

Forest Carbon Accounting TWG Small Group Session 2

Meeting 7

Date: February 19, 2025

Time: 20:00-21:00 UTC, 21:00-22:00 CET, 01:30-02:30 IST, 15:00-16:00 EST

Location: Virtual (*The full recording of the Zoom meeting has been made available on SharePoint for all TWG members to access*)

Meeting minutes will be shared with TWG members within 10 days after the meeting to ensure quality, instead of the 5 days stated in the Terms of Reference; however, the recordings will be shared on the SharePoint after the call for their reference.

Attendees

Technical Working Group Member

1. Jiaxin Chen, Ontario Forest Research Institute
2. Kate Dooley, University of Melbourne
3. Miguel Brandao, KTH – Royal Institute of Technology
4. Timothy Searchinger, WRI/Princeton University

Guests

N/A

The Secretariat team (GHG Protocol, EY)

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|--------------------------------------|----------------------------------|
| 1. Amir Safaei, WBCSD – GHG Protocol | 6. Ishita Chelliah, EY |
| 2. Matt Ramlow, WRI – GHG Protocol | 7. Johannes Tintner-Olifiers, EY |
| 3. Oliver James, GHG Protocol | 8. Francois Binard, EY |
| 4. Alejandra Bosch, GHG Protocol | 9. Weza Bombo Joao, E |
| 5. Adrien Portafaix, EY | |

Documents referenced

- N/A

Summary

Item	Topic and Summary	Outcomes
1.	<p>Housekeeping and Overview Working Document</p> <p>The Secretariat team presented the agenda and clarified the meeting's intention to gather viewpoints on MLP, ABA, and option 1B. The focus was on establishing a common understanding rather than discussing challenges.</p>	<ul style="list-style-type: none"> • N/A
2.	<p>Discussion on Managed Land Proxy (MLP), Activity-Based Accounting (ABA) and Option 1B</p> <p>The discussion centered on the MLP, ABA, and Option 1B, with participants expressing concerns about clarity, consistency, and the implications of different accounting approaches.</p>	<ul style="list-style-type: none"> • Encouraged participants to collaborate on defining the seven key elements for each accounting approach and to consolidate their views • Extended deadline for input to ensure all participants, particularly those facing access issues, have the opportunity to contribute.
3.	<p>Closing Remarks</p> <p>The Secretariat team thanked participants for their contributions and indicated that separate subgroups will hand in a separate a proposal for MLP and ABA approach.</p>	<ul style="list-style-type: none"> • N/A

Discussion and outcomes

1. Housekeeping and Overview Working Document

- The Secretariat team presented the meeting agenda and housekeeping rules.
- A structured approach was introduced to guide the discussion and outline the options being explored.
- The importance of achieving clear methodological descriptions on each accounting approach was highlighted, with members encouraged to focus on clarifying descriptions.
- One of the Secretariat team members encouraged collaboration among participants and extended the deadline for inputs to accommodate access issues by some TWG members to the online repository.

Discussion

- The Secretariat team stated that the intention for the meeting was to gather all viewpoints on the definitions for MLP, ABA, option 1B, and any other accounting methods to account for emissions and removals on forest lands. The Secretariat team emphasized the importance of citing references to better understand the variability in the accounting methods and expressed the goal of streamlining the definitions and details around each accounting method.
- Another member of the Secretariat team stressed that the aim of this section was not to discuss challenges or flaws but to outline a common understanding of what MLP or ABA specifically means. The member highlighted the importance of having a levelled understanding among participants.
- The Secretariat team then moved the discussion to the main working document on Excel. The Secretariat team provided an overview of the seven components (namely Carbon pools, Spatial boundary of analysis, temporal boundary of analysis, separation of anthropogenic and natural effects, baseline considerations, methodology, data requirements) that need to be defined or clarified for each accounting approach.
- The Secretariat team noted the relevance of baseline considerations, particularly in ABA, and urged participants to focus on these key elements during the discussion.
- One of the Secretariat team members reiterated the need for clarity and alignment on seven elements required for submission to the ISB. The Secretariat team emphasized the importance of these parameters for the methodologies being assessed.
- The Secretariat team then set the stage for immediate questions on the process, noting the mixed group composition and the need for collaboration among those aligned with ABA, option 1B, and MLP. The Secretariat team encouraged participants to share their views on the tabs and mentioned that the deadline for input would be extended to accommodate access issues.
- One of the TWG member raised a point regarding the broad category of activity-based accounting, stating that it encompasses various activities and emissions assignments. The member suggested that a more comprehensive description should be developed to address the details and questions raised.
- The Secretariat team acknowledged the member's point and expressed her willingness to work together to address the requests for collaboration and input on the framework being shared.

