

REVIEW OF VM0003

Methodology Element Title	Methodology for Improved Forest Management through Extension of Rotation Age (IFM ERA)	
Version	v.1.1	
Methodology Element Category	Methodology	x
	Methodology Revision	
Sectoral Scope(s)	14 - Agriculture, Forestry and Other Land Use	

Report Title	Review of VM0003
Assessment Criteria	<i>AFOLU Requirements, v3.2, Methodology Approval Process v3.4</i>
Date of Issue	31 October 2012
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Summary:
<p>The VCS Association reviewed VM0003 against Section 4.5.3 of the <i>AFOLU Requirements v3.2</i> released on 1 February 2012 to determine whether VM0003 complied with the new requirements. As a result of the review, the methodology was found to be non-conformant with the requirements for decay of dead wood and harvested wood products.</p> <p>The methodology has been updated following the streamlined procedure described in Section 8.3.2 of the <i>Methodology Approval Process v3.4</i>, and sets out criteria and procedures to reliably establish the pattern of carbon loss for the decay of dead wood and harvested wood products. The methodology applies the default approach for modelling the decay of each of these pools as given in the <i>AFOLU Requirements</i>.</p> <p>Other limited modifications, edits and clarifications have also been incorporated into the methodology.</p>

Specifically, the applicability conditions with respect to eligible and ineligible forest management techniques have been clarified, the applicability condition with respect to the timing of Forest Stewardship Council (FSC) certification has been amended, and procedures for establishing a legal baseline have been clarified.

A description of the updates made to the methodology following a review by the VCSA as well as a description of the other revisions made to the methodology and their justifications are provided below.

1 ASSESSMENT FINDINGS

1.1 Definitions

Not applicable.

1.2 Applicability Conditions

Revision Proposed by Methodology Developer:

To clarify the kinds of forest management techniques that are eligible under the methodology, the following changes have been made to the applicability conditions:

- 1) Continuous thinning and group selection have been added as eligible forest management techniques under the baseline scenario, and a definition for “group selection” has been provided.
- 2) It was clarified that forests which are unmanaged, or managed by individual tree selection, in the baseline case are not eligible under this methodology, and a definition of “individual tree selection” has been provided

A modification has also been made with respect to the timing by which Forest Stewardship Council (FSC) certification must be in place. The applicability condition has been revised to allow projects to achieve FSC certification by the start of the project crediting period and requires demonstration of FSC certification no later than at the first verification event.

Justification for Proposed Revision:

These revisions to the applicability conditions create no substantive impacts to the methodology.

The addition of forest management techniques that are eligible under this methodology does not substantively impact the procedures for estimating the most plausible baseline scenario. There are no substantive impacts to estimating the changes in carbon stock in relevant pools by including these types of activities given that carbon stocks are modelled using an appropriate forestry model.

The addition of the applicability condition that excludes activities that include individual tree selection does not substantively impact the methodology because these activities were previously not allowed under the procedures for determining the most plausible baseline scenario. This

addition was added to ensure that all required applicability conditions are understood at the outset.

The revision on the timing of FSC certification provides project proponents with flexibility to meet this requirement within an appropriate timeframe. However, in order to ensure the environmental integrity of the emission reductions and removals generated by projects applying this methodology, it has been clarified that the project crediting period can only commence once the FSC certification is in place. As such, the change does not have any impact on the quantification of emission reductions and /or removals.

VCSA Review:

These revisions do not materially impact the methodology and is in conformance with the *AFOLU Requirements*. As such, the revisions to applicability conditions are deemed acceptable.

1.3 Project Boundary

Not Applicable.

1.4 Procedure for Determining the Baseline Scenario

Revision Proposed by Methodology Developer:

In order to provide further clarity with respect to the selection of the baseline forest management scenario, the following text has been added for to determine the baseline scenario to be modelled.

“If the forest management regulations are readily enforced within the project region the Legal Baseline must be modelled as the most plausible baseline scenario. The legal baseline is defined by the legal requirements for forest management regulations. If forest management regulations are not readily enforced in the region, then the Common Practice Baseline must be modelled.”

Justification for Revision:

There are no substantive impacts to establishing the most plausible baseline scenario. The methodology previously required project proponents to evaluate the legal baseline in addition to the historical and common practice baselines. The addition provides clarification for when the legal baseline shall be used.

