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Woodland Carbon CO₂de

Woodland Carbon Code version 3.0 consultation response

1. Introduction

The Woodland Carbon Code team consulted on a new version of the Code from 29 April to 10 June 2025, and held a webinar to introduce the changes on 6 may.

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

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.

This document summarises the results of the consultation and what changes we are going to make.

We received 32 responses to our online survey. 23 responses were from those which have developed projects themselves or on behalf of landowners, six responses were from organisations which have bought or traded units, two from validators and two from organisations which have rated projects. Three were from organisations which were considering registering a project. We also received two responses by email.

Overall, 25 respondents gave permission to publish their individual results, nine with their name and 16 anonymised. These are available on our <u>consultation page</u>.

We have considered all comments and feedback in finalising the new version. This document summarises the feedback and the changes we will make. We have also published individual consultation responses where the respondent has given permission for us to do so.

If you have any questions, please email info@woodlandcarboncode.org.uk

2. The standard

Clarity on requirements and guidance

As we review the standard, we are 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.

Version 3.0 includes clarification 1 to version 2.2

Respondents reiterated the importance of aligning with international standards such as the Integrity Council for the Voluntary Carbon Market as well as alignment with British Standards Institute's new standards for nature markets.

Project implementation and start dates

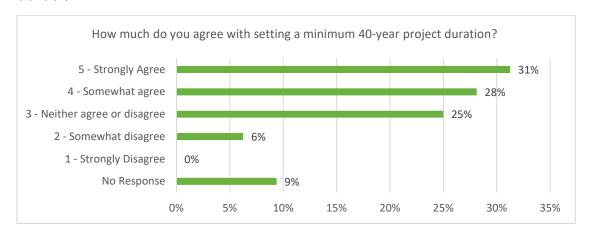
As explained in the natural regeneration guidance published in clarification 1, we have updated the implementation and start date definitions for natural



colonisation/regeneration projects. This clarifies these dates where enhanced herbivore/deer management plans are important to the success of the project.

Project duration

Figure 1: How much do you agree with setting a minimum 40-year project duration?



59% of respondents agreed or strongly agreed with the proposal to change the minimum project duration to be either 40 years or the length of the shortest clearfell rotation where this is longer. Comments acknowledged that the longer the project the more carbon sequestered and greater value of other ecosystem services. Some respondents reiterated that 40 years should be the absolute minimum for woodland projects. Several project developers stated that all their projects had a duration longer than 40 years in any case.

Two respondents felt the existing rule that the minimum duration should be at least the length of the shortest clearfell was unfair to small scale productive broadleaf projects or could disincentivise diverse woodland creation.

One suggested consideration of 'managed exit clauses' to offer flexibility with changing circumstances. One suggested that we should consider how parties secure their rights and responsibilities for the whole project duration, perhaps requiring standard securities. One respondent queried whether the change rules out projects with a shorter rotation length than 40 years. One respondent asked for clarity about how the project duration and monitoring periods are linked.

Our response

The new minimum project duration will apply to projects validated to version 3.0.

For clarity, projects with areas of woodland with clearfell rotation lengths shorter than 40 years are still eligible but need to monitor the project for the whole 40 years. Carbon accrued in areas of the project not clearfelled can be claimed up to the project duration. All projects must be monitored at year 5 and at least every 10 years during the project duration.

Projects already validated with a duration less than 40 years will remain valid. It is not possible to increase the duration of a project once it is validated.

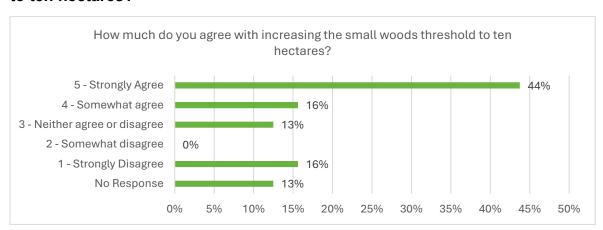


We already have guidance which explains what to do if a <u>project withdraws</u> or <u>account holder circumstances change</u>. We consulted on guidance about changes to projects and how to inform us that you are removing your project. We will review this guidance and make clearer in version 3.0.

For the next version of the code, we will review the rules surrounding the buffer and permanence. This will address some of the issues raised here. See <u>8. Future updates to the standard.</u>

Small woods

Figure 2: How much do you agree with increasing the small woods threshold to ten hectares?



