

Code of Good Practice for Forest Carbon Projects

Report on the responses to the
public consultation
(June-September 2009)

Contents

Introduction.....	3
Level of response and respondent profile	3
Methodology	3
Summary	4
Non Compliance.....	7
Other General Comments.....	7
List of Respondents	8

For Further information contact:

Theresa Andrew

Tel: 0131 0131 314 6465

Email: climatechange@forestry.gov.uk

Web: www.forestry.gov.uk/carboncode

Introduction

The Forestry Commission, assisted by the Carbon Advisory Group, a group of experts from across the sector, developed a draft Code of Good Practice for Forest Carbon projects during 2008 and 2009. The draft Code of Good Practice was available for public consultation between 1st July 2009 and 14th September 2009. This report summarises the response to the consultation period. We are grateful for the responses received and these have helped shape the next version of the code, the Woodland Carbon Code, which is being piloted from August 2010 to April 2011.

Level of response and respondent profile

Twenty-seven responses were received, of which 4 were from individuals and twenty-three from organisations and groups.

Respondent category		No of responses
Individuals		4
Organisations And groups	Forestry NGOs	4
	Environmental NGOs	2
	Local authorities	1
	Community bodies	1
	Government bodies	4
	Rural associations	2
	Businesses	6
	Professional & trade bodies	2
Educational	1	
Total		27

Methodology

Although respondents were invited to comment on any aspect of the draft Code, to help focus attention on some of the key issues, specific comment was invited on ten particular topics. The relatively small number of respondents has meant the emphasis in the analysis is on the qualitative synthesis of comments. No weighting of opinion has been attempted.

Each response was examined in detail and summarised on an excel spreadsheet. For clarity the report has attempted to condense the details received in the responses. Therefore, individual, detailed opinions may not appear but will, nevertheless, be considered fully in the finalising of the Code.

Summary

The proposals to introduce the Code were widely welcomed. The need for improved standards and quality assurance in the voluntary forest carbon markets was recognised, particularly to encourage greater investment in tree planting and woodland creation.

Key points emerging from the consultation are summarised under the main headings in the paper.

The Business Model

- A broad level of support for the concept of the Code in setting out clear and trusted standards for forest-based emissions reduction projects
- Recognition of the need for, and benefits of, improved standards and methods of quality assurance
- Support for the proposal to establish a steering group of stakeholders to oversee the implementation of the Code and QA procedures. Need for clarity over the role of a separate Approval Body
- Strong view that the governance structure should not be overly burdensome and act as a barrier to applicants and thus investment in woodland creation

Project Types

- Wide support for the inclusion of both ex-ante (future) carbon and ex-post (captured) carbon projects
- A desire to see clear terminology, definitions and compliance requirements for each project type to clarify issues around additionality, retrospective certification and risk assessment

Quality Assurance

- General support for the inclusion of an independently audited QA process but views vary on how this is best delivered
- Strong view that the QA process should not be complex and expensive and concern that the current proposals set the requirements at too high a level, particularly for small projects

- Desire to see existing forestry regulation as core to demonstrating compliance with the Code with additional requirements focussing on carbon and carbon sequestration aspects
- QA procedures should allow for carbon schemes to be certified as well as individual projects

Risk Management

- The long-term nature of emissions reduction projects should be more explicitly recognised, along with the need for periodic review of any project risk assessment
- A variety of views on the level of rigour which should be applied to project risk assessment, but some concern that the proposals are overly cautious and that high credit buffer levels may impact on market competitiveness
- Clear procedures are needed for dealing with project change or failure in terms of ensuring the permanence of carbon sequestration.

Measurement

- General support for the proposed suite of carbon measurement tools and guidance, but a desire to see further details of the methodologies
- Concern that soil carbon is inadequately accounted for and a suggestion that the carbon benefits associated with harvested wood products and fuel and material substitution be included as and when robust methodologies are developed
- The methodologies for calculating project baselines and leakage need to be proportionate in terms of difficulty to complete and the level of inherent uncertainty.

Additionality

- Support for the range of tests proposed in the draft Code for projects to demonstrate additionality.
- A strong view that UK carbon sequestration projects should ideally have access to international carbon markets and be able to generate tradable offset credits

- Some confusion exists over the relationship between the carbon sequestration benefits claimed by domestic projects and the UK Government's national greenhouse gas accounting systems

Registry

- Very wide recognition of the need for a project registry to ensure transparency over double counting and clear support for this function being undertaken by the Forestry Commission

Grant Aid

- Comments highlight the importance of the relationship between grant aid and carbon finance in ensuring project viability.
- Concerns over the proposal to reduce grant aid for co-funded carbon projects due to the potential impact on market development, particularly when coupled with additional costs of project registration and certification

Links with Other Schemes

- Whilst acknowledging the benefits of alignment with existing carbon standards, the Code should be the leading standard dealing specifically with UK forestry projects
- There is recognition of the value of adopting similar methodologies to the leading carbon standards where these have been proven to be workable and robust. Similarly, market development could be assisted by pursuing mutual recognition of the Code
- The importance of an underpinning requirement for compliance with existing standards for sustainable forest management is highlighted.
Views vary on the benefit of requiring UKWAS compliance, particularly in relation to small projects, but UKFS compliance is generally seen as essential

Small Projects

- Concern that satisfying the Code requirements would prove too onerous for small projects

- General view that a tailored methodology would be required to facilitate the cost-effective participation of small-scale projects
- Recognition of the trade-off between maintaining a robust standard and QA procedure and the definition of streamlined methodologies for small projects. Views vary on the applicability of existing models such as UKWAS SLIM

Non Compliance

- The proposed project registry is widely seen as the appropriate mechanism for monitoring and recording Code compliance via connectivity with ongoing QA verification
- A number of respondents consider that many issues of non-compliance can be dealt with on a legal and contractual basis
- Penalties for non-compliance need to be clear and could include loss of certification status and rights to use any logo or marketing material

Other General Comments

- Support for a logo to identify projects being managed to the criteria in the code

Annex 1

List of Respondents

Country landowners Association
Woodland Trust
National Forest Company
UPM Tilhill
Heart of the National Forest Foundation
Royal Society for the Protection of Birds
Environment Agency Wales
Lancashire County Council
ConFor
Institute of Chartered Foresters
Scottish Agricultural College
Forest Moor
Scottish Rural Property and Business Association
Forest Carbon Ltd
Scottish Environmental Protection Agency
Scottish Natural Heritage
Natural England
Ethical Change
Carbon Accountability Programme
CAMCO
Marks & Spencer
Central Scotland Forest Trust
PricewaterhouseCoopers
Four individuals

Forestry NGO's – 4
Environmental NGO's – 2
Local authorities – 1
Community bodies – 1
Government bodies – 4
Rural associations – 2
Businesses – 6
Professional & trade bodies – 2
Educational - 1
Individuals – 4