



Greenhouse Gas Protocol

Forest Carbon Accounting Requirements Development Plan

Document status and version history

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1. Introduction

Overview of GHG Protocol

The Greenhouse Gas Protocol (GHG Protocol) is a multi-stakeholder partnership of businesses, non-governmental organizations (NGOs), governments, and others convened by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Launched in 1998, the mission of the GHG Protocol is to develop internationally accepted greenhouse gas (GHG) accounting and reporting standards and tools, and to promote their adoption to achieve a net zero emissions economy worldwide.

Purpose of this document

This Forest Carbon Accounting Requirements Development Plan outlines the objectives, scope of work, requirements development process, and work plan for revising the draft Land Sector and Removals Standard and Guidance to produce a final version of the Land Sector and Removals Standard (first edition) and supporting guidance.

This is intended as a public document to provide information for stakeholders participating in the process and for those not actively participating in it. This document will be updated as needed if the standard development plan evolves, such as any refinements to the scope of work or changes to the timeline.

History of standard development

Since 2020, the GHG Protocol Secretariat has convened a multi-stakeholder process to publish a global, standardized corporate GHG inventory framework to account for GHG emissions and removals due to corporate activities in the land sector (the "Land Sector and Removals Guidance"; LSRG). The land sector encompasses all human activities related to the management of cropland, forests, grasslands and pasture, wetlands, etc., and is predominately represented by activity in two major sectors, agriculture, and forestry.

The LSRG provides a standard for how companies quantify and account for the emissions and removals that are a result of their business operations and in their supply chains. This guidance builds on the GHG Protocol's Corporate Standard and Scope 3 Standards which provide internationally standardized approaches to account for GHG emissions attributable to the reporting company.

Table 1. Summary of stakeholder engagement to date.

Group	Composition	Overview of role
Secretariat	WRI and WBCSD	Convene, facilitate, and oversee process
Advisory Committee	20 members	Provide strategic guidance on the goals and direction of the project
Technical Working Group	100+ technical experts	Develop the technical content of the guidance
Review Group	300+ external reviewers	Review and provide feedback on draft guidance produced through the working group process
Pilot Testing Group	96 pilot testing companies and supporting partners	Implement the draft guidance and provide feedback for improvement

Table 1 provides a summary of responsibilities and expected commitment of each stakeholder group. A draft for pilot testing and external review was released to the public in 2022. More than 4000 comments were received from the external reviewers, pilot testing companies and supporting partners on the pilot testing draft.

From May to December 2023, the GHG Protocol LSRG’s Technical Working Group (TWG+) with select reviewers and pilot testers discussed a series of revisions through sub-group meetings and an in-person workshop. At the end of this process, the stakeholders proposed a resolution for most issues raised by pilot testers and reviewers and brought four unresolved issues to the Advisory Committee (AC) for further consultation. How to account for CO₂ emissions and removals related to corporate activities on forest lands is the fourth of these unresolved issues (hereafter referred to as the “Forest Carbon Accounting” issue).

This unresolved issue was discussed in the AC meeting on January 23-24, 2024, and was not resolved. Meanwhile, since September 2023, the Secretariat also received several external letters on this issue from both scientific and industry groups. Due to the contentious nature of the issue, a bespoke governance process was proposed by the Secretariat and approved by the AC to reach a fair and timely resolution. The process approved by the AC will convene a new body of representative experts to discuss the tradeoffs between accounting options and develop a final proposal or set of options. The GHG Protocol’s Independent Standards Board (ISB) will then discuss the final proposal or options and decide on the final approach to be adopted in the LSRG.

2. Background and context

To complete an accurate and comprehensive GHG inventory, companies that own or control forest lands or source forestry products (timber, paper, pulp, wood pellets, resins, etc.) need to account for how their harvesting, management, and/or purchasing activities result in CO₂ emissions and removals. The IPCC states that “anthropogenic emissions and removals means that greenhouse gas emissions and removals included in national inventories are a result of human activities” (IPCC 2006, 2019), yet distinguishing anthropogenic from non-anthropogenic emissions or removals due to corporate forest sector activities is complex. This is because forests emit and remove CO₂ and do so both *because of* and *despite* human activities.

Forest carbon GHG inventory accounting at the national level uses an approach called the “managed land proxy.” To distinguish anthropogenic from non-anthropogenic emissions and removals, the IPCC’s guidelines for national GHG inventories recommends that countries apply the managed land proxy by defining which areas of a nation’s forests are considered “managed,” and which are not. All CO₂ emissions and removals from managed forests are assumed to be anthropogenic and assigned to the reporting country; all CO₂ emissions and removals from unmanaged forests are considered non-anthropogenic and omitted from the inventory. Note that, in temperate countries, nearly all forests are considered “managed” because they have been extensively harvested in the past. Under the draft LSRG guidance released in 2022, companies are required to use this managed land proxy or assume all forest lands are managed.