60% of respondents agreed or strongly agreed with the proposal to increase the threshold for projects using the small woods process from five hectares to ten hectares. Three respondents suggested increasing it to 15 hectares. Respondents suggested increasing the threshold would make it easier for projects from five to ten hectares to access the woodland carbon code, in particular for riparian woodlands which tend to be small scale.

Two respondents asked whether projects under 10 hectares already validated to the code could use the small woods process at verification. Two respondents felt the 'standard' year 5 monitoring process was onerous for small projects and that, while the inclusion of a clearfell option was welcome, the prediction was very conservative. Other respondents noted the importance of being conservative in our streamlined processes to maintain integrity. One respondent suggested that the cost of verification for small woods could be reviewed.

Our response

The new small project threshold of 10 hectares will apply to all projects validated to version 3.0.

This means that up to 10% of the carbon of Woodland Carbon Code projects would be subject to streamlined monitoring processes. We are not able to increase it further at this stage, to manage overall risk and integrity within the Woodland Carbon Code.



Yield classes used within the small woods process are deliberately conservative, as we allow light touch monitoring and verification. If a project developer feels a small woods project is doing better than predicted, they can undertake a full monitoring survey to determine the actual carbon sequestration and receive extra verified Woodland Carbon Units if it is doing better than expected.

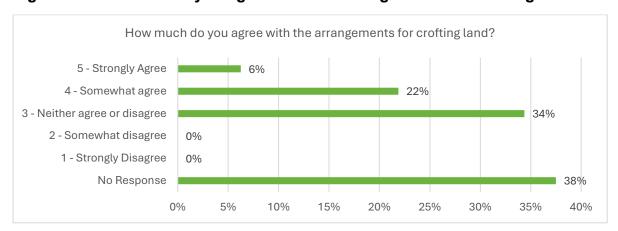
Any projects of 5 to 10 hectares which were validated beforeversion 3.0 may choose to move to the small woods process at their next verification if they would like to benefit from the reduced monitoring requirements and they have not sold all their pending issuance units. Any projects wishing to move to the small woods process shall produce a new small woods calculator. As this is more conservative, pending issuance units extra to the small woods prediction will be marked 'Not Delivered'.

It is not possible to move from the small woods process to the standard process without re-validating your project as some requirements are not checked when a small project is validated.

These changes will make the code more accessible to smaller projects.

Projects on tenanted crofts or common grazing

Figure 3: How much do you agree with the arrangements for crofting land?



28% of respondents welcomed the clarifications for tenanted crofts and common grazing land in Scotland in section 1.3, 2.1 and 2.2. 34% were not sure or did not feel able to comment. Two respondents requested further clarity, for example on what happens if a crofting tenancy changes during the project duration, what evidence is required at verification, and whether a template communications agreement is needed for all common graziers to sign.

One respondent suggested that there were remaining obstacles to overcome for crofting tenants (for example they cannot agree a standard security). One respondent asked whether the registry could accommodate splitting units between shareholders in a common grazing.

One respondent felt the landowner should still sign the commitment statement and asked what would happen if not all crofters in a common grazing are willing to sign. One respondent suggested a working group on croft woodland carbon.



Our response

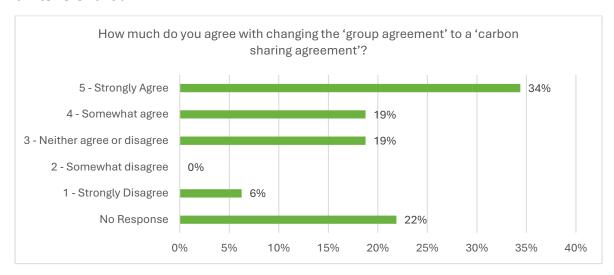
We will review the guidance and make the clarifications as proposed in version 3.0 of the code. Any project on a tenanted croft or grazing land which is already validated shall provide updated documentation at the next verification. If the tenant changes during the project duration, the project developer should follow our new guidance on informing us about changes to a project (see section 6).

These changes make the code more accessible to tenanted crofts and grazing land. All graziers shall agree and sign the commitment statement. Graziers shall be jointly responsible for the delivery of carbon units and units shall be held in one account – of the party acting as the manager and representative of the common grazing project. This shall be set out in the carbon sharing agreement.

We will continue to review crofting and other tenanted land and consider setting up a working group to discuss further.

Group agreement

Figure 4: 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?



