

Forest Carbon Accounting Third Small Group Session

Meeting 11

Date: April 02, 2025

Time: 14:00-16:00 UTC, 16:00-17:00 CET, 19:30-20:30 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)*

Attendees

Technical Working Group Members

1. Chandra Deshmusk, APRIL
2. Christoph Leibing, IKEA
3. Jiaxin Chen, Ontario Forest Research Institute
4. Lucine Courthaudon, SBTi
5. Miguel Brandao, KTH – Royal Institute of Technology
6. Natasha Ribeiro, Eduardo Mondlane University (Mozambique)
7. Pippa Notten, The Green House, University of Cape Town

Guests

- N/A

Secretariat team (GHG Protocol, EY)

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

Documents referenced

- N/A

Summary

Item	Topic and Summary	Outcomes
1.	Housekeeping and GHG approach & Corporate Standard uses 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"> N/A
2.	Challenges identified on the 8 key elements for each methodology The discussion focused on the challenges of distinguishing between anthropogenic and natural effects in forest management, emphasizing the need for clear definitions, realistic targets, and practical guidance for effective carbon accounting and inventory creation for MLP and ABA proposals.	<ul style="list-style-type: none"> N/A
3.	Next steps The Secretariat outlined concrete next steps, including adding open questions to the papers, encouraging the identification of limitations in the approaches, and providing clear timelines for reviewing the revised proposals.	<ul style="list-style-type: none"> N/A

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 Manage land proxy (MLP), Activity-based accounting (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 TWG members to process and contribute to the proposals. The Secretariat detailed that the challenges would be discussed under four elements, with the first three 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 also 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 Secretariat discussed the complexities of separating anthropogenic and natural effects in forest management, emphasizing their intertwined nature.
- Questions arose regarding the definition of "natural growth" and the impact of management on forest resilience to climate hazards.
- The ABA approach aims to distinguish between natural and anthropogenic growth but faces challenges in adequately addressing losses due to climate events.
- Economic factors and market demand complicate both ABA and MLP approaches, necessitating credible third-party analysis for target setting.
- The discussion raised the need to avoid double counting in carbon accounting and the importance of separating accounting purposes from target setting.
- Members expressed a desire for practical guidance and worked examples to bridge the gap between methodology and tangible inventory results.

Discussion

- The Secretariat highlighted the complexities of separating anthropogenic and natural effects due to their intertwined nature. The Secretariat noted that the separation of effects was not adequately described by the approach, as it simply counts what is growing and what is lost.
- One TWG Member raised a question about whether all growth is natural

