

# Forest Carbon Accounting TWG Third Small Group Session

Meeting 10

Date: March 31, 2025

Time: 19:00-20:00 UTC, 21:00-22:00 CET, 00:30-01:30 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)*

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## Attendees

### Technical Working Group Members

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

### Guests

- N/A

### Secretariat team (GHG Protocol, EY)

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|--------------------------------------|------------------------|
| 1. Amir Safaei, WBCSD – GHG Protocol | 5. Ishita Chelliah, EY |
| 2. Matt Ramlow, WRI – GHG Protocol   | 6. Johannes Tinter, EY |
| 3. Alejandra Bosch, GHG Protocol     | 7. Francois Binard, EY |
| 4. Gregory Simonnin, EY              | 8. Weza Bombo Joao, EY |

## Documents referenced

- N/A

## Summary

Item	Topic and Summary	Outcomes
1.	<b>Housekeeping and GHG approach &amp; Corporate Standard uses</b>  The session began with the Secretariat outlining challenges related to the Managed Land Proxy (MLP), Activity-Based Accounting (ABA), and Option 1b approaches. Key discussions focused on challenges identified in the eight key elements for each approach, as well as definitions and use cases for greenhouse gas inventories.	<ul style="list-style-type: none"> <li>N/A</li> </ul>
2.	<b>Challenges identified on the 8 key elements for each methodology</b>  The meeting discussed three approaches: the MLP, the ABA, and Option 1b. TWG Members emphasized the MLP's role in corporate greenhouse gas accounting, proposed a revised ABA aligned with science-based targets, and introduced Option 1b as a stand-in approach to differentiate between passive removals and active emissions, highlighting the need for transparency and safeguards.	<ul style="list-style-type: none"> <li>N/A</li> </ul>
3.	<b>Next steps</b>  The Secretariat outlined plans for the upcoming week, emphasizing the need for sufficient time to address questions and concerns regarding the ABA and Option 1B proposals.	<ul style="list-style-type: none"> <li>N/A</li> </ul>

## Discussion and outcomes

### 1. Housekeeping and GHG approach & Corporate Standard uses

#### Discussion

- The Secretariat outlined the agenda of the session, focusing on the remaining challenges and questions on the MLP, ABA and Option 1b approaches. The secretariat noted the updated submissions from the ABA team and on option 1b and the limited timeline for assimilating the information.
- It was highlighted that additional time will be provided for members to process and contribute to the proposals. The Secretariat detailed that the challenges would be discussed under five elements, with the first four addressing key challenges related to the separation of anthropogenic and natural effects, defining baseline, and additional considerations for issues not covered in the first three elements.
- It was mentioned that some questions regarding definitions remain which have been consolidated for both proposals. The Secretariat noted that there was a request for clarification from some TWG members on the purpose of a greenhouse gas inventory.
- Secretariat shared that discussions are taking place within the corporate standard and Action and Market Instruments technical working group regarding the different use cases for a greenhouse gas inventory. The results from an initial survey of some of the priority use cases that the corporate standard is targeting were presented.
- Finally, it was noted that in the deck there is one slide that highlights some of the uses for greenhouse gas inventory data, and participants were encouraged to use these slides as references to be aware of the conversations taking place within other technical working groups across greenhouse gas protocols and the information shared previously with the ISB.

#### Outcomes (e.g. recommendations, options)

- N/A

### 2. Challenges identified on the 8 key elements for each methodology

- The discussion focused on clarifying on how to account for management practices by the MLP and the ABA proposals and how to account for emissions from the use of biomass, land use changes. The Secretariat acknowledged time constraints while highlighting key challenges such as climate disturbances, leakage, and double counting, and emphasized the importance of member input in refining the proposals, particularly regarding Option 1B and its implications for corporate decarbonization efforts.

#### Discussion

- The Secretariat introduced an identified challenge of MLP with regards to separating anthropogenic and non-anthropogenic effects. The Secretariat invited members to share any solutions or insights.
  - One TWG Member raised a point regarding terminology, suggesting that the term "indirect anthropogenic effects" should be used instead of "non-anthropogenic effects" to align with existing literature. They proposed disaggregated goals for land carbon removal as a significant mitigation strategy.
- Another TWG Member expressed concerns about the lack of clarity regarding emissions definitions and the implications of the managed land proxy on accounting practices. The Member emphasized the need for clear proposal regarding how to account for Scope 3 emissions.
- One TWG Member acknowledged the importance of digesting the new information presented and expressed a desire for written documentation to facilitate deeper understanding and discussion.
  - Another TWG Member supported the need for time to process the information