53% of respondents agreed or strongly agreed with removing the requirement for a group agreement where there is no pooling of carbon units. 19% neither agreed nor disagreed. 6% (two respondents) strongly disagreed. Three respondents said that this would save time and significantly reduce the administrative burden for groups, while leaving the option for groups who wish to share the responsibility for carbon. One respondent felt the group agreement had been a major blocker to the use of groups for more cost-effective validation and verification.

Two suggested more guidance or templates for the terms of the carbon sharing agreement. One suggested learning from other carbon standards which already provide guidance on documentation and roles where responsibility for carbon is shared. One respondent asked for clarity about verification red-amber-green status in groups and another asked for more guidance on the pros and cons of groups where responsibility for carbon is shared or not.



One respondent had understood that the change might move the decision about whether to pool carbon from the landowner to the standard.

Our response

We will make the proposed changes to group agreements. For projects validated to version 3.0

- Groups which do not pool carbon will no longer require a group agreement.
- Groups that pool carbon or projects where carbon is pooled across several landowners in a common grazing project shall provide a multi-party 'carbon sharing' agreement.

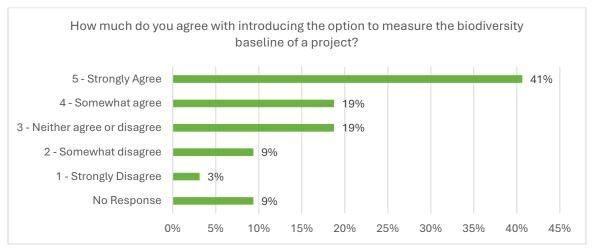
Any groups validated before version 3.0 which have a group agreement will remain valid. If there are any changes to the group, the group manager shall cancel the group agreement and will not need a new group agreement should the group structure change for any reason.

We will review the guidance around groups, shared responsibility and verification status, making clear that it is the project developer's the decision whether to pool carbon.

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

Biodiversity monitoring

Figure 5: How much do you agree with introducing the option, but not requirement, to measure the biodiversity baseline of a project?



60% of respondents agreed or strongly agreed with the proposal to allow Woodland Carbon Code projects to monitor the biodiversity baseline using the methodology developed by Scottish Forestry and IUCN UK Peatland Programme. 12% somewhat or strongly disagreed. Some respondents welcomed the option to monitor the biodiversity baseline as a first step. Some suggested it could increase the value of units. One asked whether the methodology could apply only to new projects or to existing projects who would like to start monitoring biodiversity. Others commented that any methodology should be simple and that the benefit needs to outweigh the cost of the additional monitoring and verification. While some respondents said we



should focus more on this area, others stated that it should remain an option rather than a requirement and expressed a concern that it could impact projects that do not measure their biodiversity baseline. One respondent felt the methodology required further refinement. Another asked how it would align with other emerging standards, and one felt that nature markets should be separate from carbon and thought adding biodiversity to the code could lead to double-counting. One respondent provided specific comments that will be helpful in future work to refine metrics.

Our response

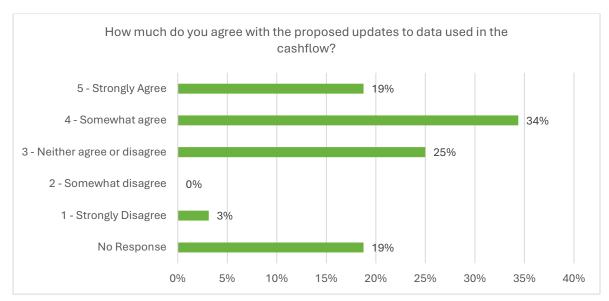
We will pilot the option to monitor biodiversity baseline so that the feasibility and implications of this approach can be further understood. This will be possible for projects validated to version 3.0 as well as for projects already validated to the code. The pilot will explore biodiversity monitoring further and will improve market understanding and readiness for future nature markets. Validators will assess the biodiversity baseline monitoring at validation or verification. This may cost extra.

For projects which participate in the pilot to measure biodiversity baseline, there is no guarantee that the Woodland Carbon Code will offer either an explicit bundle or separate biodiversity credits. Project developers who measure their baseline would be able to show this in the registry and demonstrate the changes to biodiversity of their project in future in a consistent manner.

See 8. Future updates to the standard for future work on biodiversity.

3. Cashflow

Figure 6: How much do you agree with the proposed updates to data used in the cashflow?



53% of respondents agreed or strongly agreed with the proposed changes to the cashflow. Removing the fencing cap was positively received. Several respondents would like to see regional data included if this becomes available.



