

CORRECTIONS AND CLARIFICATIONS TO VM0003 METHODOLOGY FOR IMPROVED FOREST MANAGEMENT THROUGH EXTENSION OF ROTATION AGE, V1.3

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This document provides corrections and clarifications applicable to VCS methodology VM0003 *Methodology for Improved Forest Management through Extension of Rotation Age, v1.3*. Such corrections and clarifications are effective on their issuance date. Project proponents and validation/verification bodies (VVBs) shall apply and interpret VM0003, v1.3 consistent with the corrections and clarifications set out in this document. These updates will be incorporated into the next issued version of the methodology.

Correction/ Clarification	Description	Section Reference
Clarification 1	Addition of project category, project activity type, and mitigation outcome to summary table	Section 2 Summary Description of the Methodology
Clarification 2	Expansion of eligible sustainable forest management certification schemes beyond FSC	Section 4 Applicability Conditions
Clarification 3	Clarification of the requirements for demonstrating common practice by requiring evidence that the forestland used to assess common practice is representative of the project area	Section 6.3 Determination of Baseline Scenario
Correction 1	Correction of the description of parameter $\Delta C_{BSL_{WP,lt}}$ to align the treatment of wood products with Equations (3) and (4)	Section 8.2 Baseline Net GHG Removals by Sinks
Correction 2	Correction of the placement of the condition for projects where rotations are extended by more than 10 years and/or harvest is	Section 8.6.1 Leakage due to Activity Shifting

decreased by more than 25% over the project lifetime

CLARIFICATION 1

Clarification:

The following additions must be made to Section 2:

Project Category	Improved forest management (IFM)
Project Activity Type	Extended rotation age or cutting cycle
Additionality	Project method
Crediting Baseline	Project method
Mitigation Outcome	Reductions and removals

Background:

Section 2 has been updated to match the most recent VCS methodology template. The summary table now includes additional information that allows readers to quickly understand some key aspects of the methodology, including mitigation outcome.

CLARIFICATION 2

Clarification:

Applicability condition #3 in Section 4 must be read as follows:

3) Prior to the first verification event, the project area must meet one of the following conditions:

- a) Hold a valid forest management certification with the ~~by~~ Forest Stewardship Council (FSC) or a forest certification system endorsed by the Programme for the Endorsement of Forest Certification (PEFC)¹; or
- b) Be subject to an easement, or equivalent instrument, recorded against the deed of property that prohibits commercial harvesting for the duration of the crediting period unless later certified by FSC or a PEFC-endorsed system.²

¹ The current list of PEFC-endorsed national certification systems is available at: <https://www.pefc.org/discover-pefc/our-pefc-members/national-members>

² Chain-of-custody certification alone is insufficient because it applies to the traceability of forest-based products through the supply chain and does not demonstrate that the forest

within the project area is managed in accordance with the applicable sustainable forest management standard.

Background:

The original applicability condition required Forest Stewardship Council (FSC) certification (or an easement leading to subsequent FSC certification) to demonstrate that harvesting under the baseline and project scenarios was conducted in accordance with sustainable forest management principles. Since VM0003 was developed, other internationally recognized forest management certification systems, particularly the Programme for the Endorsement of Forest Certification (PEFC) and PEFC-endorsed systems such as the Sustainable Forestry Initiative (SFI), have become widely adopted across many regions. Restricting eligibility to FSC alone may therefore exclude otherwise eligible sustainably managed forests. This clarification updates the methodology to recognize additional credible forest management certification systems while maintaining the existing safeguard that harvesting under the methodology is subject to independent third-party verification of sustainable forest management.

CLARIFICATION 3

Clarification:

Section 6.3 must be read as follows:

[...]

Common Practice Baseline

[...]

During validation, the forest consultant must share with the validation/verification body evidence for their determination of common practice, including evidence that the forestland assessed for common practice is representative of the project area. ~~Such evidence must in all situations be considered confidential and must not be published or shared by the validation/verification body.~~ Such evidence may include, for example: management plans, records of timber sales or harvesting by the project proponent within the project area or in other properties under their control; management plans, records of timber sales or harvesting by other entities similar to the project proponent in the region; national or regional government statistics on forest management in the region; published data and analyses on forest management in the region; and/or spatial analyses on management options and/or carbon stocks in the region.