- One TWG Member reiterated the importance of addressing limitations of the proposals in the upcoming sessions, emphasizing the need to focus on the challenges presented rather than revisiting previously discussed points.
- Another TWG Member raised concerns about the separation of effects of specific activities versus natural baselines in the context of accounting methodologies, questioning how this could be effectively managed within the MLP framework.
- One TWG Member concluded by noting that several questions regarding counterfactuals and baseline considerations remain open and will be addressed in future discussions for all three approaches.
- One TWG Member initiated a discussion regarding the justification for excluding leakage and substitution effects from counterfactual assessments in forest carbon accounting. The Member expressed uncertainty about the rationale behind their exclusion and suggested that clearly defined counterfactuals should be articulated in the proposals documentation.
  - Another TWG Member provided an example to illustrate their point, explaining that when considering substitution effects, the focus should be on the emissions associated with the activity rather than the economic alternatives. The Member emphasized that providing flexibility allows users to cherry pick and choose options with lower emissions.
- One TWG Member reiterated the importance of defining the counterfactual in emissions assessments, asserting that the appropriate counterfactual should be the absence of human activity. The Member argued that economic alternatives should not influence the definition of counterfactuals, as this could lead to misleading conclusions about emissions.
  - Another TWG Member further clarified that the counterfactual should always be framed as the no-harvest alternative, rejecting the notion that other uses could serve as valid counterfactuals. The Member emphasized that the definition of removal in the context of the Paris Agreement pertains solely to anthropogenic activities, reinforcing their stance on the matter.
- One TWG Member acknowledged the importance of this discussion and expressed concern about the limited timeframe for reviewing documents, suggesting that there should be an opportunity for further comments and observations after the meeting. The Member highlighted the need for additional tools for emissions calculations to accurately reflect real-world scenarios.
- One TWG Member noted that there were not many challenging questions regarding the no human activity baseline. The Member pointed out that this concept may seem theoretical in regions with a long history of human activity, such as Africa and Europe, and called for solutions to address these concerns.
  - Another TWG Member referenced a previous suggestion about using a dynamic baseline approach, which would involve matching harvested areas to similar plots. The Member proposed that this method could alleviate some concerns by avoiding the need to project future land use changes or other potential impacts, thus simplifying the assessment process.
- One TWG Member raised a point about the temporal scale of management activities in forestry, suggesting that the history of land use, such as a farmer abandoning land that later regrew, should not complicate the assessment of current management practices. The Member emphasized the need to focus on how long management activities should be considered relevant in calculations.
- Another TWG Member clarified that the impact of harvesting should be divided into two parts: the emissions resulting from harvest and the carbon removals due to forest management. The Member stressed that the key issue is determining how much additional carbon uptake can be attributed to human activity, highlighting the uncertainty involved in this process.
- One TWG Member noted that the IPCC and other organizations have historically estimated human emissions through similar accounting methods. The Member pointed out that in regions with limited harvesting, it is often easier to measure the impact of management due to the presence of large trees and observable regrowth rates. The Member also reiterated that the focus should be on quantifying the additional carbon gained through management activities.
- Another TWG Member questioned the relevance of increased removals, emphasizing that these should be measured relative to a scenario of no human activity. The Member expressed concern that the current approach may overlook significant management efforts that have occurred since 1990, arguing that such activities should be considered in the assessment of forestry practices.
- One TWG Member questioned the issue surrounding carbon credits and their management, stating that to address the widely recognized problem, it is essential to clarify the definition of management practices.
  - One TWG Member responded that credit cannot be given for management if a company purchases a land, manage and then create and sells credits. It was explained that in a