Several respondents felt that being limited to claiming 10% open ground in the income forgone, capping roading and limiting thinning/felling options was restrictive. One respondent each felt the costs for shelter, stake and labour as well as the Woodland Carbon Code costs are under-estimated and one suggested standardised costs/income should be based on independently validated data where that exists.

One respondent suggested we review how we include basic payment scheme income as these payments are being phased out in England. One respondent gave some specific points about the functionality of the draft version.

Two respondents suggested there should be a more project specific rather than standardised test.

Respondents also welcomed the proposal to review the cashflow annually and tying it to the implementation date.

Our response

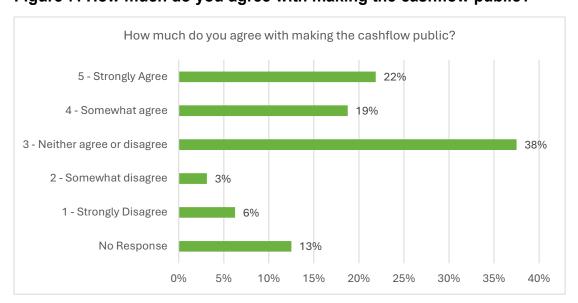
We will make the proposed changes to the cashflow, amending the cost and income data mostly as planned.

We have reviewed the basic payment scheme income in England based on consultation feedback and have reduced the length of time payments are received from ten years to two years.

We may amend other costs and incomes at a later date. The percentage of open ground over which income forgone can be claimed remains at 10%. The reason for this is given in the frequently asked questions section of the cashflow.

Cashflow public availability

Figure 7: How much do you agree with making the cashflow public?



41% of respondents agreed or strongly agreed with the proposal to make the cashflow public and 9% disagreed or strongly disagreed. Those in favour said that it would be good for transparency and aligned with requirements of international



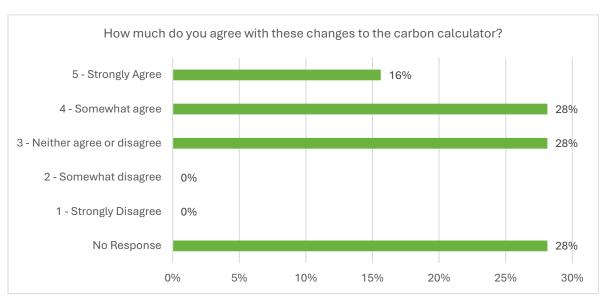
standards. However, four respondents expressed some concern about making the cashflow public because it contains information on the level of grant received.

Our response

Given the strong overall support for this proposal, we will make the cashflow public for any project validating under version 3.0 of the standard, regardless of which cashflow version is used. Projects validating to version 2.2 of the standard will not be required to make their cashflow public. Any projects that have already been validated will not be required to make the cashflow public.

4. Carbon calculator

Figure 8: How much do you agree with these changes to the carbon calculator?



44% of respondents agreed or strongly agreed with the proposed changes to the carbon calculator. 56% neither agreed nor disagreed or did not provide a response.

Respondents welcomed the fencing being assessed in metres and felt a Scots Pine 2.5 metre spacing option would be useful. They generally welcomed the inclusion of a conservative clearfell option for small woods.

One respondent suggested adding a line for 'future claimable' natural regeneration in the species table, one suggested that the 'no thin' option should be removed for all species and management types and one suggested that we account for the increased growth rates where products such as mycorrhizal fungi increase growth rates.

Two respondents asked whether new calculation methods will be applied retrospectively to validated projects. One respondent raised questions about the buffer.

Our response



With strong support for this proposal, we have updated the carbon calculator for projects which validate to version 3.0 or update their carbon calculation at verification to version 3.0 of the code:

Standard calculator

- Updated data for emissions from establishment, including tree protection (figures for 1.2 metre tubes, 0.6 metre spirals and vole guards), fertiliser, fuel used in ground preparation, gates, as well as updating fencing with a per metre figure.
- Added Scots pine at 2.5, 4 and 5 metre spacing, pro-rated by number of stems from the 2.0 metre data
- Added a space for 'future claimable' natural regeneration

Small woods calculator

- Updated assumptions for emissions from establishment in line with the standard calculator
- Added options for clearfelling conifers and broadleaves
- Added an option for natural regeneration
- Added a space for 'future claimable' natural regeneration

For both calculators

 Added a comparison table for when updates are made to a calculator after validation

