

A Sahara

Regarding the initial crediting period and baseline modelling, there is a large incentive for project developers to develop aggressive baseline models to maximize the delta between initial carbon stocks and baseline carbon stocks, thereby maximizing near-term profits. Baseline models are complicated and underpinned by many assumptions regarding timber markets, growth in carbon stocks, and regulatory constraints. Forest dynamics are complex, and growth is difficult to model "accurately", even using local site and ecological data. Changes in environmental conditions over 100 years are impossible to know. Because of the inherent complexity in baseline modelling over long periods, it is difficult for verification bodies to be able to present strong and compelling evidence if they feel a baseline model is too aggressive, and it is an area that project developers can exploit to their advantage. Project developers often exit a project in 5-10 years, having developed a sophisticated project that is challenging for landowners to understand fully, and which may saddle the landowner with unrealistic growth expectations. This can lead to annual project reversals because actual project growth is not enough to overcome the project's baseline market responses to wood production changes and secondary effects reductions, and these reversals are then considered at least partially intentional because they result from poor modelling of the baseline, although they are often combined with extenuating circumstances like drought, pest infestations, or fire-fighting responses (e.g. emergency fuel break construction). Unfortunately for the landowner, the project developer has often exited from their contractual responsibilities when reversals appear and the landowner is left trying to understand a pay for project reversals due to lower than expected growth, often due to natural causes, but exacerbated by high baseline deductions. I have spoken to and worked with landowners whose project stocks are verifiably greater each year (i.e., project stocks increase annually), but still face negative QRy when all accounting is completed. One avenue to minimize aggressive baseline modelling would be to spread the initial avoided emissions carbon credits over a longer period of time, like 10 to 20 years. This would also provide the project a buffer if project stocks do not grow at the rate initially modelled.