

Forest Carbon Accounting TWG Small Group Session 2

Meeting 8

Date: February 20, 2025

Time: 15:00-16:00 UTC, 16:00-17:00 CET, 20:30-20:30 IST, 10:00-11:00 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 Members

1. Antti Marjokorpi, Stora Enso Oyj
2. Charles Canham, Cary Institute
3. Christoph Leibing, IKEA
4. Jennifer Skene, NRDC
5. Melissa Gallant, TNC
6. Nathan Truitt, American Forest Foundation
7. Nicolas Gordon, CMPC
8. Vaughan Andrews, Weyerhaeuser

Guests

N/A

Secretariat team (GHG Protocol, EY)

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|--------------------------------------|-------------------------|
| 1. Amir Safaei, WBCSD – GHG Protocol | 6. David Kennedy, EY |
| 2. Matt Ramlow, WRI – GHG Protocol | 7. Ishita Chelliah, EY |
| 3. Oliver James, GHG Protocol | 8. Johannes Tinter, EY |
| 4. Alejandra Bosch, GHG Protocol | 9. Francois Binard, EY |
| 5. Adrien Portafaix, EY | 10. Weza Bombo Joao, EY |

Documents referenced

1. [GHG Protocol Corporate Standards Revision Process - Expert Meeting on Reconciling Anthropogenic Land Use Emissions; IPCC, 2024.pdf - All Documents](#)

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"> • Clarified definitions and implications of managed land proxy and activity-based accounting • Emphasized importance of scientific integrity alongside impact and feasibility in decision-making criteria • Extended deadline for input to ensure all participants, especially those with access issues, can 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"> • Secretariat clarified GHG Protocol inventory objectives and FCA requirements development plan in follow-up email.

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.

Discussion

- One of the Secretariat team members confirmed if TWG members on the call were able to access the file depository and apologized for the access issues some participants had experienced. The Secretariat team encouraged anyone facing problems to reach out to the Secretariat team for assistance.
- The Secretariat team further explained that a structure had been created to provide direction and define the options being worked through. Before detailing how to proceed through the Excel sheet which includes the three approaches, the Secretariat team provided a brief on the previous day's session, mentioning that it had been a productive first session of the small group meetup with four actively participating members.
- It was stated in addition, that options beyond the Excel submission format would remain open to the group, ensuring that the process was not too confined. However, the intent of the layout was to show seven key element (namely Carbon pools, Spatial boundary of analysis, temporal boundary of analysis, separation of anthropogenic and natural effects, baseline considerations, methodology, data requirements) and a that needed to be covered to form the final submission required for the ISB.
- The Secretariat team indicated that high-level requirements for the definitions of the options were being considered in the Excel Sheet, based on what had already been submitted or aligned with the reading material provided. The Secretariat team acknowledged that these definitions could vary in interpretation and invited members to state their variations and any alternative hybrid versions.
Another Secretariat team member emphasized the purpose of the task for the group session, which is to achieve clear methodological descriptions, particularly for MLP and ABA. Several members had raised concerns about the clarity of the methodological descriptions and stressed the importance of providing clear descriptions of each methodology.

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.
- Concerns were raised about the feasibility of activity-based approach and the implications of counterfactuals such as "no human activity" in forest carbon analysis.
- The conversation highlighted the necessity of distinguishing between anthropogenic and non-anthropogenic effects and the role of scientific integrity in decision-making criteria.

Discussion

- One TWG member expressed that he tracked down the September 2022 draft of the Land Sector Removals Guidance document, which was extensive and involved significant work from many participants. The member inquired whether there had been a subsequent document that was more explicit regarding the managed land proxy and whether there was any additional information on activity-based accounting.
 - A Secretariat team member responded, confirming that the 2022 draft was written with the managed land proxy concept in mind. He explained that after public review and pilot testing, feedback from stakeholders raised concerns that required broader discussions on the forest

carbon accounting approach before further refining the managed land proxy approach.