- The Secretariat posed a question to the audience regarding the separation of growth due to anthropogenic effects of management versus natural growth. It was suggested that the term "natural growth" might be misleading and that it should instead refer to active management impacts or impacts without specific management.
- One TWG Member further elaborated that the framing might be flawed when discussing natural losses due to climate hazards, emphasizing that forest management can impact the severity of climate hazards both positively and negatively. The TWG Member explained that an unmanaged natural forest might be very resilient to drought, while a managed forest could be more susceptible to drought, indicating that the severity of natural hazards is interlinked with whether the forest is managed. This highlighted the flawed understanding of wanting to separate anthropogenic and natural effects, as they are intertwined and interlinked in a way that makes separation nearly impossible.
- The Secretariat expressed that the managed land proxy simply counts the gains and losses in carbon pools as anthropogenic. It was noted that the intention of the ABA approach is to separate growth rates attributed to the natural system versus any human activity. The Secretariat pointed out that the separation of losses due to climate hazards is also not addressed in the MLP approach, raising the question of whether this challenge remains open in both approaches.
- One TWG Member stated that this is a fundamental question, applicable not only to emissions but also to removals. The TWG Member highlighted that in contexts like tropical peatlands, the impact of climate events must be considered, as emissions may not be entirely attributed to management practices due to climate influences. The TWG Member mentioned that similar arguments could be made regarding conservation efforts, where overestimations of removals might occur due to external factors like CO₂ fertilization or nitrogen deposition. The TWG Member acknowledged the validity of these questions but expressed uncertainty about whether the technical group could provide definitive answers, suggesting that they might only be able to highlight the weaknesses of the approaches.
- The Secretariat noted that the intent is not only to identify solutions but also to address limitations. It was emphasized that limitations regarding applications and data availability should be included in the final proposals to the Independent Standards Board (ISB) and into the final standard.
- The Secretariat requested a clarification: if the understanding was correct that the separation of anthropogenic and non-anthropogenic emissions and removals is an aim of ABA. The secretariat also noted that the ABA proposal should clearly define feasible baseline models to reach this aim.
 - One TWG Member confirmed this understanding
- One TWG Member asked, asked if any TWG could provide additional information regarding SBTi the wood commodity pathway.
 - One TWG Member suggested that it would be beneficial to ask the experts engaged in the commodity pathway for their insights. The TWG Member stated that there were methodological flaws in the pathway, clarifying that the issues were not about unachievable targets per se.
 - The Secretariat invited TWG representative from SBTi to address the topic directly.
- TWG Member from SBTi commented that SBTi has recently started the project to develop the wood commodity pathway and it is too early to provide any information on this project, One TWG Member shared their experience with applying SBTi wood commodity pathway, stating that they attempted to conduct an experiment using it but found that the targets were not feasible, requiring five to ten times more sequestration or removal, which is not feasible regardless of which scientific method one applies.
- The Secretariat sought clarification, asking if the previous speaker agreed that the definition of targets was flawed and if they saw a solution for establishing achievable and meaningful targets using the MLP.
 - One TWG Member responded affirmatively, stating that the claims made in the slides or position papers presented to the ISB should be defensible. The TWG Member emphasized that colleagues with in-depth understanding of the topic disagree with the reasons for the pathway's failure and have invested significant time in understanding the details. The TWG Member expressed doubt that those making the claims have misunderstood the pathways, asserting that there were indeed methodological flaws in the modeling that were only identified after the drafting phase when companies attempted to apply them.
 - The Secretariat noted that it would be helpful if the previous TWG Member could elaborate how to set target in the context of e managed land proxy proposal, suggesting that this

- information would be relevant and important to state.
- One TWG Member emphasized that the burden of proof lies with those making the claims and that it is essential for them to substantiate their statements. The TWG Member suggested that the individuals who formulated the pathway should be consulted for clarification.
 - One TWG Member added that the managed land proxy cannot accurately separate activity-based factors in the initial stock changes, which complicates target setting. The TWG Member emphasized that accurate inventory data is crucial for establishing correct targets. The TWG Member provided an example from British Columbia, the province has been significantly impacted by mountain pine beetles since the 1990s, with some areas now recovering strongly and increasing carbon stocks. Over the last decade, wood pellet production has also expanded in the region. Companies managing these forest areas can claim increased carbon due to their practices, stating that the harvested carbon is carbon neutral or even carbon negative, depending on the sourcing area's size and the extent of carbon stock increases. However, it's important to remember that leaving trees standing for energy purposes can take decades or even centuries to achieve carbon neutrality. Therefore, when targeting emissions reductions and improving removals, it's essential to understand that these goals are interconnected and not simply about increasing carbon stocks.
 - The Secretariat stated remaining challenges that need to be addressed in the ABA proposal. One key topic is the need for consistency in the definitions of emissions and removals across the agriculture and forestry sectors. The Secretariat raised comparability and alignment with IPCC guidelines for national accounting, asking if these challenges are agreed upon as topics that need to be discussed regarding the ABA approach.
 - One TWG Member expressed that there are some principal challenges missing, such as the choice of counterfactuals being considered. The TWG Member emphasized the importance of understanding not only what happens on the land but also the other effects, like the substitution effect. The TWG Member noted that while market mechanisms are mentioned, there are additional principal critiques related to scientific integrity, particularly concerning the arbitrary nature of counterfactuals. The Secretariat indicated that the definition of baseline in the MLP approach is clearer. However, in the ABA approach, questions arise regarding what exactly constitutes the counterfactual baseline. The Secretariat highlighted the need to clarify what is included in that counterfactual, such as whether it is a no-harvest baseline or a no-management baseline, and what activities are included or excluded. Concerns were recorded about the applicability of baselines in various regions where such baselines are difficult to define, especially in areas with long-standing active management traditions, making it challenging to separate from natural growth. The Secretariat asked if participants agree that these are valid challenges.
 - One TWG Member expressed that some challenges apply to both approaches, noting that economic factors complicate matters significantly. The TWG Member highlighted the increased demand for biomass and how that changes forest management, consequently affecting carbon stocks, which applies to both approaches. It was acknowledged that while it is challenging to model these effects, modern tools have been developed and published to consider these impacts. The TWG Member stated that modeling these effects is difficult due to the challenges in approval and the complexities of the manufacturing effects in the process. It was emphasized that one cannot simply dismiss these challenges as being unfavorable for ABA or the MLP, as both face similar challenges. The TWG Member further explained that in terms of setting the baseline for ABA it is crucial to consider the policy implications in large areas with complex dynamics. The TWG Member suggested that a credible third-party company with expertise and tools is necessary to conduct the analysis. The TWG Member shared that their group has been conducting carbon modeling and energy mitigation potential analysis for over 20 years, always considering a baseline using specific criteria. The TWG Member provided an example of how to manage forest carbon stocks from a baseline year, indicating that management practices must be demonstrated from that point onward. The TWG Member concluded by emphasizing that it is challenging to separate the company's activities from the results, making it difficult to set clear targets.
 - The Secretariat concluded that there is agreement that the challenges remain open to a certain degree for both approaches.
 - One TWG Member acknowledged the challenges and suggested that if a practical and objective baseline is desired, it should not be based on specific years, as those can be very subjective. The TWG Member proposed considering ecosystem settings as a reference instead, suggesting that a natural ecosystem