An alternative proposal for forest management carbon accounting brought forward through the multi-stakeholder process requires “activity-based” accounting. To distinguish anthropogenic from non-anthropogenic emissions and removals, this approach requires that companies compare the physical carbon stock fluxes in the reporting year on managed forest lands to a no-human activity baseline without the corporate activities, and account for the difference in their GHG inventories. This approach aims to isolate the effect of the company’s harvesting, management, or forest product purchasing activities on forest carbon stocks in the reporting year. This approach reflects principles in the Kyoto Protocol that countries should not be able to factor into their national accounting the carbon accumulating in forests due to climate change itself or legacy forest regrowth from prior harvests. It also reflects the Paris Agreement’s focus on only anthropogenic emissions and removals.

In addition to the two approaches above, some “mixed” solutions have also been proposed that mix and match these two approaches, without a resolution.

3. Summary of outcome from the Land Sector and Removals Advisory Committee

The ninth Advisory Committee (AC) meeting for the GHG Protocol Land Sector and Removals Standard and Guidance was held January 23-24, 2024. Among other items, the AC discussed and gave guidance on next steps for seeking resolution on and developing the standard for forest carbon accounting.

Forest carbon accounting was placed on the January 2024 AC meeting agenda as unresolved. Three options were tabled for discussion:

- Option 1: Managed Land Proxy
- Option 2: Activity Based Accounting
- Option 1b: Managed Land Proxy + Activity Based Accounting outside of scopes

During the AC meeting many AC members voiced support for some version of option 1 using the managed land proxy. Some AC members voiced support for option 2 and some AC members requested more information about option 1b or related alternatives (i.e., a new option 1c).

Based on this AC feedback, the Secretariat was asked to revise the approach to addressing forest carbon accounting, whereby a transparent process including AC members is convened to seek a recommendation on Forest Carbon Accounting.

4. Objectives and scope

Objectives of the revision

The objectives of the forest carbon accounting Technical Working Group for the Land Sector and Removals Standard include the following:

- Define the problem statements with worked examples to illustrate the need for solutions on reporting forest management emissions and removals accurately and completely.
- Refine the current options or propose fresh solutions to account for forest management emissions and removals following the GHG Protocol decision-making criteria and hierarchy.

In refining or offering additional alternative versions of applying the current options, any recommendations must respond to the primary concerns raised by advocates of the other options.

Objectives of the standard

The Land Sector and Removals Standard lists the following objectives and business goals of land sector and CO₂ removals accounting as follows:

- Enhancing the relevance, completeness, consistency, transparency, accuracy, of reported land emissions in addition to ensuring permanence and conservativeness of reported CO₂ removals.
- Provide information to help businesses:
 - Identify and understand the risks and opportunities associated with land emissions and CO₂ removals

- Set GHG targets and track performance
- Inform strategies to reduce emissions and increase removals
- Enhance transparency and stakeholder information

Scope and applicability

The forest carbon accounting process provides the requirements and guidance for companies and other organizations of all sizes that are calculating and reporting scope 1 and scope 3 emissions and removals as part of a GHG inventory. It applies to the forestry and forest product sectors and all countries.

The standard is written primarily for the intended user of a business developing a GHG inventory. However, it applies equally to other types of organizations with operations that give rise to GHG emissions or CO₂ removals on forest lands, e.g., NGOs, government agencies, and universities. Policymakers, assurance providers, and GHG programs can also use the standard as a basis for their own accounting and reporting requirements for climate-related disclosure and target-setting.

5. Scope of work for the standard revision

The Forest Carbon Accounting process includes assessing the below three proposed options, plus any additional solutions proposed by the TWG, for methodology alignment to account for forest management emissions and removals:

1. Managed land proxy
2. Activity-based accounting
3. Managed land proxy + activity-based costing outside scope

Addressing this issue is essential for creating a harmonized framework to accelerate corporate climate action in the land sector across value chains and reflect the outcome in the updated guidance.