- One TWG member expressed skepticism about switching to an activity-based proposal due to the amount of work required to introduce a new concept. The member emphasized the need for clarity regarding the proposal and highlighted the importance of understanding what "no human activity" meant in the context of baselining for forest carbon analysis.
 - Another TWG member continued on the point defining the baseline, specifically questioning the validity of the "no harvest" option as a baseline. The member argued that this approach is not meaningful and emphasized the need to run models comparing specific types of harvests to understand the effects of corporate activities accurately. The member pointed out that in the Eastern US, harvests account for only half of net growth, indicating that the landscape is sequestering significant amounts of carbon. The member expressed frustration with the managed land proxy, stating that it leads to incorrect conclusions about carbon emissions and removals.
- Another TWG member emphasized the need to clarify the purpose of an inventory versus the goals of a body like SBTi, which sets targets and regulates claims made by companies. The member expressed a desire for the group advocating for activity-based proposals to come together and agree on a concise description of what the proposal should entail, highlighting the need for clarity and consensus.
 - A Secretariat team member confirmed that the discussions from the previous Small Group Session included agreement among other TWG members to compile a proposal on how they understand ABA, focusing on the counterfactual baseline. He also emphasized that this would be an important next step for discussing challenges and noted the need for a clear understanding of what MLP is, as it is essential to provide a common understanding for the group.
- A TWG member highlighted the importance of consistency within the guidance, noting that the guidance should not be solely focused on forests, as other land types also provide resources. The member pointed out that if a separate framework for forest land is created, it could complicate the consistency of accounting across different land types. The TWG member reiterated the importance of addressing the arguments against the managed land proxy, particularly regarding the potential for vast removals from landscapes to wash out emissions in the data chain. The member stressed the need for consistency with what has been agreed upon over the past four years in developing the guidance.
- Another TWG member agreed to support the MLP proposal and clarified that their methodology focuses on how to address scope 3 emissions. The member acknowledged that while the principles are in place, further work is needed on implementation using available data sources.
 - The Secretariat team highlighted the importance of reaching a consensus on definitions in the second plenary to facilitate discussions on challenge, rather than achieving perfection during this small group discussions.
- Another Secretariat team members added that the quantification approach proposal should remain at a higher level, focusing on the Land Sector and Removals Standard and Guidance without delving into specific data sets.
 - The member appreciated the need for clarity on the data sources required to implement each approach.
 - A Secretariat team member requested further clarity regarding counterfactual baseline of "no human activity" mentioned by a TWG member and asked if there were alternative options for baselining"
 - One TWG member referenced the IPCC expert meeting on reconciling anthropogenic land use emissions, suggesting that all TWG members should read it, as it highlights the complexities of reconciling definitions of natural versus anthropogenic activities. The member noted that the challenge lies in reconciling the methods used in inventories, such as the managed land proxy, with those used by scientists to calculate net-zero targets. The member emphasized that the activity-based proposals had not yet addressed adequately distinguishing between non-anthropogenic and anthropogenic effects
 - A Secretariat team member acknowledged TWG member's points and suggested that it might be necessary to explore potential solutions for separating anthropogenic emissions from natural ones.
 - One TWG member affirmed that it is possible to separate these emissions precisely but acknowledged that it may not address broader questions raised by proponents of activity-based

proposals. The member clarified that while improvements can be made, the proposal should not imply that all problems will be resolved immediately.