Outcomes (e.g. recommendations, options)

- N/A

2. Discussion on Managed Land Proxy (MLP), Activity-Based Accounting (ABA), and Option 1B

- The discussion focused on the Managed Land Proxy (MLP), Activity-Based Accounting (ABA), and Option 1B, with participants reflecting on previous guidance documents and the need for clarity in proposals.
- Participants acknowledged the need for clear definitions and a structured approach to address challenges and develop coherent proposals for the ISB.
- The need for clarity and alignment on baseline considerations was reiterated, with an emphasis on collecting input from relevant technical working group members.
- The Secretariat team encouraged collaboration among participants to develop a concise picture of the proposed approach and suggested the creation of a shared document for accessibility.

Discussion

- One of the Secretariat team members explained that ABA is a very broad concept that could encompass many different things. The member raised the question of whether there would be multiple versions as they start to describe the seven different components. The member noted that having a few different versions of activity-based accounting is acceptable, as long as they are clearly laid out.
- A TWG member contributed by discussing the “all-pools” approach, which involves defining an activity, whether it’s a management practice or a harvest, and then examining the effect of the practice on carbon stocks anywhere and how that changes over time. The member emphasized that any version of activity-based accounting would need to consider all carbon pools and highlighted the importance of baselines and timelines in evaluating these effects. The member further elaborated that the critical questions revolve around how to account for management actions that occur before and after a harvest event, which is a key component in forestry.
 - One of the Secretariat team members expressed gratitude to the TWG member for highlighting the considered approach requested clarification on other TWG members involved in submitting an ABA proposal and the timeline needed to turn it around. The Secretariat team emphasized the importance of collecting inputs from relevant technical working group members.
 - Another Secretariat team member suggested that it would be beneficial to clarify further on what types of baseline is considered to assess the impacts of forest activities on carbon pools.
 - One TWG member referenced a scenario where cutting down a tree results in emissions, while growing a tree leads to sequestration. It was stated that this scenario does have a baseline, specifically a no harvest baseline, as it starts with a tree. The member explained that one could also consider a scenario where a tree is grown and then cut down, resulting in emissions, which would represent a zero carbon baseline often used in forestry contexts. The member emphasized that baselines are inherent in any accounting system and acknowledged the challenges in applying them, particularly regarding attribution. It was noted that dismissing the need for baselines due to the complexity of counterfactuals is not an accurate observation. The member reiterated that the no harvest baseline, when compared to a forest reference level, is the simplest approach in applicable cases, while also recognizing the need to consider exceptions where this may not apply.
 - The Secretariat team acknowledged member’s points and indicated that there was a desire to hear from others in the group.
- A TWG member contributed that baselines are inherent to any accounting system. The member explained that scenarios involving emissions and sequestration do consider baselines and emphasized the need to consider attribution challenges in defining the baselines.
- Another TWG member discussed the challenges of defining baselines for forests that have been managed and harvested for decades. The member highlighted the complexities involved in accounting for past emissions and changes in forest dynamics. The member pointed out that if a company uses a sourcing area that has been disturbed, it complicates the accounting process, especially when considering the impact of management activities on carbon stocks.
 - A Secretariat team member acknowledged the points raised and emphasized the importance of aligning on the best-fit view for defining the proposed accounting method. The member encouraged participants to share their experiences regarding similar challenges and to identify solutions, considering which can address the challenges discussed.
- Another member of the Secretariat team asked whether TWG has consensus on the no harvest baseline and asked the group if there were good reasons to consider other options for baselines.
 - A TWG member reiterated the challenges of defining baselines for forests that have been managed for a long time, emphasizing the complexities of accounting for past emissions and the need to consider various scenarios.
 - One of the Secretariat team members acknowledged the statements from the TWG members, inviting another TWG member to share his thoughts.
- A TWG member indicated that he is currently working on a method that uses the carbon stock of potential natural vegetation as its baseline. He explained that if there is a carbon deficit, it would be accounted for as a debit for maintaining that deficit, even if there are no flows in a given year.
 - The Secretariat team sought clarification on how the TWG member would define the carbon stock of natural vegetation across different countries and climatic zones. The TWG member

