

# Woodland Carbon Code version 3.0 consultation document

## April 2025

### Contents

|                                                     |     |
|-----------------------------------------------------|-----|
| 1. Introduction .....                               | 3   |
| 2. The standard .....                               | 4   |
| Clarity on requirements and guidance .....          | 4   |
| Project size and groups.....                        | 4   |
| Land changing hands before validation.....          | 4   |
| Clarifications made in 2024 .....                   | 4   |
| Project implementation and start dates.....         | 4   |
| Project duration.....                               | 5   |
| Small woods .....                                   | 5   |
| Projects on tenanted crofts or common grazing ..... | 6   |
| Group agreement.....                                | 6   |
| Biodiversity monitoring.....                        | 7   |
| 3. Cashflow .....                                   | 7   |
| Changes to the data .....                           | 7   |
| Cost and income data .....                          | 7   |
| Income forgone data .....                           | 8   |
| Discount rate .....                                 | 8   |
| Cashflow public availability .....                  | 8   |
| Timing of the additionality test .....              | 8   |
| 4. Carbon calculator .....                          | 9   |
| Standard calculator.....                            | 9   |
| Small woods calculator .....                        | 9   |
| 5. Survey protocol .....                            | 10  |
| 6. Changes to documents and processes .....         | 10  |
| Template documents.....                             | 10  |
| New guidance - changes to your project.....         | 10  |
| 7. Timing and frequency of updates .....            | 12  |
| 8. Future updates to the standard .....             | 13  |
| 9. Any other comments.....                          | 155 |



## 1. Introduction

The Woodland Carbon Code team is consulting on a new version of the Code which will be released later this year.

The update reflects our commitment to continuous improvement, ensuring the code remains clear, accessible and aligned with global and national standards.

It builds on the results of [research commissioned by Defra](#) on the Woodland Carbon Code's framework, data requirements and approach to additionality as well as the recent [consultation on additionality](#). It also incorporates feedback from project developers and the validation and verification bodies.

The improvements will help to maintain the code's reputation as a high-integrity carbon standard, informed by the latest data and industry best practices.

### Share your views

We would like to invite you to comment on the draft of the Woodland Carbon Code Standard Version 3. The public consultation will run from Tuesday 29 April to 10 June.

Anyone interested in sharing their views is invited to read this consultation document then complete our [online survey](#). It should around 30 minutes of your time and you only need to respond to the questions relevant to you.

To download and view the draft Woodland Carbon Code standard and other documents, please visit our [Woodland Carbon Code version 3 consultation page](#).

You can [read our privacy notice here](#).

### Webinar

We are hosting a webinar on Tuesday 6 May at 2pm to discuss the main changes in version 3.0. Anyone interested in joining can sign up [here](#).

The webinar will be available after the event to watch on demand from [www.woodlandcarboncode.org.uk/news](http://www.woodlandcarboncode.org.uk/news)

### Next steps

Following the public consultation, we will consider all comments and feedback in finalising the new version. We will publish a report which summarises feedback from each section of the consultation and our responses on our website on Tuesday 1 July. We will also publish individual consultation responses where the respondent has given permission for us to do so.

We are also making sure the standard meets the requirements of ISO 17029:2019 Conformity assessment – General principles and requirements for validation bodies. The UK Accreditation Service may require us to make other small changes to ensure

that we remain compliant. If this is necessary, we will explain these changes within our consultation report.

We're planning to publish the next version of the standard on 1 July 2025. See section 7 for our plans on transition and updating the code in future.

If you have any questions, please email [info@woodlandcarboncode.org.uk](mailto:info@woodlandcarboncode.org.uk)

## 2. The standard

### Clarity on requirements and guidance

As we review the standard, we're making sure that our 'requirements' and 'guidance' are clear and separate, and that we minimise duplication. In some cases, we have moved an item from 'guidance' to 'requirement' or the other way around.

We have made clear in the standard what we consider the 'normative' set of requirements and documents that the validators will use to validate and verify projects.

### Project size and groups

Information about project size and arrangements for groups previously only appeared in the introduction to the standard or online guidance. We've moved this information into the 'requirements' section.

### Land changing hands before validation

Our guidance previously stated that only the landowner who plants a woodland can validate a project. This guidance was relevant when it was possible to register after you had planted your woodland in an older version of the standard.

We have now removed this guidance, so it is possible for land to change hands between registration and validation.

### Clarifications made in 2024

We published [clarification 1 to version 2.2](#) of the standard in April 2024. These clarifications were effective immediately and they are now formally included in the requirements of the standard. This includes the information on natural regeneration projects.

