

SUMMARY OF PUBLIC CONSULTATION

VM0003 Methodology for Improved Forest Management through Extension of Rotation Age, v1.3

A draft of VM0003, v1.3, was open for public consultation between 3 February and 4 March 2023. This document includes a list of each comment received and the developer's response.

1. Are the proposed changes to the third applicability sufficient for ensuring FSC certification in the event of commercial harvesting?

#	Organization	Comment	Developer's Response
1	The New Forests Company	In regions, such as East Africa, there are major challenges with attaining FSC certification for smallholder treegrowers even though they may be compliant with the principles and best practices of responsible forestry management. Firstly, the complexity for rural smallgrowers is high and secondly its extremely difficult for these farmers to afford certification, since they are subsistence farmers existing at or below the poverty line. They have tiny woodlots of less than 5ha and recovering the cost of certification on such a small area is impossible. Thirdly, the East African timber market is not as mature as North America and Europe, and as such there is no price premium for FSC certified products over non certified products. Thus there is no incentive for smallholders to seek certification. However, if they are associated with an FSC certificate holder who trains them to be unconsciously compliant with FSC forestry management, their compliance to best practise responsible forestry principles would be the aim of methodology and not the certification alone. Poor rural smallholders should not be penalized and excluded from accessing carbon credits because they live in a region	The requirement of forest management certification following the Forest Stewardship Council (FSC) standards in the VM0003 methodology was intended to ensure climate, community, and biodiversity benefits coincide with the application of this methodology for forest carbon projects. This methodology was also intended to both encourage and reward landowners who pursue FSC certification as part of a climate-smart forest management strategy. In the regions where the VM0003 methodology has been successfully applied to date (i.e., within the USA), FSC certification involves adoption of forest practices that go above-and-beyond minimum regulatory requirements which are otherwise sufficient to satisfy alternative certification programs. Considering the fact that FSC certification has been adopted and demonstrated across diverse ownerships ranging from small family forest ownerships, large industrial timber companies and timberland investment organizations, public agencies, and Indigenous communities, the additional requirement of FSC certification in VM0003 for landowners who are otherwise willing to pursue third-party verification of a forest carbon offset project is not considered to represent a significant procedural or practical barrier, nor does it outweigh our interests in ensuring additional benefits to climate, community, and biodiversity that FSC certification brings that are

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		where it is unaffordable and no market incentive exists for FSC certification.	<p>generally beyond the scope of carbon offset verification.</p> <p>The proposed revisions to VM003 regarding FSC certification are intended to provide flexibility for landowners regarding the timing of achieving FSC certification, and to require FSC certification only in cases where commercial timber harvesting will be completed. Additionally, the proposed applicability condition would allow for project proponents to collect carbon revenues after initial credit issuance that could then be used to pay for FSC certification prior to any commercial harvesting.</p> <p>Specific to the East Africa, both Uganda and Tanzania follows a National Standard (https://connect.fsc.org/document-centre/documents/resource/304) drafted by a 26-member Standards Development group. This standard provides simplified compliance mechanisms for Small and Low Impact Managed Forests (SLIMFs) while also ensuring critical principles and criteria regarding gender discrimination, worker's rights and safety, recognition and resolution mechanisms for legal and customary rights and tenure of local communities and Indigenous peoples, corruption, and appropriate ways of engaging Indigenous peoples, and minimum standards for silvicultural systems and practices are honored and verified. Additionally, Rwanda and Kenya have the Interim National Standard (INS), with Ethiopia recently initializing the process to develop an INS. Once completed and approved by FSC, a total of 5 countries in the East Africa region will have a FSC forest management standard in place.</p>
2	Landlife Company	The commercial harvesting is not in line with the new "Harvesting Activities" definition that has been added to the VCS Program Definitions, in v4.3, so please update the methodology to make it coherent with the VCS Program Definitions.	The definition for "Harvesting Activities" is not relevant to our use of "Commercial Harvesting". "Harvesting Activities" looks at the long-term carbon stock average from biomass removal for the purposes of the Long-term average (LA) calculation while commercial harvesting looks at the removal of trees for non-