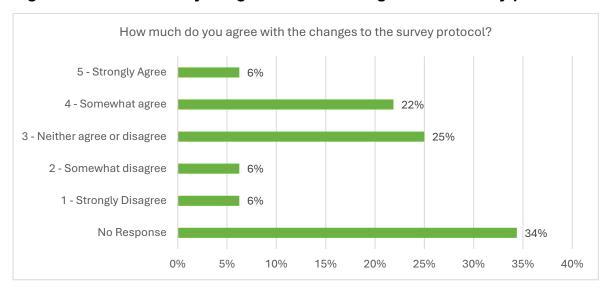
Projects which grow faster than predicted can claim extra carbon units at future verifications. As we review biomass and soil carbon measurement tools for the next version of the standard, we will consider products that might increase growth rates (See <u>8. Future updates to the standard</u>).

If a project is required to update their carbon calculations at a verification because something about the project has changed, it will be required to use the latest version of the carbon calculator.

We will review the rules surrounding the buffer for the next version of the standard (see below).

5. Survey protocol

Figure 9: How much do you agree with the changes to the survey protocol?



28% of respondents agreed or strongly agreed with the proposed changes to the survey protocol. 12% disagreed or strongly disagreed. 59% neither agreed nor disagreed or did not provide a response.

Several respondents welcomed the clarity to the guidance and felt it was improved. One respondent felt the number of plots for different size categories of woodland was inconsistent and suggested a baseline number plus an extra plot every few hectares as the stratum size increased, others noted that while it was intense for small projects, larger projects are required to survey a much smaller proportion of the site.

Two respondents noted that the protocol requirements are more intense on more variable sites. Two respondents noted that the requirement to keep conifers and broadleaves separate at year 5 was adding to costs. One respondent felt the threshold for an area to be combined with its nearest neighbour was too low. A few respondents found the survey onerous or costly in terms of the number of strata or plots, with some of the data collected not being consistently used. One respondent asked for clarity on the definition of an intimate mixture.

Our response

Following feedback, we have updated the survey protocol for projects which verify to version 3.0 of the code, but have made some changes based on consultation feedback. The new protocol includes:

- Guidance on the type of survey to carry out at year 10
- Clarity on how to stratify your site incorporating feedback from the consultation.
- Guidance on how to vary plot size on sloped ground
- A definition of mixtures



Following feedback, we also decided not to add an extra category with more plots for strata over 20 hectares.

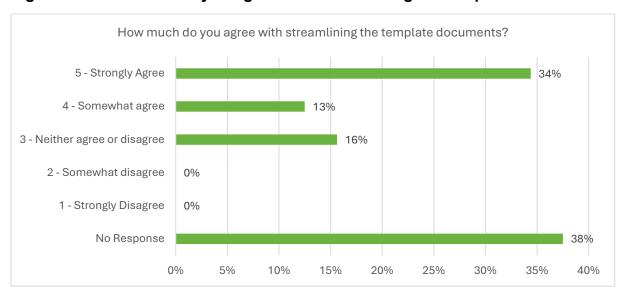
We recognise that monitoring carbon projects in a natural ecosystem can be time consuming and costly. We need to ensure the methodology is sufficiently robust that it can be verified with a reasonable level of assurance to satisfy international standards whilst being cost-effective for the type of projects in the UK. We are currently piloting the use of drones to collect data for year 5 and have other projects looking at the use of satellite data for the future.

We will setup a working group to look at how we monitor projects incorporating innovative technologies as they come on stream. We believe it is important to bring in knowledge and experience across the forestry, monitoring and academic sectors (See also 8. Future updates to the standard).

6. Changes to documents and processes

Template documents

Figure 10: How much do you agree with streamlining the template documents?



47% of respondents agreed or strongly agreed with the proposal to

- streamline the project design document and project progress report to remove duplication between documents and between sections within the documents.
- create templates for the commitment statement, remedial plan and a standalone survey plan.

54% neither agreed nor disagreed or did not provide a response.

One respondent suggested a checklist of 'additional evidence' to make clear which documents are required. Another noted an issue with a particular cell in the monitoring spreadsheet. One respondent requested that updated documents are tested with users before implementation.



A few respondents suggested we move to an online portal rather than documents shared by email. One respondent suggested further guidance on the process when a project changes ownership.

Our response

We are publishing new or streamlined template documents for projects using version 3.0 of the standard. We have done some testing of these with experienced project developers and validation and verification bodies.