In draft version 3.0 of the standard, we have indicated these changes with the comment 'clarification 1'.

### Project implementation and start dates

As explained in the natural regeneration guidance published in clarification 1, we have updated the implementation and start date definitions for natural colonisation/regeneration projects. This clarifies these dates where enhanced herbivore/deer management plans are important to the success of the project.

## Project duration

We are changing the minimum project duration to be compliant with the Integrity Council for Voluntary Carbon Market (ICVCM)'s core carbon principles. At present, there is only a minimum project duration for projects where clearfelling is occurring where the minimum project duration is the length of the shortest clearfell rotation.

We are changing the minimum project duration to be either 40 years or the length of the shortest clearfell rotation where this is longer.

To date, less than 5% of our validated projects have project durations less than 40 years. Durations of these projects range from 25 to 38 years. The new project duration would apply to projects validated to version 3.0.

**Questions 1 to 6** are background questions about the respondent.

**Question 7:** On a scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree, how much do you agree with setting a minimum 40-year project duration?

**Question 8:** Please provide further comments to support your view.

## Small woods

For small-scale projects, it can be challenging to balance the cost of validation and verification with the income received from selling carbon units. The Woodland Carbon Code has a 'small woods' process for projects up to five hectares including:

- Reduced requirements at validation and verification
- A simplified but conservative carbon calculator at validation
- A basic monitoring process using images at verification to allow conversion of Pending Issuance Units to Woodland Carbon Units
- The opportunity to 'pool carbon' across a group of small projects where landowners are willing to collaborate

Over a third of our projects at the under-development stage are under five hectares. Another 20% are between five and ten hectares. These projects account for around 4% and 5% respectively of the potential carbon sequestration of all under development projects. Increasing the threshold to ten hectares gives a total of 9% of all Woodland Carbon Code carbon units converted using this simplified process.

We are proposing to increase the threshold for projects using the small woods process from five hectares to ten hectares.

**Question 9:** On a scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree, how much do you agree with increasing the threshold to ten hectares?

**Question 10:** Please provide further comments to support your view.

## Projects on tenanted crofts or common grazing

Crofting legislation in Scotland gives particular rights to tenant crofters and crofters using common grazings. We have amended several sections of the standard to take account of this and provide clarity for woodlands created on crofting land.

We have clarified the eligibility of land under crofting or common grazing in Scotland in section 1.3. We ask that applicants confirm the land is registered on the Crofting Commission Register of Crofts and the Registers of Scotland Crofting Register.

At present in section 2.1, we require the landowner to sign a commitment statement for all projects. Where a woodland creation project is within the inbye land of a tenanted croft or land permanently apportioned to a croft, or the land is within common grazings and there is an approved application for forestry under section 50 of the Crofters (Scotland) Act 1993, the landowner will not be required to sign the commitment statement.

If woodland is created within common grazings under section 50A of the Crofters (Scotland) Act 1993, the participating shareholders, the common grazing clerk and the landowner shall all sign the commitment statement.

There are additional requirements for woodland on common grazings regarding:

- The management plan
- Confirmation of the existence or appointment of a common grazing committee (see section 2.2)
- The requirement for an agreement which sets out how the carbon units will be allocated to participating shareholders.

**Question 11:** On a scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree, how much do you agree with the arrangements for crofting land?

**Question 12:** Please provide further comments to support your view.

## Group agreement

To date, projects which were validated or verified as a group needed a group agreement.

We had originally envisaged groups might be used as a way of pooling carbon risk and reward across several landowners. This has not yet happened and groups are being used for administrative reasons to save time and cost during validation and verification. In every group so far, each individual landowner is responsible for the delivery of their own carbon units. We are therefore removing the requirement for a group agreement where there is no pooling of carbon units.

We will instead only require a multi-party 'carbon sharing' agreement for any cases where carbon is pooled across several landowners in a group of projects or shareholders in a common grazing project.

This reduces the requirement for documentation for most groups, retaining it only where risk and reward are shared across several parties.

**Question 13:** On a scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree, how much do you agree with changing the 'group agreement' to a 'carbon sharing agreement' to be used only where responsibility for carbon units is shared?

**Question 14:** Please provide further comments to support your view.

## Biodiversity monitoring

During 2024 and 2025, Scottish Forestry and IUCN UK Peatland Programme have been working on a [project to set out how changes to biodiversity could be monitored in woodland creation and peatland restoration projects](#). In future, it might be possible to show units either as an explicit bundle (where both carbon and biodiversity are measured and verified, but there's still only one credit) or as two separate credits. We're applying for more funding to continue this exploratory work (see section 8 for further details).