- responded that this information is readily available, as the IPCC has already provided factors for land use and management that are fractions of the potential carbon stock.
- The Secretariat team noted that another TWG member had mentioned this could be viewed as the no harvest scenario, which aligns with what they are trying to clarify. The member suggested that this perspective could be branded as a 1-1 approach.
 - One TWG member affirmed that the no harvest scenario has the advantage of being based on existing data regarding natural reference levels. It was also mentioned that proxy data or biome-level carbon stock values could be used, which is a common practice in tier 3 accounting. The member raised a concern about attribution, questioning who is responsible for the debit if a degraded forest is purchased. The complexity of determining responsibility for carbon credits or debits based on the starting point of ownership was emphasized.
 - One of the Secretariat team members expressed appreciation for the clarity in the conversation and emphasized the importance of aligning the proposed method with the broader greenhouse gas protocol framework. The member sought clarification on whether the proposed method would always result in a deficit or if it would depend on the activity, asking for further details on how this relates to tracking carbon stocks.
 - One TWG member responded that under the proposed method, each company maintaining a carbon deficit would incur a debit, which could vary in size depending on the extent of the deficit.
 - The Secretariat team pointed out that while the term debit was being used, the group's objective is to quantify emissions and removals. It was stressed that the proposed method must align with the broader definitions of emissions and removals within the corporate inventory context.
 - The member clarified that the method focuses on maintaining a certain level of carbon rather than categorizing it strictly as emissions or removals. Understanding carbon stocks was deemed crucial for assessing the impact of land use.
 - Another TWG member praised the advanced thinking presented and noted the potential for translating this approach into emissions accounting, suggesting that this could be explored further within the group.
 - The Secretariat team reiterated the importance of staying focused on the objectives of the technical working group, which is to identify methods for accounting for forest carbon in terms of emissions and removals.
- One TWG member discussed the complexities of defining baselines for forests that have been managed for many decades, noting that the no harvest scenario might not be applicable in all cases.
 - Another TWG member contributed to the discussion by highlighting the challenges of managing plantation forests and the need to factor in management practices when assessing carbon stocks and growth patterns.
 - The Secretariat team concluded by emphasizing the importance of structuring the discussion around key elements such as spatial and temporal boundaries, carbon pools, and the need for participants to share their views and ideas in the coming days.
 - One TWG member proposed that those who have worked together so far come up with a proposal or at least a couple of ideas independently on a separate sheet of paper. It was suggested that this could then be incorporated into the existing document, acknowledging the challenges of fitting longer explanations into the Excel file.
 - The Secretariat team expressed appreciation for this approach, stating that it makes a lot of sense. It was noted that the ideas could also be added to the Excel file later, separating the different options. The member encouraged others to bring their views together to create a concise picture of the proposed approach.
 - The Secretariat team inquired about how many members of the larger TWG group would collaborate on this proposal and mentioned that the initial timeline could be extended. The member asked if this timeline would work for everyone to align on requirements.
 - One TWG member indicated that more time would likely be needed and mentioned that several others might want to participate in the next steps.
 - The Secretariat team acknowledged the message from the group and suggested that it would be beneficial to have a shared document on SharePoint, making it accessible to other members.
 - The Secretariat team reiterated that the goal is to bring together differences in definitions during the

plenary and work towards a broader consensus on the larger definition of the approaches.

Outcomes (e.g. recommendations, options)

- Defining the next steps for TWG members to collaborate on defining the seven key elements for each accounting approach and to bring their views together.
- Extended the deadline for input to ensure all participants have the opportunity to contribute, particularly those facing access issues.

3. Closing Remarks

Discussion

- The Secretariat team invited any last comments from members on the call regarding the format, requirements, or variations in how information should be presented.
- The Secretariat team confirmed that the Excel file would remain open for contributions and indicated that a separate email would be sent to coordinate on the deliverable and timeline.
- The Secretariat team addressed a question about attendance at a follow-up meeting, clarifying that it would be the same format with a different set of participants. However, attendance was welcomed if desired.
- The meeting concluded with expressions of gratitude for participation, and members were encouraged to reach out if they had further questions or needed clarification.

Outcomes (e.g. recommendations, options)

- N/A

Summary of written submissions received prior to meeting

- N/A