VCSA Review:

This revision does not materially impact the methodology and is in conformance with the *AFOLU Requirements*. As such, the revisions to applicability conditions are deemed acceptable.

1.5 Procedure for Demonstrating Additionality

Not applicable.

1.6 Baseline Emissions

Non-Conformity Raised by VCSA:

Section 4.5.3 of the *AFOLU Requirements* requires methodologies to consider the decay of carbon in soil carbon, belowground biomass, dead wood and harvested wood products and shall not assume the immediate release of carbon from these pools in the baseline case.

- (1) This methodology does not need to account for the decay of the belowground biomass carbon pool, as per the *AFOLU Requirements*. No action is required for this pool.
- (2) The soil carbon pool is conservatively excluded in the methodology. No action is required for this pool.
- (3) For dead wood, decay of this pool in the baseline case is not explicitly described (section 4.1) because it is included in the selected model for baseline stocks. The methodology requires that the output of the selected model provide annual changes to the stocks of carbon in the dead wood pool. The methodology is not clear that the selected model shall not assume the immediate release of carbon. It will be useful to clarify that the assumptions in the selected model for baseline stocks must conform to the requirement about immediate release of carbon stock in the dead wood pool.

The methodology shall clarify the requirements with regard to selecting a model to avoid the assumption.

- (4) The approach to harvested wood products, as described in section 5.1.3 and equations 28-34, is to consider permanent the proportion of wood product storage still sequestered after 100 years. The remaining portion is considered immediately emitted at the time of harvest as described in step 2 of section 5.1.3. In the baseline case, this is non-conformant to the *AFOLU Requirements*, which explicitly states that it shall not be assumed that GHG emissions from the medium-term harvested wood products pool occur instantaneously in the baseline case.

The methodology shall set out criteria and procedures to reliably establish the pattern of carbon loss or apply an appropriate decay model for the decay of medium-term harvested wood products. A default approach for modelling the decay of medium-term harvested wood products is given in the *AFOLU Requirements* and may be applied. The default approach models the decay of medium-term wood products over 20-year linear decay function.

Developer Response:

In response to the non-conformance the methodology has been revised.

For the dead wood carbon pool, it was clarified that the selected model used to determine carbon stock changes in the baseline scenario must not assume the immediate release of carbon.

For the harvested wood products pool, Section 8.5.1.3 of the methodology has been revised to

account for the decay of carbon from the medium-term wood products pool. This section no longer assumes the immediate release of harvested wood that is not sequestered beyond 100 years. In order to meet the updated *AFOLU Requirements* on decay, the methodology now provides procedures to estimate the volume of the harvested wood products pool (including the volume in the short-term, medium-term and long-term fractions) and a new procedure for estimating the decay of the medium-term harvested wood products pool. Two procedures are provided for estimating the volume of the harvested wood products pool, 1605b and Winjum. For both procedures, the short-term fraction includes wood products that would decay within 3 years and the medium-term fraction includes wood products that would decay between 3 and 100 years, and the long-term fraction includes wood products that sequester carbon beyond 100 years. Under both procedures, the medium-term fraction of harvested wood products decays linearly over 20 years (equations 30 and 35).

VCSA Response:

The developer response adequately addresses the findings. No further action is required.

1.7 Project Emissions

Not applicable.

1.8 Leakage

Not applicable.

1.9 Quantification of Net GHG Emission Reductions and/or Removals

Not applicable.

1.10 Monitoring

Not applicable.

1.11 Data and Parameters

Not applicable.

1.12 Use of Tools/Modules

Not applicable.

1.13 Additional Information Section

Revision Proposed by Methodology Developer:

In Section 5.1, it was clarified that the *Tool for testing significance of GHG emissions in A/R project*

activities is a CDM tool for the emission sources included or excluded from the project boundary.

Justification for Revision:

This clarification provides an accurate citation to the reference that is used to determine the carbon sources to be accounted for as per procedures in the methodology. This revision does not have any material impact on the methodology.

VCSA Review:

These revisions do not materially impact the methodology and is in conformance with the VCS rules. As such, the revisions are deemed acceptable.

2 ASSESSMENT CONCLUSION

The developer has provided sufficient responses to close all findings. Further limited modifications, edits and clarifications that were made to the methodology do not materially impact the methodology and are deemed acceptable.