Background:

In Section 6.3, a clarification of the requirements for demonstrating common practice is added by specifying that evidence must be provided to the VVB that the forestland used to assess common

practice is representative of the project area. In addition, the methodological requirement to keep all such evidence confidential was removed to align with the VCS Program Version 5.0 in which project proponents may deem specific project documents as commercially sensitive, as applicable.

CORRECTION 1

Correction:

The following changes must be made to Section 8.2:

[...]

If wood products are selected in **Error! Reference source not found.:**

$$\Delta C_{BSL_{WP}} = \frac{\left(\sum_{i=1}^{M_B} \Delta C_{BSL_{WP},i,100t} \times \frac{44}{12} \right)}{100} \times t^* \quad (1)$$

Where:

$\Delta C_{BSL_{WP}}$ Carbon stock changes in wood products in the baseline (t CO₂e)

$\Delta C_{BSL_{WP},i,100t}$ Summed annual net carbon stock change ~~Baseline annual net carbon stock change~~ in wood products for stratum *i* ~~at time *t* (t C yr⁻¹)~~ over the 100-year modeled baseline (t C)

Background:

Equation (5) and the description of associated parameter $\Delta C_{BSL_{WP},i,t}$ has been corrected to align the treatment of wood products with Equations (3) and (4). The parameter is replaced with $\Delta C_{BSL_{WP},i,100}$ and described as the summed annual net carbon stock change in wood products for stratum *i* over the 100-year modeled baseline.

CORRECTION 2

Correction:

The following changes must be made to Section 8.6.1:

[...]

The leakage factor (LF_{ME}) is determined by considering where in the country logging will be increased as a result of the decreased supply of timber caused by the project. It is likely that the proportional leakage will be higher where the areas liable to be logged have a higher carbon stock than the project area.

$LF_{ME} = 0$ where:

- 1) It is possible to demonstrate that no market effects leakage will occur within national boundaries (e.g., no new concessions are being assigned and annual extracted volumes cannot be increased within existing national concessions and illegal logging is absent (or de minimis) in the host country); or
- 2) The project is able to demonstrate that any decrease in wood products produced by the project relative to the baseline is less than 5 percent and any temporal displacement in the total production of wood products is less than 5 years.

$LF_{ME} = 0.1$ where:

- 3) Rotations are moderately extended (5–10 years) leading to a shift in harvests across time periods but a change in total timber harvest equal to or less than 25 percent over the project lifetime.²⁴
- ~~4) Where rotations are extended by more than 10 years and/or harvest is decreased by more than 25 percent over the project lifetime as per VCS Methodology Requirements.~~

Where a lower proportion of forest biomass in commercial species is merchantable material in the forests to which displacement would occur than in the project area, higher emissions would be expected when extracting a given volume, as more trees need to be cut to supply the same volume. In contrast, where a higher proportion of the total biomass of commercial species is merchantable in the displacement forest than in the project area, a smaller area would be harvested, and lower emissions would result.

Thus, each project must calculate within each stratum the proportion of total biomass in commercial species that is merchantable (PMP_i). This must then be compared to the mean proportion of total biomass that is merchantable for each forest type (PM_{LFT}).

Merchantable biomass is defined as “total gross biomass (including bark) of a tree 5 inches (12.7 cm) DBH or larger from a 1 foot (30.48 cm) stump to a minimum 4 inches top diameter outside bark (DOB) of the central stem.”²³

Where rotations are extended by more than 10 years and/or harvest is decreased by more than 25 percent over the project lifetime, the following deduction factors (LF_{ME}) must be used, based on the merchantable proportion of total biomass for the forest type:

- 1) Where PM_{LFT} is within 15 percent of PMP_i , $LF_{ME} = 0.4$

²⁴ Defined here as the minimum project lifetime elected by project proponents in the project description. Where the project is extended beyond this time period, harvests must not be decreased by more than 25 percent across the project area through each additional crediting/baseline period.

²³ Definition from US Forest Service FIA Program

- 2) Where PM_{LFT} is more than 15 percent smaller than PMP_i , $LF_{ME} = 0.7$
 - 3) Where PM_{LFT} is more than 15 percent greater than PMP_i , $LF_{ME} = 0.2$
- [...]

Background:

The placement of the condition for projects in which rotations are extended by more than 10 years or harvest is decreased by more than 25% over the project lifetime has been corrected. This condition is moved to introduce the merchantable biomass-based market leakage factors (LF_{ME}) that follow.