

**FOREST CARBON STANDARDS COMMITTEE**  
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**Purpose**

The purpose of the Forest Carbon Standards Committee is to develop and maintain consensus standards for the measurement, reporting, and verification of forest carbon emission reduction projects (e.g., offsets) under current and emerging greenhouse gas emission reduction programs in Canada and the United States. It is recognized that policy makers in both nations will likely establish official policies and rules with which such standards will need to comply. It is also recognized that the two countries may need to take somewhat different approaches to these questions due to different circumstances and national and international commitments. The Committee will offer policy makers forest carbon offset standards<sup>1</sup> that have high environmental integrity, are scientifically sound, and offer transaction efficiency in light of known forest science and practice, in the hope that consistent approaches across the two countries can be achieved.

**Background and Formation**

The Committee was formed by a bi-national group of stakeholders familiar with the suite of forest carbon offset protocols and standards that have been developed to date and the difficult issues that forest managers face in complying with the demands of emerging greenhouse gas emission programs. By evaluating these existing protocols and standards, matching their approaches to known forest science and practice, and seeking innovative ways to satisfy

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<sup>1</sup> While these standards will focus on forest projects developed for qualification as offsets under future cap and trade programs, the principles and methods involved may be adapted or modified to encourage other types of forest-based carbon emission reduction programs.

emerging emission reduction policies and markets, it was felt there could be a harmonized approach to establishing rules governing the development of compliance-quality forest carbon offsets.

These standards will be developed in accordance with procedures adopted by the American Forest & Paper Association (AF&PA), an American National Standards Institute (ANSI) accredited standards development organization, and procedures adopted by the Canadian Standards Association (CSA), a Standards Council of Canada (SCC) accredited standards development organization. ANSI and SCC are the national standards accreditation bodies for the United States and Canada respectively. The AF&PA and CSA procedures are very closely aligned and do not present any direct conflicts. AF&PA procedures are included as Appendix A; CSA procedures are included as Appendix B. A graphic illustrating the proposed bi-national standards development process is included as Appendix C.

In addition to AF&PA, other sponsoring organizations include the Society of American Foresters, the Forest Products Association of Canada, and the Canadian Institute of Forestry. These organizations invited a diverse set of participants to join the Committee, representing a balance of organizational interests and scientific knowledge. The Committee currently has 40 full (voting) participants and numerous observers. AF&PA agreed to serve as Secretariat in support of the Committee's work. An initial scoping meeting was held in Washington, DC, on October 23-24, 2008, with some 50 Committee members, alternates, and observers in attendance.

## **Stakeholders and Membership**

Committee members have been assigned to interest categories as defined below. Members can request re-definition of categories or re-assignment of their category if they feel they have been improperly categorized. All such requests will be directed through the Secretariat to the Committee for action.

Interest categories have been defined as follows:

- Producers – individuals or organizations that will use the proposed standard to guide the production, measurement, monitoring, and sale of forest carbon offsets.
- Users – individuals or organizations that will use the proposed standard to verify, approve, register, broker, or purchase forest carbon offsets, or to establish public policy or rules that may refer to the standard.
- General interest – individuals or organizations that have a direct interest in the environmental integrity and/or public interest impact of the forest carbon offsets produced under the guidance of the standard.

Membership in the Committee has been chosen to be sufficiently diverse to ensure reasonable stakeholder balance without dominance by a single interest category. Furthermore, reasonable efforts will be made to achieve a 1:3 ratio of Canadian to U.S. participants on the full Committee and task committees. Proposals or requests for additional members to be added to the Committee should be addressed to the Secretariat, indicating the applicant's direct and material interest in the Committee's work and their qualifications and willingness to participate. These requests will periodically be assembled by the Secretariat and circulated for Committee approval (See Procedures, part 5.1, Appendix A).