within a geographical location could serve as a better baseline than a specific year. The TWG Member also mentioned that comparing pre-existing ecosystems, such as those that were previously forested or degraded peatlands, might provide a more objective reference for assessing changes in land use. The TWG Member emphasized that this approach could lead to more objective conversations and guidance for land managers.

- The Secretariat recalled that a topic was brought up regarding forest types that are associated with long pasture traditions in Africa, where such models appear to be problematic or not available. The Secretariat invited another member to comment on this.
 - One TWG Member stated that the forestry sector is not entirely detached from local communities that depend heavily on the forest. The TWG Member emphasized the difficulty of separating the activities of forest concession holders from other human activities within the area. Additionally, the TWG Member brought up fire management, noting that fires can originate outside the concession but that concessions also engage in fire management, distinguishing between early dry season and late dry season fires.
 - The Secretariat acknowledged that the points raised are indeed important challenges that need to be discussed. The Secretariat highlighted the need to handle climate-induced disturbances and the management of fallen timber after catastrophes, particularly in the context of scope 3 salvage wood. It was noted that these topics present challenges in both approaches.
- The Secretariat pointed out that leakage and substitution are also challenges in both approaches. The Secretariat raised the question of whether the two approaches are directing efforts in the right direction, particularly regarding the incompatibility of the managed land proxy when considering global warming potential. The Secretariat asked the group whether they feel these challenges should be addressed and to what extent the solutions proposed already sufficiently answer these questions.
 - One TWG Member acknowledged the comment and stated that it is a fact that there is nothing to question here. The TWG Member emphasized that the real question is whether the group wants to have something that is incompatible with greenhouse gas protocols (GWPs). If the group does not recommend GWPs, that is acceptable; however, if they do recommend GWPs for other parts of measuring and reporting, it could lead to issues, as emissions cannot be added up. The TWG Member pointed out that GWPs already include the land natural sink, and so does the managed land proxy, which could result in double counting.
 - One TWG Member expressed the need for further clarification regarding the terms GWP and MLP, indicating familiarity with GWP and its relation to methane's warming effect over a certain timeframe.
 - One TWG Member explained that there is a significant misconception about how GWPs are calculated. The TWG Member noted that they had attempted to clarify this via email and in various meetings but felt that the explanation had not had the desired effect. The TWG Member elaborated that the GWP of different greenhouse gases is calculated by integrating the radiative forcing of a pulse emission over a specified period, such as a hundred years. It was highlighted that different emissions have varying radiative efficiencies and lifetimes. The TWG Member pointed out that the lifetime of CO₂ depends on how it is removed from the atmosphere via land and oceans. Therefore, if the land flux is included in the human system, it must be removed from the GWP to avoid double counting for the emissions incurred.
 - One TWG Member acknowledged the simplicity of the explanation but expressed confusion, regarding the argument. The TWG Member highlighted that emissions reported from fossil fuel combustion are physical emissions and questioned how the CO₂ atom removed via photosynthesis conflicts with that logic.
 - The Secretariat sought to clarify the discussion, emphasizing the importance of separating the purposes of accounting carbon fluxes from target setting in climate mitigation. The Secretariat noted that the issue of double counting cannot be ignored in this context. The Secretariat indicated that the topic is on the table for discussion and should be included, especially as it was addressed in the next slides related to Option 1b, which was brought up by another member who aimed to clearly separate these purposes.
- The Secretariat suggested that if the subgroup of Option 1b feels comfortable, they could present the approach but recommended sharing the recording from the first meeting for anyone who wants to listen to the summary provided by the absent member, as it would be the most efficient way to address the topic.

