

### **What is the Woodland Carbon Guarantee?**

The Woodland Carbon Guarantee (the Guarantee) is a £50 million scheme across England to help accelerate woodland planting rates in order to permanently remove CO<sub>2</sub> from the atmosphere, and therefore help combat climate change. The Guarantee provides successful applicants with the option to sell the captured carbon from your woodlands in the form of verified credits called Woodland Carbon Units (WCUs) to the government for a guaranteed price every 5 or 10 years up to 2055/56.

### **Who should apply?**

The Guarantee is designed to support woodland creation projects that wouldn't be viable without the additional support that the scheme provides. The Guarantee is therefore aimed at landowners and farmers who are thinking about planting new woodlands. The Guarantee application and auction stages must therefore be completed before any trees are planted. If you are a woodland owner who is thinking of expanding your woodland (by planting new trees) you can also apply, but you will only be able to apply for the new section of woodland.

### **Do I need an Environmental Impact Assessment (EIA) in place before I apply for the Guarantee?**

The [Guarantee process](#) allows for the design of the woodland to be modified after a Guarantee application has been approved so it isn't necessary to wait until all of the planning and EIA processes are complete before applying for the Guarantee. In fact, applying early for the Guarantee can be helpful to understand whether a project will be financially viable before committing to the detailed design processes.

### **Can I apply for the Guarantee at the same time as other woodland grants?**

Yes, woodland creation applications don't need to be agreed in order for you to apply for the Guarantee, but they should be part of your thinking when putting together the funding package for your project - especially if support through the Guarantee is critical for the viability of your project. Further information about the support available for woodland creation is available here:

<https://www.gov.uk/guidance/create-woodland-overview>

### **Can I apply for the Guarantee if I've already applied for other woodland creation grants?**

Yes. Guarantee applications may be made alongside applications for other woodland creation grants (e.g. Countryside Stewardship, the Woodland Carbon Fund or the HS2 Woodland Fund) provided that any other contracts were signed by the landowner after 29 October 2018.

If for example, you have already completed a Countryside Stewardship Woodland Creation application and you signed it after the 29 October 2018, then it may be possible to plant trees either in the current or next planting season; however if you haven't currently started the Countryside Stewardship application process then it may take a couple of years before planting can begin. In addition, Guarantee applications can only be submitted for projects registered with the Woodland Carbon Code after 29 October 2018.

**Can I apply for the Guarantee if I already have a woodland / I've already started planting trees?**

No, projects will not be eligible for the Guarantee if you have started planting or other on-site work has started before you have received an offer of a Guarantee contract after a successful bid in an auction. If you already have a woodland established, you can't apply for the Guarantee but if you are considering extending your woodland you may be able to apply for the Guarantee on the new trees you are thinking of planting. Your woodland will still need to meet the requirements for UKFS and have the relevant Environmental Impact Assessment completed.

**When will I get my money? Are the payments annual?**

No the payments aren't annual. The Woodland Carbon Guarantee provides you with the option to sell your captured carbon in the form of verified carbon credits, called Woodland Carbon Units (WCUs), to the government for a guaranteed price every 5 or 10 years up to 2055/56. WCUs produced after 2055/6 can be sold privately but will not be purchased by the government under the Woodland Carbon Guarantee.

**Can I get any money from selling carbon units sooner than every 5 to 10 years?**

The Guarantee is not a grant scheme which pays for planting trees up front, it is designed to provide a longer-term income stream with income options available every 5 or 10 years until 2055/56. However the Woodland Carbon Code allows for carbon to be sold in advance of the trees growing, in the form of unverified carbon units called Pending Issuance Units (PIU). Unverified PIUs typically sell for a lower price than verified WCUs but they do provide an option for an early return if this is desirable. The sale of PIU's is not covered by the Woodland Carbon Guarantee. See '[What are Carbon Units](#)' for further information.

**If I miss the first auction when is the next one?**

The next auction will run from 12pm (midday) on Monday 20 January 2020 to 12pm (midday) on Friday 14 February 2020. In order to participate in this auction, your application will need to be received by the Forestry Commission no later than Friday 31 January. Participation in the auction cannot be guaranteed until your application has been approved, so you are advised to submit your application as soon as possible. Further auctions will be held approximately every 6 months (dates to be confirmed) for 4 or 5 years depending on the rate of uptake and therefore available funds.

### **What is the maximum amount of money I can receive?**

The maximum amount of money that you can receive is based on the number of carbon units that are included within the application (which is in turn based on the size of the proposed woodland and factors such as the species choice and the management regime) along with the guaranteed price agreed through the auction process. The guaranteed price is index-linked for the period of the WCaG contract.

### **What is the average price of a woodland carbon unit?**

Landowners currently report selling carbon units upfront to private companies for between £5 and £15 per WCU. If you want to sell your WCUs to the government via the Guarantee, the online auctions will be used to agree the price at which the WCUs will be sold to the government – this price may be higher than the current open market price.

