

### **Woodland Carbon Code executive board minutes**

Wednesday 27 November and Monday 16 December 2024 via Microsoft Teams

**Present:** Pat Snowdon, Vicky West, Andy Baker, Jamie Smith (27 November only) Susan Szymborski-Welsh (Scottish Forestry), Fiona Hay (Welsh Government), Mark Broadmeadow (Forestry Commission)

**Apologies:** Ben Searle (Northern Ireland Forest Service)

### **Outstanding actions**

Pat provided updates on outstanding actions from the previous executive board meeting:

**Action 1:** Vicky to produce a paper on changes to the way the Woodland Carbon Code represents sales of pending issuance units, setting out the proposal and rationale in more detail (by correspondence or next meeting).

**Update:** Ongoing. Vicky has a meeting to discuss this with S&P Global.

**Action 2:** Pat to check how public sector schemes are managed under the Integrity Council for the Voluntary Carbon Market's assessment framework.

**Update:** Ongoing. Pat has contacted the Integrity Council for the Voluntary Carbon Market and is awaiting more detail.

**Action 4:** Vicky to contact the Department for Energy Security and Net Zero for guidance on allowing Woodland Carbon Code units to be used to compensate for international flights.

**Update:** Ongoing. Vicky has emailed but has not received a definitive answer. She will follow up with the department.

**Action 5:** The Woodland Water Code team to provide an update for the Nature Markets Strategy Board in December.

**Update:** This will be carried over to the next Nature Markets Strategy Board meeting.

## 1. Biodiversity crediting

Joe Anderson gave an update on work to develop a procedure to measure and account for biodiversity alongside the Peatland Code and Woodland Carbon Code programmes.

The project team has consulted on the metrics which could be used to measure biodiversity uplift and has piloted validation of baseline data on a number of sites. The proposal is based on the <a href="Operation Wallacea">Operation Wallacea</a> methodology and includes a number of structural and taxonomic metrics applicable to UK woodlands and peatlands. The team will consult on the standard and wider process to incorporate

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biodiversity monitoring into the codes in January 2025. They are considering a soft launch/extended pilot in April 2025.

This project is being funded through the Facility for Investment Ready Nature in Scotland and will run until March 2025.

Fiona asked about the organisations which had been engaged in the development so far and suggested contacting Natural Resources Wales. Mark suggested contacting Natural England. Andy noted that the project and consultation will also be highlighted to the Nature Markets Strategy Board in early December which includes representatives from Scottish Forestry, Welsh Government, the Forestry Commission and the Northern Ireland Forest Service.

**Action 6:** Vicky will contact Natural Resources Wales and Natural England about the biodiversity crediting developments ahead of the public consultation (done).

The group discussed how to ensure the assessment of biodiversity benefit is as objective and robust as possible. Mark agreed it would be important to ensure project monitoring plans were robust. One way to ensure this would be an independent check of the monitoring plans by a suitability qualified expert (expert in the current and future habitat ecology). Joe said they are considering working with the <u>Biodiversity Futures Initiative</u> which might be able to provide an independent assessment. Joe also noted that carbon standards also include a 'no net harm' minimum requirement.

Mark suggested it would be good to pilot at more sites and Joe confirmed there is demand from both woodland and peatland project developers to trial the methodology further.

The group discussed how long it can take for biodiversity to improve in woodland creation projects and whether this may impact the length of woodland carbon projects. Mark suggested reading the <a href="WrEN report">WrEN report</a> and Joe highlighted plans to gather more information on the use of similar methodologies in temperate forest case studies. Board members also suggested market testing on the relative merits of the Woodland Benefits Tool action-based approach with this outcome-based approach.

The group commended Joe on his hard work.

**Action 7:** Board members to provide any further feedback to Joe and to respond to the consultation in early 2025.

### 2. Registry update

Vicky and Thomas Gower from Defra provided an update on the project to retender for a registry provider. They outlined the timescales, steps and considerations for

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moving to a new provider. The tender will be open for submissions in January and the team hope to agree a contract by summer 2025.

Mark asked if rating agencies might have an interest in the development. Vicky suggested the project team could contact them.

Vicky also highlighted that the current registry provider will be moving to a new platform with improved functionality early next year and that code has joined a meta-registry which will help to check for double counting of credits across standards.

**Action 8:** Vicky to contact rating agencies about the registry retender.

### 3. Other updates

### Staffing

Pat provided an update about staffing arrangements. Scottish Forestry has approved a request to extend contracts and work is ongoing to ensure the team continues to be sufficiently resourced to provide a professional service to the market.

#### **Statistics**

Andy shared statistical information about the time it takes for projects to complete the different stages of the Woodland Carbon Code process.

The data showed how processing times have been reduced as additional members joined the team. It also showed where other participants are involved in the process and the number of applications which require changes.

Mark suggested it would be helpful to understand the most common areas that need to be changed and to develop a checklist to help validators and verification bodies spot common issues.

**Action 9:** Andy to speak with the operational team to find out more about the types of changes which have to be made to applications.

### Additionality test consultation

Andy explained that the consultation on the additionality test which projects need to pass to be eligible for the code has now closed. There were over 40 responses and the team is now analysing the data and considering next steps.

Mark asked if the team were aware that Defra is also consulting on additionality. Andy confirmed he has spoken to a member of the Defra team.

## **Buyer-seller template contracts**

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Vicky gave an overview of work to develop template buyer-seller agreements for Pending Issuance Units and Peatland and Woodland Carbon Units.

The project team has produced draft templates and is inviting feedback until 24 January. The final templates and supporting guidance will be published soon after.

Fiona and Mark both felt this development would be of interest to their colleagues who are involved in UK Emission Trading Scheme developments and requested copies.

**Action 10:** Andy to share the draft contract templates with board members.

### **ICVCM** accreditation

Andy provided an update on work to prepare to apply for the code to be assessed by the Integrity Council for the Voluntary Carbon Market.

He outlined a range of options for when to apply and how this may impact on plans to update the code.

## CivTech Challenge

Vicky provided an update on the code's involvement with the CivTech Challenge, the Scottish Government programme which helps to drive innovation in the public sector.

There was a good response to the Woodland Carbon Code and Peatland Code's challenge call. The project team has now selected the bids which will be taken through to the accelerator stage of the process which is due to start in January.

## Governance

Pat shared an update from the recent Nature Markets Strategy Board. He reported that the group is developing a schedule to discuss key topics and is keen to be engaged in a range of developments.

# **UK Emissions Trading Scheme**

Pat provided an update about work to explore whether greenhouse gas removals should be integrated into the UK Emissions Trading Scheme. The UK ETS Authority has run a consultation and will make a decision in the next few months.

# 4. Risk register

Vicky led a discussion on the issues which are included in the code's risk register. The group helped to update the list and it was agreed to make reviewing the register a regular agenda item.