In the meantime, the initial project explains how baseline biodiversity monitoring data can be collected at woodland creation and peatland restoration sites. In version 3.0, it may be possible to allow Woodland Carbon Code projects to monitor the biodiversity baseline using this methodology. This work would have to be carried out before work began onsite. It could be assessed by validators at validation.

At present, there is no guarantee that the Woodland Carbon Code will offer either an explicit bundle or separate biodiversity credits, but project developers who measured their baseline would be able to demonstrate the changes to biodiversity of their project in future in a consistent manner.

**Question 15:** On a scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree, how much do you agree with introducing the option, but not requirement, to measure the biodiversity baseline of a project?

**Question 15:** Please provide further comments to support your view.

## 3. Cashflow

Based on feedback from the recent EY consultation on financial additionality, we have made the following updates to the Woodland Carbon Code cashflow:

### Changes to the data

#### Cost and income data

We've adjusted costs in line with inflation, using the [GDP deflator](#), which has risen by 13% over the past three years. The approach to insurance costs has been revised, taking account of current practice in the sector. We've reduced the insurance rate

from 1% to 0.5% of the crop's value. This more accurately reflects historical premiums, with fire insurance costs typically higher in earlier years and wind insurance costs becoming more relevant in later years. We now assume all projects have insurance costs to acknowledge that all projects are either insured directly or self-insure.

We've updated timber values to reflect five-year average prices. Conifer values are based on the Coniferous Standing Sales Price Index, while broadleaf values are derived from Grown in Britain and Forest Research statistics.

We have also removed the fencing cap so that the total length of relevant fencing can be included in the project costs.

### Income forgone data

We have updated income forgone values using the latest Farm Business Survey data for the four devolved nations. These values have generally increased at a rate higher than inflation. Urban and non-agricultural land can now claim higher levels of income forgone. We are developing a new online map to provide easier access to Land Capability for Agriculture and Less Favoured Areas datasets.

### Discount rate

We are planning to retain the HM Treasury Rate of 3.5% declining to maintain simplicity and consistency across all elements of the cashflow. We recognise responses to the recent consultation about applying risk premia. Applying such premia is challenging while maintaining an effective test but will be kept under review.

### Cashflow public availability

In line with ICVCM requirements, we propose making the cashflow publicly available on the registry from version 2025-26 onwards. In the past, this document was uploaded onto the registry but kept private, as applicants needed to input potentially commercially sensitive information (e.g. how much they spent on fencing). This is no longer the case, as all costs are now standardised within the cashflow. Increasing the transparency of project documents improves the credibility of the standard and removes the need for duplication between documents for applicants.

### Timing of the additionality test

The version of the cashflow model used by projects is critical for ensuring financial clarity and certainty. We are proposing changing this so that the version of the test you use is dependent on when you start work onsite (i.e. the implementation date), rather than the date you submit for validation. This means landowners can be more certain that they will be eligible for the Woodland Carbon Code before they start work onsite.



Section 7 gives further details and consultation questions on version updates and transition periods, but the core principle proposed for the cashflow is:

- Projects that have already started work onsite will continue using version 2.2.1.
- Projects that have not yet started will be eligible to use version 3.

Additionality will continue to be assessed at validation.

**Question 17:** On a scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree, how much do you agree with the proposed updates to data used in the cashflow?

**Question 18:** On a scale of 1 to 5 where 1 is strongly disagree and 5 is strongly agree, how much do you agree with making the cashflow public?

**Question 19:** Please provide further comments to support your views.

## 4. Carbon calculator

### Standard calculator

We plan to change the way the carbon cost of fencing is inputted, making it per metre, rather than per hectare. We also plan to introduce a 2.5 m spacing option for Scots pine, reflecting feedback that 2.5 m is commonly used. This will be pro-rated from the 2.0 m spacing.

### Small woods calculator

As explained in section 2, there is a simplified carbon calculator for small woods. This simplified version currently allows a limited number of management options which are modelled conservatively. Currently the model allows for woodlands managed through regular thinning or minimum intervention but does not include a clearfell option. We propose introducing conservative conifer clearfell option using the Sitka spruce model at Yield Class 12, in line with the other conifer scenarios in the small woods calculator.

We have also clarified some of the assumptions made in the small woods calculator, making it easier for users to understand this simplified version

The small woods calculator is conservative, but monitoring requirements are reduced as set out in section 2. If a small project chooses to do full monitoring (i.e. a mensuration survey) at later verifications and is doing better than predicted, we will issue extra Woodland Carbon Units.

We are not providing a draft updated carbon calculator with the consultation documents. We hope the proposed direction is clear.

