Code), Robert South (ICF), Graham Clark (CLA), Peter Coleman (DESNZ), Ewan Mackie (FR), Peter Wilson (Wilson Applied/UKWAS), Emma Kerr (Scottish Woodlands), Josh Holland (Atos), James Russell (Marston Vale Trust), Bruce Kennedy (Boston Consulting Group)

Apologies: Jamie Smith (Scottish Forestry), Mark Broadmeadow (Forestry Commission), Ben Searle (NI Forest Service), Matthew Brander (Edinburgh Uni), Andy Leitch (Confor)

Welcome!

Welcome to new members of the WCC Advisory Board, who will serve a 2-year term:

- **Project Developers:** James Russell, Forest of Marston Vale Trust and Emma Kerr, Scottish Woodlands
- **Retail Aggregator:** Josh Holland, EcoAct
- **Investor:** Robert Guest Foresight Sustainable Forestry Company/Foresight Group
- **Corporate Buyer:** Bruce Kennedy, Boston Consulting Group

1. Minutes of the last meeting

No actions carried over.

2. Updates

Statistics: Vicky West presented statistics on the number of projects registered, validated, and verified in 2022-3 compared to previous calendar years. Registrations and validations are at a higher rate than in 2020-1, after peak registrations in 2021-2 prompted by rule changes. There are capacity issues within the WCC Secretariat and validating bodies, as well as project developer issues (timing of planting or timing of starting the verification process) which are leading to some deadlines being missed and extensions given.

Resources: Vicky West outlined that the WCC Secretariat are pursuing options for additional funding to deal with the increasing volume of projects to review at registration, validation, and verification stage and to enable development of the WCC, including in the areas of:

- Biodiversity crediting
- Template buyer-seller contracts
- Legal aspects surrounding buffer terms and management



Andy Grundy confirmed that there were significant delays in the process at the point where the WCC Secretariat conducts checks, and questioned whether this may restrict trade (for the validators). More joined-up processes between the forestry authority grant schemes and the WCC were suggested as one way to improve efficiency, and extra capacity within the WCC Secretariat to deal with demand as the market changes and matures.

Robert Guest suggested that Foresight's financial auditors would be looking to see smooth delivery of projects through the validation process now that a carbon value was part of the balance sheet at Foresight.

Emma Kerr suggested that greater collaboration between the carbon standard and forestry authority grant schemes could also make things more efficient (for example if all information required for both were collected at the grant application stage, if that is earlier). Robert South enquired whether project developers could provide their own shapefiles, and this is being investigated.

Nature Markets Framework & ICVCM

Vicky West confirmed that the (UK) Nature Markets Framework and (Global) Integrity Council for the Voluntary Carbon Markets (ICVCM) Core Carbon Principles were published in March 2023; the WCC Secretariat will review what changes can be made to the WCC in 2023 to ensure the standard is compliant with both. After review, the Secretariat will take a view on timing of application to ICVCM for assessment.

Robert Guest expressed concern about Defra's Biodiversity Metric potentially being used as 'the standard' for biodiversity markets, as for various reasons, including time of establishment, woodland doesn't score highly. Foresight have evaluated the metric on various sites and will share results with Defra, NatureScot and Welsh Government.

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. Policy Updates from Countries

3.1 England

No representative was present to provide an update from England.

3.2 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.
- 3) Scottish Government have a work programme to develop Natural Capital Markets and the 'Scottish Natural Capital Finance Pioneers' host a useful chat forum called 'Basecamp'.



- 4) NatureScot have launched a new grant scheme [FIRNS](#) to support development of natural capital projects.

3.3 Wales

Welsh Government are reviewing grant rates to encourage uptake of woodland creation and hope to publish new rates by the end of May 2023.

Emma Kerr asked whether the Native Carbon Grant continues at 2,500 stems/ha (2m spacing) and raised the point that 2m spacing is not available in the carbon calculator for broadleaves. Fiona Hay will clarify with Emma. Work to improve carbon prediction tools will give a wider selection of tree spacing options in future.

3.4 Northern Ireland

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

4. WCC Strategy and Direction

Pat Snowdon introduced a vision for the Woodland Carbon Code, options for future financing and the scope of the programme going forwards.

Vision & outcomes: James Russell asked whether the WCC Secretariat have assessed the potential threat of other developing standards which could be of lower integrity. Defra's Nature Markets Framework and the BSI standards work will help ensure integrity amongst standards and the Exec Board regularly review the WCC risk register.

Financing Options: Andy Grundy noted that the market must scale enough, and fees need to be sufficient to enable the programme to be self-financing, forecasting the time this point is reached is important, along with government commitment to support the programme until that time. The Board also discussed that in the UK there are lots of small projects, that the breakeven point for projects gets higher as operational costs increase and that longer-term, aggregation of different credit types (e.g. woodland, peatland, agroforestry carbon across a land holding) would help.

Scope: In terms of enhancing carbon sequestration from existing woodland creation projects, Josh Holland asked whether enhanced rock weathering had been investigated, Robert South asked whether the WCC Secretariat would expand the scope to existing woodlands by including improved forest management and harvested wood products. All these options are part of the 5-year look, but not prioritised for immediate investigation.

The Board also discussed the relative benefits of 'stacking' carbon credits with other ecosystem service credits giving the project owner different income streams, compared to quantifying and 'bundling' other ecosystem services into the one 'credit' that is sold. James Russell suggested the landowner could potentially generate more income by selling ecosystem services separately, and Robert Guest suggested that it would be important to know the pure carbon value without the other 'assets', especially in order to make carbon credits more fungible e.g. if they were eligible under the UK Emissions Trading Scheme, although there is a 'neatness' in 'bundling' the benefits together for sale.



James Russell asked whether carbon credit insurance was now offered. Kita [offer a product for carbon credit buyers](#) but Advisory Board members would also like to see a product for sellers. In the wider risk context, Emma Kerr also suggested that further scenarios on buffer use and claims would be useful, as would more frequent, more automated monitoring to keep track of carbon sequestration benefits.

AP1: All to send any further comments on slides (attached with minutes).

5. WCC Priorities for 2023/4

Vicky West introduced priorities for the WCC programme during 2023/4 noting that some aspects were dependent upon successful funding bids. A more detailed table looking at the work programme for the next 5 years will be circulated with the minutes for comment.

Peter Coleman asked whether improving systems and IT are part of the plan (it is, subject to funding). Emma Kerr confirmed that improvements to the year 5 verification protocol would be appreciated soon. Robert South suggested a change to the way the management of woodlands are described, to ensure the standard is not appearing to advocate no management. The allowable management scenarios for predicting carbon sequestration were discussed, and the suggestion to require thinning of all WCC projects when predicting sequestration at validation. Emma Kerr suggested that projects submitted by different project developers had differing levels of optimism as to their management and carbon sequestration potential. This should hopefully be picked up through the validation process. Graham Clark noted that restricting upfront sales of Pending Issuance Units by assuming all projects are thinned could influence participation and viable project size, and that if any changes are made, the programme still needs to be viable for the range of projects in the UK.

AP2: All to comment on the priorities paper circulated with the minutes.

8. AOB and Date of Next Meeting

Next meetings via Teams: 14 Sept 2023