

## WCCPC Biodiversity Methodology Guidance Document Consultation

**Questions 1 – 4 are general information questions: name, location, etc.**

**Q5 What is your interest in a biodiversity methodology? (tick all that apply)**

- ☐ I would like to measure the biodiversity of my carbon project
- ☐ I would like to restore lowland peatland and claim biodiversity only
- ☐ I would like buy and sell credits from projects which measure biodiversity
- ☐ I would like to buy and use credits from projects which measure biodiversity
- ☐ I'm interested to see how this new nature market could function

**Tick "I'm interested to see how this new nature market could function"**

**Q6 As an initial step, this project is proposing a Carbon+ credit of 'explicit bundle' where biodiversity is quantified as part of a carbon project. However, for peatland projects we are also proposing a biodiversity only credit, questions about this approach can be found under section 3, questions under the current section (3) are about Carbon+ credit approach.**

**On a scale of 1 (strongly agree) to 5 (strongly disagree) do you agree with this approach?**

2 - Agree

**Q7 What do you think are the benefits of this approach?**

An important aspect of the Carbon+ credit is that it is an explicit bundle. The quantification and verification of the biodiversity benefit, that is required with this type of credit is crucial for the transparency and integrity of the Carbon+ credit. It ensures that what is promised is realised.

This approach includes the following benefits:

- By accounting for biodiversity alongside the carbon action and assuming the credit is priced appropriately, there will be the benefit of increased finance towards and enabling nature recovery.
- The Carbon+ approach combats carbon tunnel vision by encouraging a more holistic ecosystem approach, expanding the focus to wider nature-based solutions instead of solely focussing on carbon sequestration and offsetting.
- The increase in finance may also benefit sellers, improving the incentive to engage with private nature markets as this increase of revenue can make the nature market more financially viable option to pursue.
- Improved recognition in the benefits that accompany the actions of afforestation.

- When compared to selling separate credits, a bundled credit can reduce administrative and transactional costs. However, with Carbon+ being an explicit credit this benefit is somewhat limited as the biodiversity outcome require independent monitoring and verification.

#### **Q8 What are the potential risks of this approach?**

This approach requires baselining, monitoring, and independent verification by qualified individuals. Considering the ongoing concern of a shortage of ecologists with biodiversity net gain, there is a risk that the skills and capacity required to quantify and independently verify the biodiversity benefit for the Carbon+ credit is not available or that demand for qualified individuals cannot be met.

Nature markets are gradually becoming more established. For the biodiversity net gain market a demand is created the legal requirement for biodiversity enhancement with development, however biodiversity net gain and the woodland carbon code do not stack. With the biodiversity credit aspect of the Carbon+ credit being ineligible for the biodiversity net gain market. Is there reliable demand for the Carbon+ credit? The biodiversity market is still developing and there is a risk that demand for these credits is limited or inconsistent.

It is currently unclear how the price of the Carbon+ credit will be determined. Assigning a fair price for the bundled credit may be challenging and there is a risk that the credit will not be appropriately valued. The price of the credit will need to cover a wide range of actions including specialist knowledge and ongoing monitoring and reporting. This may result in the price for the credit being either too low or too high, and therefore not correlating with the needs and financial expectations of the buyer or inadequately covering the associated costs for the seller.

Carbon market frameworks which cover the woodland carbon code and peatland code are designed for single-credit systems. There is a risk around compliance and how the bundled credit will integrate into the Woodland Carbon Code's market.

Lastly, there is a potential risk regarding the accessibility of the approach. To create the credit this is a minimum requirement of 50ha to pursue biodiversity enhancement. This may pose as a barrier to entry.