### **The Woodland Carbon Code applies to the whole of the UK but the Guarantee is only available for landowners in England. Why is this? Can I apply for the Guarantee if I live in Scotland but have already signed up to the WCC?**

No. Decisions on how to support domestic woodland creation are devolved to each of the three countries. The Guarantee has been developed by Defra and FC to cover England and the support for woodland creation provided within Scotland and Wales are a matter for Scottish and Welsh ministers.

### **What does the timeline for the scheme look like from start to finish?**

When you can actually plant will depend on what stage you apply to the Guarantee, and whether you intend to also apply for other support such as through the Countryside Stewardship Woodland Creation Grant. There are some examples below to help understand this, depending where you are currently.

If you have already completed a woodland creation application and you signed it after 29 October 2018, or you don't intend to apply for any additional grants:

- You should be able to participate in the next auction. Auctions for the Guarantee are held approximately every 6 months with the next taking place from Monday 20 January 2020 to 12pm (midday) on Friday 14 February 2020 – the deadline to submit an application for this auction is 31 January 2020. If you are successful in this auction it may be possible for you to plant trees either in the current planting season (winter 2019/20) or the next planting season (winter 2020/21). You could therefore be looking at income options from the Guarantee in five years' time (by 2025/26).

If you have started your woodland creation application and want to submit it shortly, or you have submitted it recently:

- You can still participate in the Guarantee January auction even if you haven't heard back on your woodland creation application, but you will need to have your woodland creation application approved before planting can commence and this will depend on which woodland creation grant scheme you apply for.
- The HS2 Woodland Fund is open year round, but is subject to quarterly application review panels so planting will depend on your submission timing. If you applied in time for the October 2019 review panel, your

agreement should be issued by late March 2020 and you can therefore plant winter 2020/21. If you have applied for the HS2 Woodland Fund in time for the January 2020 review panel, your agreement should be issued by late June 2020 and you can also therefore plant winter 2020/21. You could therefore be looking at income options from the Guarantee in five years' time (by 2025/26).

- The Woodland Carbon Fund and the Countryside Stewardship Woodland Creation Grant are both open year round, but you need to allow up to five months for your application to be processed so depending on when you submitted your application you could be planting in the 2020/21 planting season or 2021/22. You could therefore be looking at income options from the Guarantee in five years' time by (2025/26).

If you haven't currently started the woodland creation application process:

- You can still participate in the upcoming January 2020 auction (the deadline to submit an application for this auction is 31 January 2020) but you will need to have your woodland creation application approved before you start planting, the timings of which will depend on which woodland creation grant scheme you apply for.
- As indicated above, the HS2 Woodland Fund is open year round, but is subject to quarterly application review panels so planting will depend on your submission timing. The Woodland Carbon Fund and the Countryside Stewardship Woodland Creation Grant are both open year round but you should allow up to five months for your application to be processed, so if you apply in the next few months you could be planting in the 2020/21 planting season. If you apply for a woodland creation grant later in the year it may not be possible to plant within the winter 2020/21 planting season due to the five months required to process the application, and the time you will require to source plants and contractors. You could then plant in the winter 2021/22 planting season, and looking at income options five years' later in 2026/27.

### **When do I decide if I want to sell my credits to the government or to the open market? Can I change my mind?**

The guarantee provides you with the option to sell your carbon to the government for the guaranteed price but you can choose not to do this and either keep the carbon yourself or sell it privately through the open market. The decision as to whether to sell the carbon to government is taken when the carbon is verified every 5 or 10 years. You can choose a different option at each verification point and full details of the terms and conditions are contained in the WCaG contract.

### **What are the key steps to apply for the Guarantee?**

1. Identify some land for planting. Guarantee applications must be linked to a specific project and area(s) of land so the first step is to identify the fields or land that you wish to set aside for woodland.
2. Decide what you wish to plant. Applying for the Guarantee doesn't require a final woodland design plan, but it does require the landowner to have a

reasonable idea of what types of woodland they wish to establish, and how it will be managed (thinned, non-thin, clearfell, continuous cover etc.) in order to calculate how much carbon it will sequester.

3. Calculate how much carbon the woodland will sequester. The Woodland Carbon Code provides tools for calculating how much carbon will be sequestered by a woodland. The Woodland Carbon Code Carbon Calculation Spreadsheet and Guidance can be downloaded from the [Woodland Carbon Code website](#).
4. Register for the Woodland Carbon Code. Once you are satisfied that your project is worth pursuing, you will need to register the project with the Woodland Carbon Code. This can again be done through the [Woodland Carbon Code website](#). You will need to create an account on the Markit Registry and then add the details of your project.
5. Apply for the Guarantee. Once you have calculated how much carbon your woodland will produce, and registered it with the Woodland Carbon Code, you can apply for the Woodland Carbon Guarantee. An application form can be downloaded from the [Woodland Carbon Guarantee website](#).
6. For more information on the Guarantee, visit [gov.uk](#)