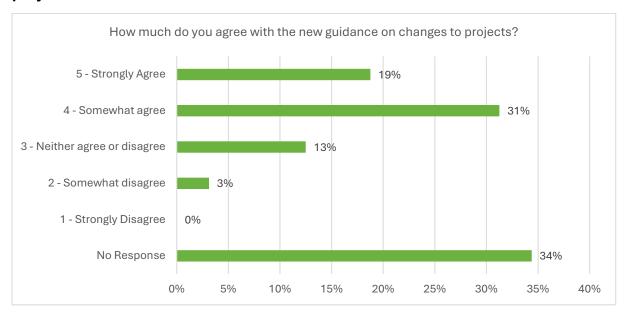
We have made clearer in each section which additional evidence is required. In consultation with the validation and verification bodies, we felt this was a better option than one long checklist.

For version 3.0, we are publishing further guidance on project changes. <u>New guidance - changes to your project.</u>

Longer-term we are looking at how we continue to improve and digitise processes (See <u>8. Future updates to the standard</u>).

New guidance - changes to your project

Figure 11: How much do you agree with the new guidance on changes to projects?



Half of respondents agreed or strongly agreed with the proposal to add clearer guidance on how 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. 47% neither agreed nor disagreed or did not provide a response. 3% (one respondent) somewhat disagreed.

They said it was welcome guidance and provides a clearer route to making such changes. Two respondents requested clarity on when and whether additionality would be retested during project reconfiguration given recommendations in the British Standards Institute's Flex 703. One respondent suggested that Verra's



VM0047 methodology offered a clear and consistent process for managing project changes.

One respondent suggested clarity was needed around the concept of carbon credits and whether they can be sold on to other project developers or back to the landowner but noted this could be improved as part of ongoing registry improvements. One respondent suggested clearer guidance for project proponents and developers on their responsibilities where there are changes to ownership or management. One respondent suggested that any change to ownership should require a re-validation and another suggested that guidance should be proportionate and allow minor changes to be made without the need for re-validation. One respondent requested clear guidance on responsibilities of parties where there are changes to a project.

Our response

We have reviewed the Verra methodology against our proposed guidance and made some minor changes to incorporate feedback.

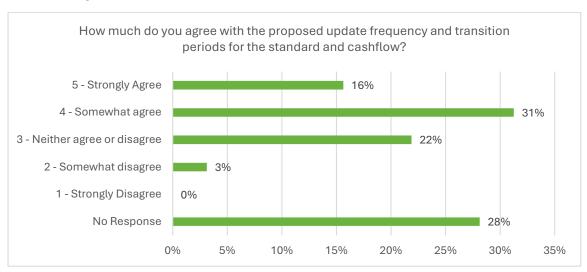
- Where there is a change to project administration or group structure, project developers need to complete a project administration form. The guidance sets out what documentation we require.
- Where there is a change to the project itself, for example if a project is split
 into two projects due to land sale or inheritance, it will require a partial
 revalidation by an independent validator. Additionality will not be re-assessed
 during such a partial re-validation.

We are publishing this guidance in version 3.0 and it applies to all projects.

We have also updated our guidance on <u>registry account types and their uses</u> and will soon be moving to a new platform managed by S&P Global.

7. Timing and frequency of updates

Figure 12: how much do you agree with the proposed update frequency and transition periods for the standard and cashflow?





47% of respondents agreed or strongly agreed with the proposed update frequency and transition periods, saying that this provided more clarity and flexibility. 50% of respondents neither agreed nor disagreed or did not provide a response.

One respondent said there should be safeguards for big changes and flexibility on options for some owners. One respondent suggested the project design document makes clear which version of the cashflow should be used based on implementation date.

One respondent wanted confirmation that the annual changes to the cashflow would keep data current rather than introduce wider changes. One respondent suggested that annual updates to the cashflow could lead to uncertainty but acknowledged that the one-year transition periods provided some mitigation against this. Three respondents felt a wider range of projects should be eligible to use the updated version of the cashflow, including registered projects which have already been planted but not yet validated.

One respondent suggested that any significant advancement/change in scientific understanding should prompt a more rapid updating of the carbon calculator and others said that, as this is an evolving market, it is important the standard remains current, so could require more frequent updating.

One respondent commented that the commitment statement should not need to be updated for historic projects.

Our response

Frequency of future updates

We are publishing version 3.0 of the standard on 1 August 2025 and plan to update the standard and documents every three years.

If necessary, we will make clarifications between formal updates of the standard. Clarifications are effective immediately.