- The Secretariat briefly summarized that the idea was to separate the purposes of accounting in the MLP and to address the topic of target setting in the ABA approach, noting that there are still open questions regarding this structure.
 - The Secretariat proposed to circulate pending questions that arose from participants, especially those directed to the individuals who compiled the proposals on the MLP and the ABA approach. The Secretariat emphasized that these questions appeared not to have been fully answered and suggested proceeding with the next steps regarding the timeline for upcoming plenary sessions.
- The Secretariat suggested opening the floor for general comments, as some members had not yet had the opportunity to speak. The Secretariat inquired if anyone had final thoughts on what had been shared regarding the approaches or any general comments on the process thus far. The Secretariat emphasized the importance of TWGs providing feedback on the proposals, especially regarding limitations or other aspects that support the issues listed. It was encouraged that comments be included in the papers to ensure all views are considered, not just those of the authors. One TWG Member acknowledged that they had not spoken yet and admitted to feeling somewhat lost in the methodological discussions. The TWG Member emphasized the need for practical advice, noting that the aim is to create a practical inventory. The TWG Member expressed a desire to bridge the gap between the methodology documents and the tangible inventory numbers that would result from the two approaches. The TWG Member highlighted the importance of understanding the quantitative differences between the approaches and suggested that having worked examples would be valuable. The TWG Member expressed a willingness to assist in developing practical examples, emphasizing the need to follow guidelines and produce actionable results. The TWG Member conveyed a concern that without clear guidance, it would be challenging to create an inventory based on the current methodology documents.

Outcomes (e.g. recommendations, options)

- N/A

3. Next steps

Discussion

- The Secretariat thanked everyone for their feedback and outlined the steps following the meeting. It was stated that open questions would be added to the papers to streamline the writing process. The intent is to address challenges in specific rubrics and to encourage the identification of limitations in the approaches. The Secretariat noted that they are looking for revised proposal to be submitted, emphasizing that this is not the final version but a step towards a more comprehensive document.
- One TWG Member posed a final question regarding the ABA proposal, noting that the new version has changed dramatically. The TWG Member expressed uncertainty about how to comment on the wording presented on the slide.
 - The Secretariat clarified that the wording was taken from the challenges noted during various sessions, rather than directly from the paper. It was explained that the paper is being built on the eight elements and the challenges were raised prior to this and added through different plenary sessions. The Secretariat indicated that these elements had not been addressed during the methodology definition and that they are now being incorporated to fill out the methodology.
 - One TWG Member indicated that the request for TWG is to have another round of discussions on the reworked version, acknowledging that the ABA method is a moving target due to its frequent changes.
 - The Secretariat acknowledged this concern and noted that clear instruction regarding timelines would be provided to support TWG ability to review and process the information. The

Secretariat emphasized the need for alignment with set timelines to ensure the process runs smoothly.

- The Secretariat offered closing remarks, recognizing the significant work being done by everyone involved and appreciating the time dedicated to highlighting the strengths and weaknesses of the different proposals. The Secretariat acknowledged that while not all authors are present, the effort to develop and refine proposals to address the questions raised is commendable. The Secretariat expressed hope that the latest revised drafts would provide more time for everyone to engage with the methods and address previously raised questions. Emphasis was placed on finding solutions to the identified challenges, with the Secretariat noting that the team has done well in summarizing the broad challenges. The opportunity to review the latest details was highlighted as crucial as the group moves towards finalizing the proposals.
- The Secretariat thanked everyone for their contributions and engagement, indicating that they look forward to upcoming conversations in the next plenary session.

Outcomes (e.g. recommendations, options)

- N/A

Summary of written submissions received after to meeting

- N/A