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			firewood or sanitation purposes. Therefore, the updated definition of Harvesting Activities in VCS Program Definitions v4.3 does not need to be in agreement with the VM0003 Methodology's Commercial Harvesting definition.
3	South Pole	Yes, it offers a better definition. However, I will add another definition: pre-commercial harvesting (or pre-commercial thinning): Removing any trees from the project area at a very young state for the improvement of the forest stand. Normally this wood cannot be commercialized so the only possible use is firewood.	The proposed definition for "Commercial Harvesting" specifies the limited collection of Firewood is not considered commercial harvesting. Thus, FSC certification would not be required to engage in the limited collection of Firewood, and a dedicated definition for pre-commercial thinning is not necessary.
4	Sustainable Forestry Initiative	<p>We recommend a modification as follows: Prior to the first verification event, the project area must meet one of the following conditions: Certified to Forest Stewardship Council (FSC) or Sustainable Forestry Initiative (SFI); OR 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 to FSC or SFI.</p> <p>The SFI 2022 Forest Management Standard is built to help achieve 17 different objectives, including climate smart forestry, fire resilience and awareness, protection of water resources, protection of special forest sites, community involvement, conservation of biodiversity, efficient use of fiber resources, detailed planning for long term forest health, respect for indigenous rights, and public transparency.</p> <p>The SFI 2022 Standards included input from more than 2,300 stakeholders from the conservation community,</p>	This response is outside of the scope of the question at hand. However, the requirement of forest management certification following the Forest Stewardship Council (FSC) standards in the VM0003 methodology was intended to ensure climate, community, and biodiversity benefits coincide with the application of this methodology for forest carbon projects. FSC certification was selected as the standard to which projects must be verified because it involves the adoption of forest practices that go above-and-beyond minimum regulatory requirements which are otherwise sufficient to satisfy alternative certification programs. See response to Comment #7.

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		<p>Indigenous communities, the forest products sector, brand owners, private forest landowners and public forest managers, government agencies, trade associations, landowner associations, academia, and the public.</p> <p>Specific to addressing climate change, the SFI 2022 Forest Management Standard includes a new objective titled Climate Smart Forestry. The new objective requires certified organizations to identify and address climate change risks to forests and forest operations and develop adaptation objectives and strategies. It also requires certified organizations to identify and address opportunities to mitigate effects of climate change associated with forest operations. These requirements not only provide a comprehensive approach to climate-smart forestry on the ground but also constitute a supply chain tracking system (chain of custody) that provides assurances about forest management and products sourced through SFI's certification system.</p> <p>More information may be found at https://forests.org/forestmanagementstandard/.</p>	

2. Does this revision adequately address the misapplication of Winjum 1998 paper medium-lived wood products equation, which is used to calculate the total carbon stored in wood products?

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5	South Pole	Yes, I think the proposed approach is more accurate.	N/A

3. Changes to the uncertainty deduction have been made to align the methodology with the VCS Methodology Requirements v. 4.3. Please provide any feedback or question on this update as necessary.

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6	South Pole	In the section of Planning to Diminish Uncertainty, maybe what can be added is some more accurate statistical approach about the number of plots, stratum, etc. needed to reduce the uncertainty.	This response is outside of the scope of the question at hand. However, the requested information regarding sampling and reduction of uncertainty can be found in IPCC (2006) Guidelines, cited in Section 8.7.1 Calculations of Uncertainty.

General Questions

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7	The Earth Lab	An extended time frame during which a project can demonstrate that it meets Forest Stewardship Council (FSC) certification requirements:	FSC certification is widely regarded as the most extensive forest certification program used globally and encompasses a broad policy scope with requirements related to forest management, labor, indigenous rights, and environmental rules ¹ . While other international forest certifications exist,

¹ Gutierrez Garzon AR, Bettinger P, Siry J, Abrams J, Cieszewski C, Boston K, Mei B, Zengin H, Yeşil A. A Comparative Analysis of Five Forest Certification Programs. *Forests*. 2020; 11(8):863. <https://doi.org/10.3390/f11080863>

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		<p>Why bias only with FSC criteria when a government-approved forestry program or other less costly certifications such as Rain Forest Alliance, or compliance with national standards of good forest management can serve?</p>	<p>FSC is seen as the best program for ensuring that sustainable forest management is practiced on lands enrolled in a carbon project under the VM0003 methodology. Additionally, the proposed changes to the methodology allow projects to generate carbon revenue prior to obtaining FSC certification, assuming commercial harvests are delayed. This revenue can then be used to offset any higher costs associated with obtaining FSC certification.</p> <p>Government-approved forestry programs and national standards of good forest management can vary significantly by country. Because of this, requiring FSC certification was seen as a better choice in maintaining the integrity of projects developed under VM0003.</p>
8	The Earth Lab	<p>It was clarified that unmanaged forests, or managed through individual tree selection, in the reference case are not eligible under this methodology, and a definition of "individual tree selection" has been provided.</p> <p>This clarification is not well received, because there are many projects under development under this methodology, where efforts and investments have already been made and the clarification does not mention a temporality, it simply excludes in a single publication the possibility of developing projects with this methodology.</p> <p>On the other hand, is individual tree selection</p>	<p>References to individual tree selection located in the Definitions, Applicability Conditions, and Determination of Baseline Scenario sections were part of VM0003 v1.1, and removed when the methodology was revised to v1.2. This language from v1.1 was inadvertently re-introduced in v1.3. To address, all references and language related to individual tree selection has been removed, reverting to v1.2. Forests managed by individual tree selection are eligible under VM0003 v1.3.</p>

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		(one of) the best ways to reduce environmental impact in the tropics? Is it possible to consider specific projects that include techniques that demonstrate that individual selection is beneficial for forest structure and sustainable production, thus increasing carbon stocks?	