## **Products**

The Committee will produce a standard (or set of standards—the exact format has yet to be decided) that will cover the various types of forestry projects that will be eligible to produce compliance-grade forest carbon offsets. Preliminary discussions identify those project types as:

- Afforestation
- Reforestation
- Forest Management
- Forest Protection
- Urban Forestry

Working definitions for these project types will be developed by the Integration Task Committee (described below) and will coordinate with the Technical Task Committees (also defined below) to re-define if needed. The Technical Task Committees will clearly identify how each project type will be handled in relation to its assigned issues. It is anticipated that the final standard will be in a modular format to facilitate the identification and description of different approaches to accounting for forest carbon offsets among project types.

## **Customers and Users**

The primary customers for these efforts are the public officials and advisors tasked with the development of emerging forest carbon offset standards at the state, provincial, regional, and national levels within the U.S. and Canada. A model standard reflecting known forestry science and practice can provide a pattern upon which more consistency between efforts may be achieved. It is recognized that such a model cannot displace the responsibility for taking official action, but it is hoped that it will be a useful contribution to those efforts.

## **Committee Function and Process**

The Committee will function under AF&PA/CSA standards development procedures. Because the issues that must be addressed in any forest carbon offset standard are particularly complex and inter-related, supplemental procedures that are consistent with these standards development procedures may be adopted by the Committee in order to reach positions with the broadest possible support. In light of the wide-ranging and strongly held views about different aspects of forest management and protection, for instance, extra efforts will be made to fully consider all viewpoints prior to seeking official committee adoption of proposed standards. Where differences exist between AF&PA and CSA standards development procedures, the Committee will take steps to accommodate both sets of procedures.

Full Committee meetings will be held to a minimum, based on the call of the Chairman or a request by Committee members under the procedural rules. Communication will occur primarily through conference calls and emails.

## Task Committees

Task Committees will be identified by the Committee to facilitate the development of individual portions of the work. Task statements will be developed and Task Committee members chosen by the Chairman to initiate action. It is anticipated that most of the Task Committee work will be done with conference calls and email, but Task Committee meetings may be necessary and will be held at the call of the Task Committee chair in consultation with the Secretariat.

### ***Technical Task Committees***

Four Technical Task Committees were identified at the initial Committee meeting. The role of the initial Technical Task Committees will be to assemble comparisons of existing protocol and standards approaches and to consider innovative approaches. The charge for each Task Committee is as follows:

- Baselines, additionality: Address methods for the establishment of base case (base year, baseline, BAU, etc.) and additionality (amount of change vis-à-vis base case that is allowed for crediting). Evaluate the different approaches in terms of: (a) ability to ensure real and additional GHG emission reductions; (b) dependence on real, measured amounts relative to the project; (c) relevance to project owner's management control and action; (d) ability of independent third-party verifiers to verify accuracy of reported amounts; (e) possibility of unintended environmental and economic consequences; and (f) transaction efficiency. From this evaluation and the input of the Task Committee, prepare a draft recommendation for baseline and additionality rules appropriate to each of the defined project types that can fit into a bi-national consensus standard. Identify cross-connections with other Task Committee topics that need to be considered for full integration into a consensus standard.
- Permanence, Leakage: Identify methods for addressing the risk of reversals (loss of previously reported carbon sequestration amounts) and leakage (carbon-emitting activities elsewhere caused by project action). Evaluate the different approaches in terms of: (a) ability to ensure real and permanent GHG emission reductions; (b) effectiveness and efficiency in addressing and mitigating risk; (c) relevance to project owner's management control and action; (d) ability of independent third-party verifiers to verify accuracy of reported amounts; (e) possibility of unintended environmental and economic consequences; and (f) transaction efficiency. From this evaluation and the input of the Task Committee, prepare a draft recommendation for permanence and leakage rules appropriate to each of the defined project types that can fit into a bi-national consensus standard. Identify cross-connections with other Task Committee topics that need to be considered for full integration into a consensus standard.
- Quantification (Measuring, Monitoring, Verification): Address the measurement, reporting and verification of reported carbon sequestration amounts. Include details on reporting requirements (frequency of reporting and verification, public disclosure, etc.) and on carbon pools and emissions included (required and optional). Evaluate the different approaches in terms of: (a) good accounting principles (transparency, completeness, consistency, accuracy, repeatability, uncertainty); (b) feasibility (available scientific methods, cost, transaction efficiency); and (c) ability of independent third-party

verifiers to verify accuracy of reported amounts. From this evaluation and the input of the Task Committee, prepare a draft recommendation for quantification rules appropriate to the different project types and designed to fit into a bi-national consensus standard. This draft will need to be relevant to the other Task Committee decisions, so may need to await those decisions before it can be finalized.