**Question 20:** On a scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree, how much do you agree with these changes to the carbon calculator?

**Question 21:** Please provide further comments to support your view.

## 5. Survey protocol

Following user feedback, we've made the following changes:

- Added guidance on the type of survey to carry out at year 10
- Improved the way we explain how to stratify your site ready for survey
- Added guidance on how to vary plot size on sloped ground
- Added more information on the number of plots for different sized strata

The draft update to the survey protocol is provided for comment.

**Question 22:** On a scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree, how much do you agree with the changes to the survey protocol?

**Question 23:** Please provide further comments to support your view.

## 6. Changes to documents and processes

### Template documents

We will streamline the project design document and project progress report to remove duplication between documents and between sections within the documents. They will also align with the updated standard. We hope this will make them simpler to fill out. It will also minimise the chance of errors and inconsistencies when documents are submitted for validation and verification. Making the cashflow a public document, as mentioned in section 3, allows us to remove some of the duplication in the project design document.

We will also create templates for the commitment statement, remedial plan and a standalone survey plan (i.e. we will remove it from the monitoring report).

We are not providing these streamlined documents with the consultation documents. We hope the direction is clear.

**Question 24:** On a scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree, how much do you agree with streamlining the template documents?

**Question 25:** Please provide further comments to support your view.

### New guidance - changes to your project

We are receiving more frequent requests to change details about the people involved in projects (the landowner, tenant or project developer) as well as the projects themselves (for example, if the land is split into two ownerships at inheritance or on land sale) and changes to group structure. We have set out clearer guidance on what to do in these situations.

The draft guidance is provided for comment.

**Question 26:** On a scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree, how much do you agree with the new guidance on changes to projects?

**Question 27:** Please provide further comments to support your view.

## 7. Timing and frequency of updates

### Historical updates and transition

The first version of the standard was published in 2011. Since then, we've published updates between one and four years apart. We have allowed a transition period of three months for previous updates. In the transition period, either the old or new versions of the standard could be used when submitting for validation or verification.

In 2024, we introduced a process of making clarifications to the standard between formal standard updates. Clarifications enable us to add more detail to help project developers and validation/verification bodies interpret the standard. Clarifications are effective immediately.

### Frequency of future updates

We will publish version 3.0 of the standard on 1 July 2025. After this, we plan to update the standard and documents every three years. If necessary, we will make clarifications between formal updates of the standard.

If we need to make changes to the standard, for example to be compliant with ICVCM or the International Carbon Reduction and Offset Alliance, we may update the standard sooner.

We propose to update the cashflow annually.

### Transition period

We propose to increase the transition period to one year.

For the transition to version 3.0 of the standard, projects submitting for validation or verification up to 30 June 2026 would be able to use either version 2.2 or version 3.0 of the standard. After this date, all projects must use the new version.

Each time we update the cashflow, there will be a year's transition, so project developers could choose whether to use the current or new cashflow based on their implementation date.

### Document versions

The version of the standard you use is based on the date you submit for validation or verification, as set out below. The cashflow version is based on the project's implementation date. The tables below set out which versions of the new standard and cashflow should be used when.

#### Cashflow version:

| Implementation date | Before 1 July 2025 | 1 July 2025 to 30 June 2026 | 1 July 2026 to 30 June 2027 | 1 July 2027 to 30 June 2028 |
|---------------------|--------------------|-----------------------------|-----------------------------|-----------------------------|
| Cashflow version    | V2.2.1             | V2.2.1 or V25/26            | V25/26 or V26/27            | V26/27 or V27/28            |

**Standard version and other supporting documents:**

|                                   |                    |                             |                             |
|-----------------------------------|--------------------|-----------------------------|-----------------------------|
| <b>Validation submission date</b> | Before 1 July 2025 | 1 July 2025 to 30 June 2026 | 1 July 2026 to 30 June 2028 |
| <b>Standard version</b>           | V2.2               | V2.2 or V3.0                | V3.0                        |

**Question 28:** On a scale of 1 to 5, where 1 is strongly disagree and 5 is strongly agree, how much do you agree with the proposed update frequency and transition periods for the standard and cashflow?

**Question 29:** Please provide further comments to support your view.

## 8. Future updates to the standard

For the next version of the standard, we will be working on the following topics.

### Use of remote sensing for monitoring

This year we're [piloting drone-based methods for year 5 monitoring of projects](#). Through the CivTech process we're also working with two companies to investigate the use of satellite-based data and low-cost sensors to help improve the frequency, accuracy and transparency of our monitoring protocols.