6. Deliverables

The standard development process is expected to deliver the following output(s):

- A consensus recommendation or set of options for forest carbon accounting requirements and guidance to include in the GHG Protocol's Land Sector and Removals Standard and Guidance

7. Approach

Key elements of the Greenhouse Gas Protocol approach include:

- **Develop standards through a global, inclusive, multi-stakeholder process** with participation from companies, NGOs, academia, and researchers, GHG programs, government agencies, other experts, and stakeholders from around the world. GHG Protocol has more than twenty years of experience convening global stakeholders to develop consensus GHG accounting and reporting standards.
- **Build on existing approaches and international best practices**, including but not limited to the IPCC guidelines for national GHG inventories, Science Based Targets Initiative (SBTi), the International Accounting Standard Board's International Sustainability Standards Board (ISSB), European Union Corporate Sustainability Reporting Directive (CSRD), sustainability disclosure requirements under the Global Reporting Initiative (GRI) and CDP, International Organization for Standardization (ISO), GHG Protocol LULUCF Guidance for Project Accounting, Quantis' Accounting for Natural Climate Solutions guidance, Gold Standard Value Change Initiative's Value Chain (Scope 3) Intervention Guidance, GHG Protocol Brazil Forestry tool, REDD+ programs and other jurisdiction land sector approaches, CDM and voluntary AFOLU sector project methodologies, and other methods and reports recommended by participants in the scoping process.
- **Ensure rigorous and user-friendly technical design** to ensure a true and fair account of a company's GHG emissions and removals based on key GHG accounting and reporting principles (relevance, accuracy, completeness, consistency, and transparency).
- **Provide policy-neutral standards that support multiple programs** – GHG Protocol standards are scientifically sound and policy neutral, such that they support multiple policy mechanisms and programs that build on the GHG Protocol foundation. GHG Protocol standards focus primarily on GHG accounting and reporting issues while identifying relevant policy issues and target-setting issues to be addressed by programs, regulators, and policymakers. Where multiple programs and policy objectives exist, GHG Protocol should support multiple types of data relevant to multiple policies or programs and provide guidance on how to use or adapt GHG Protocol standards for specific policy purposes.¹

8. Standards governance and approach

All new standards and guidance, as well as revisions of existing standards and guidance, are developed through an inclusive, global, multi-stakeholder process, subject to transparent and publicly available procedures. A summary of the GHG Protocol's governance structures, their respective roles and responsibilities, and the normative documents and processes relevant for the development and revision of GHG Protocol standards can be found in the *GHG Protocol Governance Overview*.

¹ GHG Protocol standards are policy relevant and intended to support the larger objective of reducing GHG emissions in line with global climate goals, but the standard is not designed to favor one policy mechanism over another. GHG Protocol standards provide guidance on target setting and limited requirements where needed to support the accounting and reporting approaches.

As described in greater detail in the *Governance Overview*, the following are the principal bodies involved in standards development and revision:

- **Steering Committee (SC):** The SC provides strategic guidance on the goals and direction of the GHG Protocol. In the standard development and revision process, it decides when new standards or standard revisions are needed and ratifies the decisions of the Independent Standards Board to publish final standards.
- **Independent Standards Board (ISB):** The ISB advised the SC on the need for, objectives and scope of new and/or revised standards. It reviews and approves GHG Protocol standards according to the *Standard Development and Revision Procedure*, oversees the standards development process, appoints TWG members, and makes decisions related to the content of standards.
- **GHG Protocol Secretariat:** The Secretariat manages the day-to-day execution of the activities of the GHG Protocol and ensures that the development or revision of standards aligns with the GHG Protocol mission, vision, and decision-making criteria.
- **Technical Working Groups (TWGs):** TWGs support the development of the technical content of standards. They review draft materials produced by the Secretariat, develop proposals or draft text, and provide recommendations and feedback on key issues in the standards development or revision process to the Secretariat.

Full details of each body's roles and responsibilities are provided in their respective Terms of Reference (ToR) and the *GHG Protocol Standard Development and Revision Procedure* (SDRP). The SDRP is the normative document which specifies the procedures to develop, revise, approve and maintain standards owned by the GHG Protocol.

GHG Protocol decision making criteria and hierarchy

Throughout the standard development or revision process, all governance, and advisory bodies of the GHG Protocol shall follow the decision-making criteria and hierarchy approved by the Independent Standards Board and Steering Committee and contained in an annex to the *Governance Overview*.

Figure 1 summarizes the draft GHG Protocol decision-making criteria and hierarchy. Further details are contained in the annex to the *Governance Overview*.

Figure 1. Decision-making criteria and hierarchy



9. Workplan and timeline

The workplan consists of the three following phases:

1. Process setting and project kick-off
2. Facilitation process
3. Project closure

Phase 1 involves defining clear objectives and finalizing the composition of TWG by identifying 15-20 leading experts in forest carbon accounting. The anticipated approach will be reviewed including the timeline, workshop timetables, and governance structure, along with the Secretariat to build a final process proposition. The process document will then be submitted to the ISB for approval.

The second phase involves convening and organizing TWG discussions to gather stakeholder inputs on methodology options and develop solutions for forest carbon accounting issues. This includes conducting TWG meetings to collect specific perspectives and summarize positions. Additionally, three plenary sessions will be conducted to share and refine methodologies, addressing differing views to reach consensus on an agreed approach. This includes identifying common and differing areas, establishing evaluation criteria, discussing, and amending the draft response, and finalizing the version with all feedback incorporated.