If we need to make changes to the standard, for example to be compliant with the Integrity Council for the Voluntary Carbon Market or the International Carbon Reduction and Offset Alliance, or because there is a major change in science and technology, we may update the standard sooner.

We will update the cost and income data in the cashflow annually, with the transition periods as proposed. Annual updates are intended to keep data current and may include wider changes where appropriate. It is not possible to allow projects already planted to use the updated version of the cashflow as the costs and incomes in the new version are not representative of older projects. Moving to annual updates with one-year transitions means that, from now on, a project developer will always be able to choose whether to use the current or the newly published version of the cashflow when planting each year.

We will make clear in guidance and in the project design document which version of the cashflow is required based on implementation date.



Transition period

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

Each time we subsequently update the cashflow, there will be a year's transition, so project developers may 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 may be used when.

Cashflow version:

Implementation date	Before 1	1 August 2025	1 July 2026 to	1 July 2027 to
	August 2025	to 30 June 2026	30 June 2027	30 June 2028
Cashflow version	V2.2.1	V2.2.1 or V3.0	V3.0 or V3.1	V3.1 or V3.2

Standard version and other supporting documents:

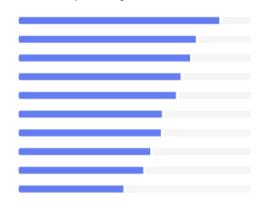
Validation submission date	Before 1 August 2025	1 August 2025 to 30 June 2026	1 July 2026 to 30 June 2028
Standard version	V2.2	V2.2 or V3.0	V3.0



8. Future updates to the standard

Figure 13: Ranking of topics for future work in order of priority.

- 1 Remote sensing
- 2 Updates to biomass and soil carbon estimates
- 3 Registry and workflow management
- 4 Small woods
- 5 Biodiversity monitoring and crediting
- 6 Woodland Water Code
- 7 Buffer rules
- 8 Whole farm approach
- 9 Models for investment in Pending Issuance Units
- 10 Community engagement and benefits



Respondents were asked to rank a range of topics for future work. Remote sensing ranked most highly overall with 52% of respondents rating it first to third, followed by updates to biomass and soil carbon estimates and registry and workflow management. Ranked lowest priority were community engagement and benefits and models for investment in pending issuance units.

Respondents also suggested topics for future work, most of which fitted into one of the categories above, plus some wider suggestions for alignment with other initiatives:

- Priority 2. Updates to biomass and soil carbon estimates:
 - Better guidance on
 - Removing biomass before planting, potentially integrating into the carbon calculator
 - Tree tubes and vole guards in the carbon calculator
 - o A carbon calculator with
 - Increased transparency
 - Greater flexibility in thinning options and a focus on good silviculture
 - Impacts of projects like mycorrhizal fungi
 - Carbon stored in stumps and harvested wood products (and ensuring no double counting of carbon in timber)
 - Changes to woodland management (e.g. restocking with a different species)
 - Consideration of the impact of squirrel damage on growth rates
 - Allowance for medium browsing levels to be eligible for natural regeneration projects
 - Improved soil carbon prediction and measurement
- Priority 3. Registry and workflow management
 - Ensure the programme is cost effective
 - Reducing the cost of monitoring and verification
 - With more frequent verifications



- Alignment with grant schemes (e.g. where they allow wider spacing than the Woodland Carbon Code)
- Create a mapping portal for all parties to view GIS data on the same platform
- Priority 7. Improved buffer rules
 - Consider re-assessing buffer-pool contributions
 - Clarify why buffer units are cancelled at the end of a project
- Priority 8. Whole farm approach
 - o Include multiple habitats or land use types in one whole farm project
 - o Include agroforestry planted less densely than 400 stems per hectare.
- Priority 9. Models for demand for pending issuance units
 - o Create demand for pending issuance units and woodland carbon units
 - Including other natural capital elements for a more holistic natural capital standard
 - Considering for example tax incentives, planning regulations, compliance markets
- Infrastructure/alignment
 - Alignment with British Standards Institute and the UK Government Voluntary Carbon and Nature Market consultation and international standards
 - Clear rules to enable different investment approaches rather than models for investment. Clarity on necessity for Financial Conduct Authority regulation.

Our response

There were a couple of requests for clarity which we will incorporate into guidance for version 3.0:

- Commitment statement. Be clear how trustees or other legal signatories demonstrate their authority to sign
- Verification. Be clear when an extension would be granted and what happens if you miss one
- Areas. Clarify why
 - The entire grant area must be included in one project
 - We only allow 10% open ground in the cashflow but require the whole amount of integral open ground to be included in the project boundary.