### Small woods

As set out above, we are looking at ways to make the code more accessible for small woods. We will continue to look for further options to improve accessibility, in addition to increasing the threshold and adding a clearfell option to the small woods calculator.

### Clarity over buffer rules

Over the last year, we have created [template agreements for buying and selling carbon units](#). These will improve confidence among buyers and sellers, helping them to understand the risks and liabilities.

Next, we plan to review and improve our [guidance on the function of the Woodland Carbon Code buffer](#) and how reversal of carbon sequestration is accounted for when things don't go to plan with woodland carbon projects.

### Biomass carbon calculator

Forest Research is working on an updated version of the model that supports the carbon calculator. This will provide improved predictions based on the best available and more comprehensive data sources. The updated model will allow for predictions for a wider range of spacings up to 5 metres (400 stems/ha) for all species included. Predictions will also be supported by indications of levels of supporting data, confidence and uncertainty.

## **Soil carbon**

With the support of our project developers and landowners, Forest Research has collected soil carbon data at more than 140 Woodland Carbon Code projects, comparing a 'control' site (the previous land use) with new planting aged 1 to 20 years old. This work is ongoing.

Forest Research is collating this information with other studies to create a library of soil carbon measurements for all scenarios of planting method, soil type, forest management type and tree species. We hope to develop a more detailed soil carbon calculator, like the biomass carbon calculator, based on this data.

Through the CivTech project, we are also investigating the use of low-cost sensors to give information on changes to soil carbon and would like to develop a soil carbon measurement methodology.

## **Improved registry and workflow management**

We are currently re-tendering for a provider for the UK Land Carbon Registry and hope to improve the functionality of the system in the next iteration. We plan to go live with the new registry in summer 2026.

Through the CivTech process, we are also working with a company to provide improved and streamlined workflow management tools. This should reduce the administration burden for preparing documents and having them validated and verified. It will also provide a platform to visualise remotely sensed monitoring data. We will continue to develop the workflow management tools during 2025 and 2026.

## **Biodiversity monitoring and measurement**

The [proposed framework for biodiversity quantification](#) was developed through a Facility for Investment Ready Nature in Scotland (FIRNS) project during 2024 and 2025. While projects could potentially monitor their biodiversity baseline now (see section 2), further work is required before we can publish a biodiversity methodology that could measure biodiversity uplift and potentially allow either an explicitly bundled credit or separate biodiversity credits. We have applied for more funding to continue this project. If we receive further funding, we will focus on data aggregation, methodology refinement, biodiversity uplift modelling and strengthening verification protocols in 2025-26.

## **Woodland Water Code**

Forest Research is leading a [project to develop a Woodland Water Code](#) for the monitoring and potential crediting of water quality, flood alleviation and shading benefits. The team are looking at potential buyers of water credits to understand demand and working further to develop the methodology, either as a separate standard or as a methodology under the Woodland Carbon Code.

## **Community engagement and benefits**

During 2024 and 2025, a FIRNS project developed requirements projects could use to quantify [the level of community engagement and community benefit](#) they provide.

Scottish Land Commission have also published a [community benefits routemap](#). These requirements could potentially be incorporated as options in the Woodland Carbon Code. We will review this work and consider whether it is appropriate to incorporate into the standard.

## Whole farm approach

Another FIRNS project looked at [improved governance mechanisms for whole farm and farm cluster natural capital projects](#). (Outputs of the project will be [available here](#) in May). This considered how to combine natural capital projects of different types (e.g. woodland and agroforestry) as well as how landowners could work together through clusters or networks on natural capital projects. We will review the recommendations of this project which have the potential to support small projects.

## Models for investment in Pending Issuance Units

We are aware of various proposals to develop and encourage infrastructure for early and credible investment in Pending Issuance Units. We plan to investigate this further with academics and interested investors.

**Question 30:** Please rank these topics in order of priority:

- Remote sensing
- Small woods
- Buffer rules
- Updates to biomass and soil carbon estimates
- Registry and workflow management
- Biodiversity monitoring and crediting
- Woodland Water Code
- Community engagement and benefits
- Whole farm approach
- Models for investment in Pending Issuance Units

**Question 31:** What else should we consider for future versions of the standard?

**Question 32:** Please provide further comments to support your view.

## 9. Any other comments

Thank you for taking the time to respond to the consultation. If you have any other views on how we could improve the standard, supporting guidance or template documents, please provide them here.

**Question 33:** Please let us know how else we could improve the standard

**Question 34:** Please let us know how else we could improve the supporting guidance

**Question 35:** Please let us know how we could improve the template documents

**Question 36:** Please share any suggestions on how we could improve this consultation or any we run in the future.