

Securing Northeast Forest Carbon Program – <u>www.northeastforestcarbon.org</u>

Key attributes of forest carbon projects

For all types of forest carbon projects under a carbon registry, the carbon registries outline strict requirements for eligibility. Carbon projects must demonstrate that there is additional carbon capture that would not have occurred without the carbon project – this is called *additionality*. Additionality is the difference between the carbon storage of the forest if it was enrolled in a carbon offset project compared to the carbon storage if it was not enrolled in a carbon project. The latter is usually called the baseline. The baseline is defined according to the project type and protocol; it can relate to common practice, business as usual, standardized emissions estimates, profit maximization, or minimum legal requirements. The project must have a long-term commitment, or *permanence*, to ensure that the stored carbon is not immediately released. And the project must demonstrate that it does not facilitate any new emissions elsewhere, called *leakage*. For example, there are penalties if the carbon project results in an increase in timber harvesting in another location. The number of carbon credits that a project produces is based on the additionality while accounting for permanence and leakage (Figure 15).

Key Attributes of Forest Carbon Projects

| Additionality | Permanence | Leakage |
|---|---|--|
| The difference between the project scenario and the baseline is called additionality and is the basis for the carbon offsets generated from the project. Additional carbon stored is verified periodically. | Projects must contribute a proportion of generated offets to a buffer pool, or other approved insurance policy, based on the risk of unintentional reversal due to a natural disturbance. The risk is computed based on forest type, location, and other site factors. | Leakage happens if project reduces timber harvest volumes compared to the baseline, which could result in increased harvesting elsewhere to meet wood market demands. The project must demonstrate that it does not cause excessive leakage, or if it does, must compensate for leakage in offsets credited. |

Figure 1

Note: The content of this publication draws heavily on several similar publications produced by the Vermont Department of Forests, Parks and Recreation.

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