



Woodland Carbon Code Guidance

Excessive emissions of greenhouse gases such as carbon dioxide (CO₂) are causing damaging climate change. Planting woodland to remove CO₂ from the atmosphere, known as woodland carbon capture, is a cost-effective way of compensating for emissions while also providing many other social and environmental benefits. People who want to invest in carbon capture projects need to feel confident that the woodlands will be well-managed and will capture the CO₂ claimed. Certification against the Woodland Carbon Code meets this need by providing this evidence. It also creates real and verifiable carbon 'rights' (in the form of carbon tonne units - tCO₂e) which can be sold to recoup the costs of creating the woodland and generate an income.

The Woodland Carbon Code (WCC) is the UK's voluntary carbon standard for woodland creation projects. It provides reassurance about the carbon savings that woodland projects may realistically achieve. This government-led scheme provides:

- a high quality, robust, voluntary carbon standard
- a transparent UK Woodland Carbon Registry
- robust science to predict and monitor carbon sequestration
- independent validation and verification of projects

Why Do People Buy Carbon Units?

Woodland Carbon Units from verified WCC projects can help a company compensate for their unavoidable emissions. Projects provide a whole host of benefits for water, biodiversity, communities and the economy as well as sequestering carbon.

Why Register Your Woodland Creation Projects?

Selling the rights to the carbon captured by Woodland Carbon Code certified woodlands can provide new income for landowners, potentially supplementing other income streams from timber, woodfuel and sporting activities. A new native woodland can capture 300-400 tonnes of CO₂ equivalent per hectare (tCO₂e/ha) by year 50, and 400-500 tCO₂e/ha by year 100. Recent UK woodland carbon sales have realised between £3 and £10/tCO₂e. Currently, around 70 per cent of the carbon rights are sold in advance, enabling some landowners to quickly recoup their outlay. The remainder are sold later, as the woodland matures.

What are the Costs?

The costs associated with the Woodland Carbon Code are estimated to be £4-5k for the registration and validation function through the 35-year lifecycle of each contract. The size of planned woodland creation must, therefore be taken into consideration.



- <4ha – unlikely to make economic sense.
- 5-10ha – worth considering and registering for potential future carbon rights trading or for landowner to use their own woodland to offset their own business activities and carbon footprint when required to.
- >10ha – Likely to make economic sense.

Also...your proposed woodlands must comply with additionality.

What is additionality?

The term additionality is used to mean the carbon sequestration over and above that which would have happened anyway in the absence of a given project or activity. Buyers of carbon units want to know that their input has enabled more carbon sequestration than would otherwise have happened under existing legal, financial and business circumstances. Under the financial consideration, a project is only 'additional' if it requires carbon income to turn it from a project which is not financially viable/worthwhile (in its own right, or compared to an alternative non-woodland use) to one which is financially viable.

Additionality Rules:

- Woodland creation that is required by law is not additional.
- Significance of Income must be demonstrated: In order to show the significance of income from carbon units, projects shall demonstrate that income from the sale of carbon units, over the project lifetime, equates to at least 15% of the project's planting and establishment costs up to and including year 10.
- Investment Test: The purpose of the investment test is to demonstrate that, without carbon finance, that woodland creation is either (a) not the most economically or financially attractive option for that area of land (eg woodland creation is profitable, but less so than grazing or other likely non-woodland use) or (b) is not economically or financially viable on that land at all (eg woodland creation is not profitable).

The Process if you decide to apply....

To certify a project to the Woodland Carbon Code you will need to:

- register it with the Forestry Commission within two years of the start of planting
- predict carbon capture using woodland carbon models
- prepare a Project Design Document outlining how it meets Code requirements
- have it 'validated' by an accredited certification body such as the Soil Association or Organic Farmers & Growers Ltd
- have it 'verified' periodically (at year 5 and then 10 yearly thereafter) to show that it continues to meet the required standards



Monitoring:

Each project needs to have a monitoring plan in place before validation. Monitoring will enable the project to quantify and document the progress of carbon sequestration as well as ensure that the project is being managed to the UK Forestry Standard.

Live Example:

Moorside Woods (Cumbria) comprises 34 hectares of native broadleaved trees planted in 2010 on previously grazed land.

A motor insurer provided the carbon finance to help plant the woodland in order to lock up CO₂ equivalent to the annual emissions from the vehicles it insures. Woodland carbon models predict it will lock up more than 18,800 tCO₂e over 100 years, and management will involve access maintenance and some firewood removal = 5.5tCO₂e/ha/year @ c.£10/tCO₂e = £55.29/ha/year income (before costs) over the 100 year lifecycle of the project.

The Woodland Carbon Guarantee

Once you have registered for the WCC, you will also be able to apply for the Woodland Carbon Guarantee (WCaG). The WCaG is not a grant or a fund and it does not contribute towards the cost of planning, establishment or early maintenance, but if your woodland creation project is accepted into the Woodland Carbon Guarantee you will have the option to sell Woodland Carbon Units to the government every 5 or 10 years up to 2055/56. The government will buy the Woodland Carbon Units for an agreed, guaranteed price that is index-linked for the life of the contract. You can still choose to sell the carbon credits on the open market at any time.

Conclusion: Whilst not straight forward (and some woodland creation projects will not be eligible due to the Additionality criteria), it is worth exploring because, instead of potentially selling the woodland carbon rights sequestered from your woodland creation schemes, you could store these up and offset your own businesses carbon footprint in the future, as this is likely to become a requirement.

How do I find an investor?

- Through specialist carbon brokers. A list is available at forestry.gov.uk/carboncompanies.
- Through the UK Carbon Reporting Framework, which enables project owners to offer carbon for sale on its website, ukcarbonreporting.org
- Through the Markit Environmental Registry's 'Request for Information' platform, which enables project owners to list carbon for sale at markit.com/en/products/environmental/markitrfiplatform.page
- By enquiring locally – most businesses prefer investing close to home.