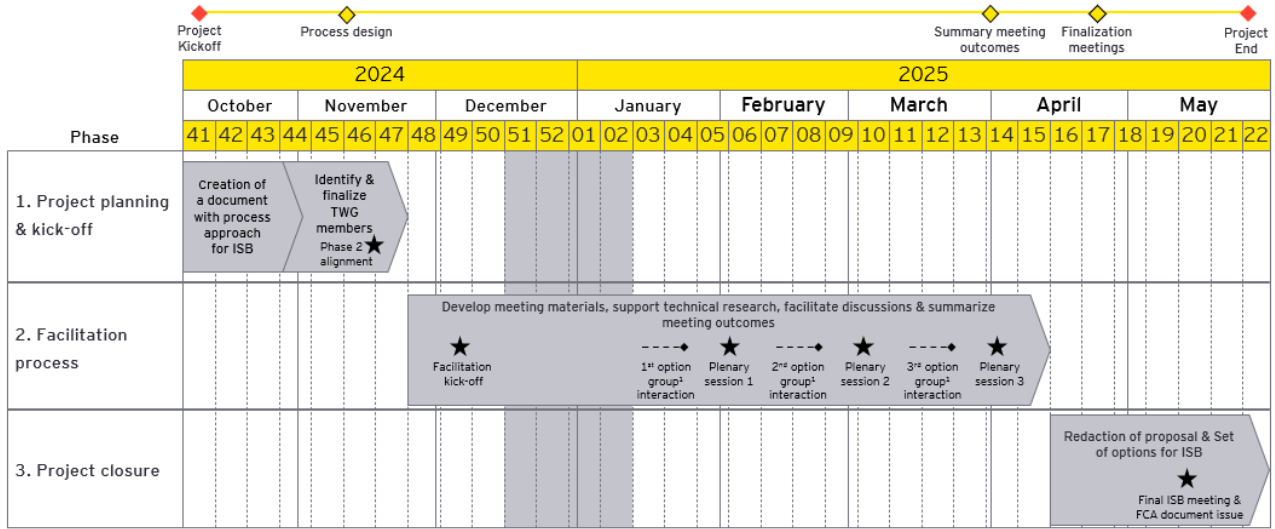
The third phase involves drafting and presenting the material to the Independent Standard Board (ISB) and receiving ISB views on the range of options or the solution proposed by the forest carbon accounting TWG.

Key Milestones includes

- Final composition of the Technical Working Group (November 2024)
- Process document and presentation support to the ISB (November 2024)
- Plenary session facilitation together with the GHG Protocol Secretariat (December 2024)
- Notes and transcripts of the option group engagements (January to March 2025)
- Summary documents outlining the key decisions, proposals and recommendations resulting from the facilitation process (January to March 2025)
- Presentation support for the final ISB meeting (May 2025)
- Final ISB meeting take-away summary outlining the final decisions taken (May 2025)

Figure 2 provides more information regarding the distinct phases of the project, the workplan and the timeline.

Figure 2. Workplan and timeline



The final timeline will also depend on the availability of the stakeholders and will be refined as the sessions progress

1. Experts grouping based on the three FCA methodology proposal

10. Stakeholder engagement opportunities

The GHG Protocol follows a broad and inclusive multistakeholder process to develop greenhouse gas accounting and reporting standards with participation from businesses, government agencies, NGOs, and academic institutions from around the world. This process is governed by the *Standard Development and Revision Procedure* described in section 8.

As the LSRG was already subject to public consultation and pilot testing as described in Section 1, and considering the limited scope of the forest carbon accounting process, participation in the process will be limited to those selected for the FCA TWG and members of the ISB. As such, any pilot testing of the final approach, subject to the TWG discussions, will be constrained to the companies engaged in pilot testing the 2022 draft Guidance.

11. Secretariat team and contact information

Team members:

- Matt Ramlow, Senior Research Associate
- Amir Safaei, Senior Manager
- The GHG Protocol has contracted with EY through a competitive RfP process to support facilitation of the FCA TWG following agreements by the Land Sector and Removals Advisory Committee. The EY team includes:
 - Adrien Portafaix, team partner
 - David Kennedy, team partner
 - Gregory Simonnin, project director

- Ishita Chelliah, project manager
- Johannes Tintner-Olifiers, forestry expert
- François Binard, Project management officer
- Weza Bombo Joao, project support

To stay up to date on the standard development process, please visit:

<https://ghgprotocol.org/standards-and-guidance-under-development>.

If you would like to contact GHG Protocol, please visit: <https://ghgprotocol.org/contact-us>.