

Voluntary Forest Carbon Markets Policy Statement

Approved by the Board Dec. 6, 2023

Increasingly, policy makers, landowners and members of the public are recognizing the role forests play in mitigating the damaging effects of climate change. By sequestering and storing the greenhouse gases society is emitting, forests are uniquely positioned to help address this crisis while the world works to decarbonize our economies.

Ensuring they can provide this crucial benefit requires all stakeholders to keep New Hampshire's forests as forests. Forest carbon markets, where landowners follow different management approaches to increase carbon stocks on their land, are viewed by some advocates as a forceful response to climate change and as one way for private forest landowners to help contribute towards the reduction of atmospheric carbon. In addition, by selling the carbon stored in their forestland, they are able to generate income that in turn helps them meet their financial obligations thereby helping to keep their forests as forests.

These markets are increasing in popularity. The UN-REDD Programme (Note: REDD is the voluntary climate change mitigation framework developed by the United Nations Framework Convention on Climate Change) estimates the total global value of the voluntary carbon market reached almost \$1.7 billion (USD) by the end of 2022.

The Forest Society does not view voluntary carbon markets as the only solution to solving the climate change crisis. Instead, they are another tool that forestland owners can choose to use to help them address climate change while providing an alternate source of revenue to manage their lands. Public policy should not restrict landowners from using this tool nor should public policy promote them in ways that undermine sustainable management practices like those used by the Forest Society.

However, voluntary forest carbon markets have been the focus of criticism. Among the concerns raised are:

- 1) Do they allow the buyers of carbon credits (the companies emitting greenhouse gases) to greenwash where they would be exaggerating their business practices in order to appear more environmentally friendly.?
- 2) Is there an actual climate change benefit that will result from forest carbon markets? Will they help the world limit the global temperature increase to 1.5°C (equivalent to 2.7 °F) as called for by the Intergovernmental Panel on Climate Change (IPCC)?
- 3) These markets rely on the assumption that enrolling lands will change the planned management, thereby resulting in an increase in carbon stocks. How will the markets ensure the claimed reduction in greenhouse gas emissions from a specific project is above and beyond would have happened without that project? In other words, is there true additionality)?

- 4) What will be the effect on the forest products industry? Will these programs result in less timber getting into regional and local markets or an erosion in the infrastructure that supports this sector?
- 5) Carbon is stored in wood products. Will these markets appropriately acknowledge that fact, especially when the carbon embedded in these products displaces those manufactured from carbon intensive material like steel and concrete?
- 6) Will an increase in landowners enrolling their Current Use properties in these markets result in proposals to amend the Current Use statute by those who do not believe land enrolled in carbon markets should qualify for Current Use?
- 7) Will the pro-forestation movement point to the management practices called for in forest carbon markets to justify their beliefs regarding the need to restrict local timber harvesting?
- 8) High Carbon forests are not always resilient, healthy and ecologically robust. Research shows that good sustainable forest management that focuses on managing forests for health and resilience has a net higher benefit in carbon stocks vs. lands that have been heavily restricted from management.
- 9) Forest management can enrich wildlife habitats. Will an increase in lands enrolled in carbon markets affect management activities designed to improve wildlife habitats particularly for species requiring forest conditions that are not high in carbon?

We do acknowledge the conflicting views on forest carbon markets. However, given the Forest Society's historic role as a leader in promoting sustainable forest management practices, the Forest Society anticipates entering a portion of the land we own into a carbon market as a pilot project. We take this step with three reasons in mind:

- 1) Enrolling a portion of our lands into a carbon market will allow us to better answer and respond to the questions about the effectiveness of the markets as climate change solutions.
- 2) It will allow us to better advise other forest landowners who maybe considering enrolling their lands into a market.
- 3) We will receive revenue from the sale of carbon credits.

The Forest Society is committed to sharing what we learn with our members, forestland owners and others with an interest in the issue. Ultimately, the decision to enroll must align with our overall mission and goals – the stewardship of healthy, resilient forests that will continue to provide the many values the public receives from forests in an ever-changing environment.