

How PEFC certification strengthens forestry carbon projects



PEFC sustainable forest management certification adds value to forestry carbon projects and the credits they generate. It enhances carbon benefits, delivers co-benefits, and supports the development and management of carbon projects - from risk mitigation to project monitoring. PEFC certification also helps demonstrate alignment with several carbon standards and facilitates market access for carbon credits issued from carbon projects in PEFC-certified forests.

This document outlines these benefits to help PEFC-certified forest owners tap into new carbon markets and support carbon project developers and managers in promoting the value of PEFC certification within the carbon market.

Key benefits that PEFC certification brings to forestry carbon projects:

- Enhanced project development and management
- Strengthened carbon benefits
- Delivery of co-benefits
- Reduction of risk and increased revenue
- Contribution to project monitoring
- Facilitated market access for carbon credits

PEFC certification enhances forestry carbon project development and management

Carbon project developers, who develop and manage projects that actively remove, reduce, or avoid emissions, report that projects in PEFC-certified forests benefit from stronger management systems, making the project development and documentation processes easier.

PEFC certification helps projects fulfil several principles found in specific carbon standards like the Forest Climate standard - covering legislation compliance and suitability (land ownership, national applicable legislation to forest management), social affairs, and specific safeguards (projects act in a socially responsible manner, follow occupational health and safety standards and promote the social well-being and participation of the local population). Validation and verification body auditors report that PEFC certificates provide strong evidence of project conformity with specific carbon standard requirements, often reducing audit time.

In group projects, developers may even require PEFC certification for new forest areas to ensure sustainable management and meet baseline eligibility from the start.

PEFC certification strengthens the carbon benefits of forestry carbon projects

Forestry carbon projects naturally benefit from the PEFC requirements for sustainable forestry practices that are designed to help deliver additional carbon benefits. These benefits may include increasing carbon sequestration rates, strengthening of other carbon pools, and reducing emissions from forestry operations and natural disturbances, such as forest fires, drought, or pests.

This can be seen in requirements such as the need to safeguard the forest's capacity to store and sequester carbon by balancing harvesting and growth rates, using appropriate silvicultural measures, and preferring techniques that minimise adverse impacts on forest resources. Additionally, the use of climate positive practices in management operations is encouraged, such as greenhouse gas emission reductions and efficient use of resources.

PEFC ST 1003:2024, 8.1.2

In Italy, the active and responsible management of forests can improve their ability to absorb carbon under the effects of climate change by up to 28% more than unmanaged forests. Pasetti et al (2020)

In Denmark, PEFC certification requires that when regeneration cutting is carried out, at least five habitat trees, or about 10 m3 of wood at the root, are left per hectare in the production forest for natural decay and death (nesting trees, hollow trees, and dead wood).

PEFC DK 001-4, 3.3

PEFC certification has likely been a significant factor in the doubling of deadwood volume in Southern Finland.

Tapio Palvelut Oy (2023)



PEFC certification delivers valuable co-benefits to forestry carbon projects

PEFC certification enhances carbon projects through the potential delivery of social and environmental cobenefits. A PEFC-certified forest that is sustainably managed can provide ecosystem services such as biodiversity protection, water filtration, worker health and safety, and community well-being. These co-benefits add value to carbon credits and are increasingly in demand.

This can be seen in requirements for management planning to maintain, conserve, or enhance biodiversity, and forests' protective functions for society, such as their potential role in erosion control, flood prevention, water purification, climate regulation, and carbon sequestration.

PEFC ST 1003:2024, 8.5.1

PEFC-certified forests in North America must put in place active forest management practices that protect fauna habitats (e.g., birds, caribou) and prevent biodiversity losses.

Sustainable Forest Initiative



In Finland, PEFC certification requires buffer zones of intact trees are left in areas near water bodies, as buffer zones are known to improve the ecological status of surface water and help maintain mature forest strips that are meaningful for recreational users. In addition, PEFC certification supports workers' rights, safe working conditions, and promotes their implementation. PEFC certification has helped maintain and improve forestry expertise and the implementation of legislation in practical forestry operations in Finland.

Tapio Palvelut Oy (2023)

PEFC certification reduces risk and increases revenue within forestry carbon projects

Carbon projects use PEFC certification as a risk mitigation measure, such as for the prevention of forest fires, drought, and pest outbreaks. These risks are typically better handled in PEFC-certified forests, thanks to holistic management practices. As a result, fewer credits need to be set aside in buffer accounts – allowing more credits to be sold and increasing revenue for forest owners.

Spadoni et al (2023) demonstrated that PEFC certification has a significant effect on preventing and reducing the impact of forest fires on forest ecosystem services and on the severity of forest fires (50% less fire) in Italian forests.



In countries that are prone to forest fires, like Vietnam, PEFC certification requires that forest owners implement measures to prevent and protect forests from forest fires.

Internationally, PEFC certification requires that the application of integrated pest management to prevent and discourage pest population, and to minimise the use of pesticides.

PEFC ST 1003:2024, 8.2.6

PEFC certification contributes to forestry carbon project monitoring

PEFC certification contributes to the monitoring process of carbon projects by requiring regular checks on forest health and vitality. This is backed by annual third-party audits that verify compliance with the certification requirements. As a result, PEFC certification offers ongoing assurance that key carbon standard requirements – like co-benefits and risk management – are being met. This is especially valuable since carbon project audits often occur only every five to ten years after the first verification audit.

PEFC certification requires forest health and vitality is periodically monitored, especially key biotic and abiotic factors that potentially affect health and vitality of forest ecosystems, such as pests, diseases, overgrazing and overstocking, fire, and damage caused by climatic factors, air pollutants or by forest management operations.

© PEFC ST 1003:2024, 9.1.2





PEFC certification facilitates market access for carbon credits

PEFC certification facilitates access to carbon markets due to the enhanced credibility and appeal of credits from projects implemented in PEFC-certified forests. These credits often see higher demand - and in some cases, higher prices - due to their perceived quality and added co-benefits. In some compliance markets, PEFC certification is even a required condition for project eligibility.

French carbon developer <u>Fransylva Services</u> reports that carbon credits issued from their projects in PEFC-certified forests score higher points in its quality matrix. This results in better market access and a slightly higher price compared to those generated from projects implemented in uncertified forests.

PEFC certification is one of three eligible conditions for a carbon project to be part of a specific programme under the French carbon compliance market. Under this programme, buyers who purchase credits from those eligible carbon projects can claim 50% more of the number of credits that they have bought.



In Italy, sustainability credits (carbon credit + co-benefit) issued from PEFC-certified forests that have successfully implemented PEFC Italy ecosystem service certification, are in high demand. Their price is around double the value of those from non-PEFC-certified forests.

For more information, please contact standards@pefc.org

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