- hypothetical scenario, if the increase in above-ground implementation is 4 tons, and by implementing management practices the gain in above-ground biomass increases to 6 tons, credit is given for the 2 tons increase.
- One TWG Member questioned why companies should not be allowed to report the total gain in above-ground biomass and what would prevent a company from using the ABA approach to justify their harvest and transition to another land use.
  - One TWG Member clarified that if land use change occurs, the subsequent user of land should account for land use change emissions. The avoidance of emissions by other activities does not count as a removal. It was emphasized that if trees are harvested and no further action is taken, they will regrow. The key question is whether actions taken to speed up that regrowth warrant credit. If land is converted to agriculture, that conversion introduces another source of emissions.
  - One TWG Member remarked that it is necessary to document these discussions, noting that a thorough conversation would require more time.
- The Secretariat apologized for the time constraints and highlighted key challenges that have been addressed multiple times, including accounting for climate disturbances, salvage wood, and fallen timber after catastrophic events. The topics of leakage and substitution were noted as challenges that appear to be treated differently in both approaches. The challenge of double counting in terms of global warming potential was identified as an integrity issue in the managed land proxy. The Secretariat asked if there were any quick responses to these points, independent of the MLP or ABA, regarding whether these challenges have already been resolved in one of the approaches.
  - One TWG Member provided a high-level overview of the Option 1b submission, explaining that after reviewing both the managed land proxy submission and the original ABA proposal, they revised the submission. The TWG Member had not yet seen the revised ABA accounting approach but believed the logic of the revised version submitted still stands. The TWG Member explained that they proposed a stand-in ABA approach that uses a different counterfactual to be developed by the SBTi as part of their working group focused on forest products and wood fiber. The TWG Member emphasized that this change was made for several reasons, including the role of the managed land proxy and counterfactual-based accounting not just in an inventory context but also in the broader corporate decarbonization efforts. The TWG Member stated that the MLP would be used in the physical inventory of a company's corporate greenhouse gas inventory, following a similar approach to agriculture accounting. The TWG Member noted that this would utilize improvements discussed by the group, led by other members, and that it would be important to differentiate between passive removals and emissions versus active emissions and removals. This differentiation would be meaningful for driving climate decisions regarding how forestry companies manage their land. The TWG Member explained that the proposal aims to differentiate between what would have happened under previous management scenarios or standard practices and what should be worked towards in alignment with science-based targets. The TWG Member concluded that the definition of a counterfactual approach would be left to the SBTi, as that falls within their intended scope. The TWG Member added that the inventory's purpose is to measure activity and provide transparency, rather than to define what is considered "good enough," thus assigning the SBTi that role while maintaining safeguards around claims guidance from the previous iteration of the hybrid proposal.
  - One TWG Member highlighted that there has been insufficient time to review Option 1b in depth. The TWG Member expressed concern about the limited notification for discussions, emphasizing that it hinders preparation and the ability to provide informed opinions. The TWG Member noted that the discussions are complex and not binary, and that all inputs and elements need to be considered. The TWG Member also mentioned that the flaws of the options have been discussed. The TWG Member highlighted that certain aspects mentioned for the managed land proxy do not apply to plantations in Latin America, which will be increasingly relevant for pulp production in the future. The TWG Member concluded by stating that a middle ground option that incorporates safeguards is the only way to achieve a positive outcome. The TWG Member reiterated the need for adequate time to review these matters to provide thoughtful opinions in this setting.
    - The Secretariat expressed agreement with the previous comments, emphasizing that the timeline issues have been well noted.
  - One TWG Member suggested that the group should take advantage of having a representative from the SBTi present to ask direct questions rather than relying on others for clarification.

- The Secretariat acknowledged and agreed with the suggestion point and indicated that they would inform and request clarification from SBTi TWG members to the rest of TWG.
- The Secretariat noted that the next section of the call presents existing open questions that were attempted to be completed in the previous section. It was mentioned that the proposals by TWG members do not completely address the 8 identified elements that each proposal should contain, and the questions have been compiled based on feedback received. The Secretariat encouraged the group to review the remaining queries and address the questions. Specific sections would be created for the group to address concerns and fill out aspects with mitigation measures.

#### Outcomes (e.g. recommendations, options)

- N/A

### **3. Next steps**

- The Secretariat outlined the plan for the upcoming week, indicating that they aim to have the plenary session and will return to the group on Wednesday with the final approach regarding the timeline. The Secretariat acknowledged feedback on timeline and the need for sufficient time to process information.
- The Secretariat emphasized the importance of addressing the questions raised, noting that several members feel uncomfortable evaluating an approach that is unclear to them. The Secretariat urged the authors of the proposals to take the time needed to provide answers to these questions.
- One TWG Member expressed the need for more time to review both the ABA and the hybrid proposals, stating that he has just received them. The TWG Member emphasized the importance of hearing everyone's questions about ABA before systematically working through responses. highlighted that not all concerns have been addressed due to time constraints. The TWG Member echoed a previous point made by another member, advocating for a more measured back-and-forth exchange of written comments, as the current set of slides does not encompass all concerns.
  - The Secretariat acknowledged the feedback and confirmed that it has been helpful in documenting the challenges faced by TWG members. The TWG Member assured that the feedback regarding timelines would be shared and that they would follow up in the coming days.

The Secretariat thanked everyone for their contributions and noted that the session had been recorded.

#### Outcomes (e.g. recommendations, options)

- N/A

### **Summary of written submissions received after to meeting**

- N/A