**Q9 As the exact method of collecting data for biodiversity metrics might differ by site, this project proposed that any monitoring plan should be reviewed by an independent expert before monitoring begins, potentially via the Biodiversity Futures Initiative. Do you agree with this approach? Y/N**

Yes

**Q10 Would you like to answer peatland-specific metrics questions? Y/N**

**If Yes, then the following questions are on the peatland metric**

**If No, then the following questions are on the woodland metric**

**If No then:**

The questions below are related to the changes proposed within the Woodland Carbon Code. The project proposes using the Operation Wallacea methodology of measuring biodiversity uplift. This methodology **combines a number of biodiversity metrics into a single metric which represents a percentage increase in combined values per hectare**. For woodlands this includes **three taxonomic metrics** (plant, bird and insect abundance and diversity) and **two structural metrics** (Defra's Biodiversity metric or Forest Research's Woodland Ecological Condition tool and a community similarity index

**Q11 On a scale of 1 (not at all confident) to 5 (very confident) how confident are you that the metrics selected will be appropriate to baseline biodiversity of a project?**

**If answer is 1 – 3 then Q 12, please provide reason for not feeling confident**

**If answer is 4 or 5 then skip Q12 and straight to Q13**

Confident – 4

**Q13 are there any challenges that you foresee with the chosen metric? If yes, please explain why**

There is a shortage of ecologists to meet the demand of biodiversity net gain and other nature restoration actions. Therefore, the capacity of qualified individuals to complete the metrics for the credit may pose as a challenge.

There is an assumption that the technical nuance of the credit will be understood by experts, however, this is an assumption. If there is a knowledge expectation on the seller, then this may pose a challenge to entry for farmers as there is a significant amount of very niche knowledge involved.

Furthermore, depending on the price of the credit, the cost of baselining, monitoring, and reporting may be a challenge if not properly accounted for in the credit's price.

**Q14 Are there any woodland metrics missing? Y/N. If Yes, what other metrics should be considered and why?**

No comment

**Q15 Are there any metrics included which are unnecessary? Please state below what the metrics are and why these may be unnecessary. If no please state N/A**

N/A

This project proposes that woodland and peatland projects could quantify their biodiversity baseline **at validation**, using the chosen metrics, but there will be no prediction of future biodiversity outcomes, like we currently do for carbon in the form of Pending Issuance Units. This means that only 'new' projects would be eligible, ruling out the possibility of existing carbon projects adding biodiversity quantification.

**Q16 On a scale of 1 (strongly agree) to 5 (strongly disagree), how much do you agree with the with the proposed approach? If disagree, what are the risks of this approach? If agree what are the benefits of this approach?**

2 - disagree

With how the WCC operates, it would not be possible to assign a biodiversity credit to a pre-existing project due to lack of additionality – no financial additionality. Furthermore, it would not be impossible to obtain a starting baseline.

However, excluding pre-existing projects would be detrimental to early adopters and would punish first movers.

WCC projects have a timeline of 100 years whilst biodiversity credits have a timeline of 30 years. This allows for multiple opportunities for biodiversity enhancement and the creation of a biodiversity credit.

It would be a bold assumption that with the sole effort of planting trees, nature would be restored to its maximum capacity. Actions alongside the planting and management of a woodland can be undertaken to support biodiversity and avoid an 'empty forest'. These actions could be encouraged and financially supported through the biodiversity credit creation.

Moreover, by allowing pre-existing projects to add biodiversity within their scope, biodiversity could be further safeguarded.

**Q17 As we don't have tools to predict biodiversity outcomes, any quantification of biodiversity uplift will occur at verification. For peatland projects ineligible for carbon and only claiming biodiversity, this means we will not issue the equivalent of a 'pending issuance unit' for biodiversity. Any biodiversity credits would be issued to these peatland projects upon verification of a % of biodiversity uplift.**

**On a scale of 1 (strongly agree) to 5 (strongly disagree), how much to you agree with the proposed approach? If disagree, what are the risks of this approach? If agree what are the benefits of this approach?**

2 - Agree.

This approach ensures integrity and the avoidance of green washing. Though it may be possible to model predicted biodiversity outcomes, the modelling is accompanied by caveats and uncertainties, with a risk that one will not deliver the biodiversity outcomes as agreed on. The avoidance of PUI and issuing of credits after prediction of biodiversity, though it may be possible to be modelled, ensures high integrity of the biodiversity credit.