



Nature Markets Strategy Board minutes

Tuesday 25 May 2024 via Microsoft Teams

Present:

Paul Lowe (Scottish Forestry) - chair
Richard Stanford (Forestry Commission)
Naomi Matthiessen (Welsh Government)
John Joe O'Boyle (Northern Ireland Forest Service)

Pat Snowdon (Scottish Forestry) – technical support
Susan Szymborski-Welsh (Scottish Forestry) – minute taker

Apologies: None.

1. Terms of reference and mode of working

Pat introduced the proposed terms of reference and mode of working for the Nature Markets Strategy Board (subsequently referred to as the Board). These include that the Board focusses on the Woodland Carbon Code with scope to cover other nature markets as these develop. The Board will be responsible for guiding the strategic and operational development of the Code.

Members agreed to this remit and felt it was important to ensure the terms of reference reflect the broad scope of the group. They agreed to meet two times per year and that the Chair would rotate on an annual basis, starting with Paul. They also agreed to communicate by email and arrange extraordinary meetings when needed.

The Board noted that it will be important to involve other colleagues with expertise on and responsibility for certain subject areas. Pat noted that some colleagues are already engaged through the Woodland Carbon Code Executive Board and the Advisory Board. It was agreed that the Board could invite others to contribute to the Board if any gaps are identified.

Action 1: Pat to update the terms of reference and develop a list of standing agenda items for the Board, and then circulate to members for approval.

2. Woodland Carbon Code update on progress

Pat provided an overview of the Woodland Carbon Code, including its purpose, history, governance model and impact.

The Board discussed the factors affecting new project registrations in recent years, including changes in 2022 to the additionality test, and developments in the global carbon market. Pat advised that further work in 2024 will examine whether further changes to the additionality test may be needed.



Action 2: Pat to email Board members with information on the average size of a Woodland Carbon Code project.

3. Woodland Carbon Code work programme

Pat presented a paper on the Woodland Carbon Code's work programme for the next five years. The programme includes work on governance arrangements, communication and engagement, funding, risk management, technological developments and the additionality test.

The Board was keen to be involved in forthcoming work to consult stakeholders on changes to the additionality test, including the design of consultation questions and decisions that will follow. It also noted the significance of the additionality test to wider policies on climate change including the current consultation on including greenhouse gas removals in the UK Emissions Trading Scheme.

The Board discussed the accessibility of the Code to small projects and agreed that this should be a cross-cutting theme in the development of the Code. It was noted that the Code already operates small woods scheme and a group scheme, and that current work on remote sensing could help to reduce the costs of validation and verification in future. It was agreed that further measures to help smaller projects access the Code should be considered.

It was agreed that the forthcoming retender of the UK Land Carbon Registry should be a standing agenda item at Board meetings over the coming year.

The Board also considered how biodiversity and community benefits are included in the code in addition to its primary focus on carbon and discussed stakeholder views on this issue.

Action 3: The Board to provide any further feedback on the Woodland Carbon Code work programme to Pat by Wednesday 10 July.

Action 4: Pat to share the risk register outlined in recent consultancy work by EY with Board members.

Action 5: Pat to share the consultation design meeting details with Board members, including any draft plans for consultation questions.

4. Woodland Carbon Code financial planning

Pat outlined proposals to increase the levy charged by Scottish Forestry to ensure that the management and delivery of the Code is adequately financed.

The Board approved the proposed increase in the levy and noted that appropriate communication will be key in ensuring the change is rolled out successfully with stakeholders.

John Joe asked about future potential to reduce validation and verification costs.



Action 6: Pat to email John Joe about work to reduce validation and verification costs.

5. Any other business

Pat raised the topic of eligibility of Forestry and Land Scotland and Forestry England project under the Code.

Action 7: Pat to email Board members about Forestry and Land Scotland and Forestry England taking part in the code.