There was one suggestion to consider whether financial additionality is a requirement. This has been addressed previously and is considered important for the credibility of the standard, so will not be considered further.

Other suggestions for future developments broadly fitted into our 10 priority topics, and we will continue to keep these in consideration. There were also some suggestions for alignment with UK and international standards, and we will continue to align with both where appropriate.



Priority 1. Use of remote sensing for monitoring

This year we are <u>piloting drone-based methods for year 5 monitoring of projects</u>. Through the CivTech process we are 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.

Priority 2. Updates to biomass and soil carbon estimates

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.

Priority 3. 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.

Priority 4. 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.



Priority 5. 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. We are piloting the option for projects to monitor their biodiversity baseline in version 3.0 (see section 2), but 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 funding to look further into biodiversity indicators, relative uplift and project finances. We will continue to engage with this developing area whilst piloting the collection and validation of biodiversity baseline data.

Priority 6. Woodland Water Code

Forest Research is leading a <u>project to develop a Woodland Water Code</u> for the monitoring and potential crediting of water quality, flood alleviation and shading benefits. The team is 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. We will continue to work closely with the Forest Research team.

Priority 7. Clarity over buffer rules

Over the last year, we have created <u>template agreements for buying and selling</u> <u>carbon units</u>. These will improve confidence among buyers and sellers, helping them to understand the risks and liabilities.

Next, we plan to review and improve our <u>guidance on the function of the Woodland</u> <u>Carbon Code buffer</u> and how reversal of carbon sequestration is accounted for when things do not go to plan with woodland carbon projects.

Priority 8. Whole farm approach

Another FIRNS project looked at <u>improved governance mechanisms for whole farm and farm cluster natural capital projects.</u> (Outputs of the project are <u>available here</u>). 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.

Priority 9. 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.

Priority 10. 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 has also published a community benefits route map. 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.

9. Any other comments

As part of the consultation, we also asked how else we could improve the standard, supporting guidance and template documents. We also asked how we could improve the consultation process.

The standard

Our response

Suggestions for this section were similar to the suggestion on future updates to the standard and have been incorporated in section 8.

Guidance

Suggestions included

- Reduce jargon
- Include a flowchart indicating the order of processes
- Add more case studies with a wider selection of project types
- Improve and streamline the website and hold all guidance in one place and ensure it is consistent
- Add guidance for projects with no grant aid
- Communicate consistently and promptly

Our response

In June we updated our website. We have reviewed and streamlined the guidance as part of updating the standard, and this will be reflected in version 3.0 of the standard and guidance on the website.

We now offer monthly webinars on topics of interest to project developers and these are <u>available on demand</u> for anyone unable to attend. In the last year, we started regular emails to all project developers, informing them of the latest updates or improvements to guidance or tools available.

We are considering setting up a project developer's forum – potentially an online space for discussion or 'drop-in' webinars where project developers can ask questions. We welcome your feedback and suggestions on the format info@woodlandcarboncode.org.uk

Documents

Suggestions included:

- Streamlining documents and removing repetition
- Include notes for first-time users
- Digitise and using an online portal rather than template documents



Our response

As discussed in section 6, we have streamlined the documents and removed repetition. We have asked some of the more experienced project developers for feedback. We hope that these documents are an improvement and welcome further feedback info@woodlandcarboncode.org.uk

As discussed in section 8, through the CivTech process, we are working on digitising and improving our workflow management and hope that this brings increased efficiencies soon.

Consultation process

One respondent suggested other ways we could promote the consultation through industry bodies. Another suggested that the notice period and the duration of the consultation could be increased and that more webinars or question and answer sessions could be beneficial.

One respondent suggested including 'Don't know' as an option to our rating questions.

Two respondents suggested that more time is required between the end of the consultation and publication to ensure sufficient time to make the necessary changes.

One respondent suggested using working groups to engage with stakeholders in a more ongoing basis as a more agile approach because nature markets are changing rapidly.

Our response

We contacted the bodies suggested and some of them published news items on our consultation. We extended the time between the consultation ending and the publication of updated documents by one month. This allows us to make sure we have incorporated useful feedback from the consultation.

For future consultations, we will consider the notice period and duration of the consultation and consider including 'Don't know' as an option on our rating questions. We will also consider whether we could offer more than one webinar or question and answer session to outlines proposals.

We have proposed setting up working groups as we continue to develop the standard over the coming years (see previous sections).