- **Sustainability, Co-Benefits, and Environmental Impacts:** Address how to demonstrate sustainability and encourage co-benefits within forest carbon sequestration projects designed for market trading. Evaluate different approaches in terms of: (a) ability to identify and mitigate likely impact on the environment, economy, and society; (b) ability to encourage or require co-benefits; (c) consistency with known forestry science and practice; (d) relevance to project owner's management control and action; and (e) relevance to the compliance credibility of the reported carbon amounts and the demands of offset purchasers. From this evaluation and the input of the Task Committee, prepare a draft recommendation for identification and evaluation rules appropriate to the different project types and designed to fit into a bi-national consensus standard.

Technical Task Committees will prepare draft recommendations with the assistance of the Secretariat and, where needed, with additional technical support.

### ***Integration Task Committee***

Completed Technical Task Committee draft recommendations will be reviewed by an Integration Task Committee established by the Chairman, with anticipated interaction between the Integration Task Committee and Technical Task Committees. Members of the Integration Task Committee will include Technical Task Committee chairs and other active Technical Task Committee participants. As noted above, the Integration Task Committee will also be responsible for developing working definitions for project types in coordination with the Technical Task Committees. After completion of the Integration Task Committee review, an integrated draft will be submitted to the Committee for consensus consideration.

## **Development of Draft Recommendations**

All draft materials will be maintained in a secure section of the Committee website for comment and review by Committee members. Draft materials are to be clearly marked as draft, and are not to be cited as Committee output until they have been formally adopted by the Committee.

### ***Seeking Broad Support***

Prior to submitting a proposed standard (or set of standards) for adoption, the Committee will conduct an informal review and ballot to gather input. Committee members will be asked to express their support of the proposal using the following alternatives:

- Unqualified support
- General support (with potential improvements suggested)
- Qualified support (with qualifications expressed)
- Fundamental disagreement (with issues identified)

The Committee will then review these comments and attempt to resolve the concerns through modifications, with the objective to produce a product with the broadest support. If one or more Committee members express fundamental disagreement with a particular item or section of the proposal, the Committee will continue to work on that portion until those disagreements are resolved or it appears that a resolution is not possible.

### ***Official Adoption***

Once the Committee review has been concluded, the proposed standard (or set of standards) will be brought to the Committee for adoption by letter ballot. Included in the ballot package will be a brief explanation of the outcome of the Committee review, including identification of any unresolved issues that remain. For voting procedures, the Committee will follow the official AF&PA and CSA procedures. In accordance with both AF&PA and CSA procedures, the officially approved standard(s) will get published for public review and the Committee will consider comments received.

### **Communication and Transmission**

The Secretariat will be responsible for the communication and transmission of approved Standards (or modules) to appropriate audiences, users, and other organizations.

### ***Timeline and Schedule***

The following timeline is anticipated:

- |   |                    |
|---|--------------------|
| 1. Task Committees named                | February 1, 2009   |
| 2. Task Committee draft recommendations | October 1, 2009    |
| 3. Draft Standard                       | December 1, 2009   |
| 4. Committee vote on Standard           | April 1, 2010      |
| 5. Public Review                        | Spring/Summer 2010 |
| 6. Adoption process completed           | Late 2010          |

### **Appendices**

***Appendix A—AF&PA Procedures for Development and Maintenance of Standards***

***Appendix B—CSA Directives and Guidelines Governing Standardization***

***Appendix C – Proposed Bi-national Standards Development Process***