- One TWG member appreciated the ongoing conversation and referenced a proposal submitted on behalf of several TWG members in December 2023. The member emphasized that the proposal aimed to create a pathway for including both types of accounting (MLP and ABA) in a company's greenhouse gas reporting, not necessarily limited to inventory. The member stressed the importance of including both methods as they provide different information.
 - A Secretariat team member confirmed that the template accounted for the submission and highlighted the need for clarity on what the blended version of ABA and MLP would look like. The member noted that understanding these definitions is crucial for developing a coherent proposal.
 - Another Secretariat team member added, indicating that the discussion should include additional safeguards for designating lands as managed or unmanaged. The member emphasized the need for clarity on spatial boundaries and how to define relevant forests for sourcing materials.
- One TWG member expressed appreciation for the structured proposal and methodology, acknowledging the challenges faced over the past four and a half years. The member raised concerns about frustrations heard in emails and discussions, emphasizing the need for a clear definition for each method before reaching a consensus.
 - A Secretariat team member acknowledged the challenges faced in previous sessions and noted that discussing challenges without clear descriptions of approaches was difficult. The member expressed hope that sorting out the approaches would help address the challenges effectively.
- One TWG member emphasized the importance of agreeing on whether to pursue a hybrid solution or a compromise that incorporates the best aspects of each approach. The member raised concerns about the potential for further division if participants did not work towards a middle ground.
 - A Secretariat team member proposed proceeding with suggestions for the next week, including a proposal for the ABA approach, as well as the proposal regarding option 1B. The member indicated that the group would work to address any challenges identified in the discussions.
 - Another Secretariat team member clarified that the current focus was not on reaching a consensus but on understanding the approaches. The Secretariat team member encouraged those inclined towards option 1B to take the lead in fleshing out how that would look, noting that multiple proposals could be presented to the ISB.
 - A third Secretariat team member mentioned that there had been interest in exploring alternative quantification approaches and suggested following up with the group on this topic.
- One TWG member expressed appreciation for the structured approach and emphasized the importance of addressing the open questions
- One TWG member highlighted the importance of scientific integrity among the three decision-making criteria. The member questioned how and when the other two criteria—impact and feasibility—would be addressed. The member emphasized that all three criteria should be treated equally, as they influence the overall impact of the greenhouse gas protocol's adoption.
 - One Secretariat team member assured that all challenges would be rated across the three dimensions in the next steps of the discussion. The member acknowledged the significant feasibility issues related to the counterfactual baseline and confirmed that these would be addressed in the challenge section.
- One TWG member volunteered to adapt a previous case study on the managed land proxy for the scope 3 context, emphasizing the importance of understanding how to choose sourcing regions and what to include or exclude in the analysis.
- Another TWG member agreed with colleague's proposal and suggested that the methodology for calculating land removal factors should be included in the document, creating a robust answer to the questions raised.
 - One Secretariat team member reiterated that the process would require additional thought and development, recognizing that detailed guidance would be necessary following the ISB decision.
- One TWG member expressed concerns about the implications of the proposals on financial reporting and legal obligations, emphasizing the need for clarity in the guidance.
- One TWG member apologized for any confusion regarding the terminology used in the discussions,

particularly regarding the definitions of removals (which in the US Forest Service context refers to elimination or relocation of trees, shrubs or other materials from a forest area) and net carbon sequestration. The member emphasized the need for a simpler and more manageable approach to carbon accounting, suggesting that methods should be tailored to different regions and systems.

- One TWG member noted that their greenhouse gas inventory undergoes third-party audits to ensure accuracy and reduce bias. The member highlighted the importance of leveraging FIA data for verification and comparison.
- One TWG member raised concerns about the accuracy of calculations and the potential for bias in the methodologies used. The member emphasized the importance of being able to correct for biases and the need for reliable measurements.
- Another TWG member expressed the need for clarity regarding the managed land proxy and confirmed that challenges related to the counterfactual baseline would be addressed in future discussions.
- One TWG member initiated a discussion about the reliability of ground truthing in the context of the managed land proxy, emphasizing its strength in relying on real-world data rather than counterfactual scenarios. The member highlighted the capability of remote sensing technologies, such as Lidar, to track carbon in the land over time. The member also sought clarification on where the managed land proxy might provide incorrect answers, questioning its alignment with the decision criteria of the greenhouse gas protocol.
- Another TWG member acknowledged the inherent bias in the managed land proxy, stating that systems measuring stocks cannot distinguish between anthropogenic and non-anthropogenic effects. The member pointed out that biases may vary based on region, forest type, and available data, suggesting that discussions should focus on how to address these biases. The member reiterated that the questions posed by activity-based proponents do not align with the intended purpose of greenhouse gas inventories, which focus on assessing fluxes attributable to specific entities.
- The same TWG member expressed interest in understanding the specific questions being asked regarding the managed land proxy and suggested that clarifying these questions could help resolve disagreements within the group.

Outcomes (e.g. recommendations, options)

- Clarify the definitions and implications of the managed land proxy and activity-based accounting.
- Emphasize the importance of scientific integrity alongside impact and feasibility in decision-making criteria.
- 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 mentioned that a separate document would be created for further contributions, allowing for input from others if they felt the format needed adjustment. The Secretariat team encouraged anyone who wanted to create a version of the seven elements to do so, stating that a template would be provided and shared via email.
- The Secretariat team also agreed to follow up with TWG members via email to clarify the GHG Protocol's inventory objectives and suggested that the Secretariat could help educate the group on the objectives. They expressed gratitude for the discussion and contributions made by all participants.

Outcomes (e.g. recommendations, options)

- The Secretariat followed up via email clarifying the GHG Protocol's inventory objectives and FCA requirements development plan

Summary of written submissions received prior to meeting

- N/A