

Brief Replies to MLP Memorandum

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The independent scientist members of the TWG provide the following brief reply to the May 30th MLP Explanatory Memo of TWG members representing large forest owners or wood users. We make this reply to clarify multiple misrepresentations or selective framings that impact the objectivity and fairness of the argument made in the MLP memo.

- 1. Contrary to claims, the IPCC has not endorsed use of the MLP for corporate or product accounting (the basis for Scope 3). The IPCC also uses ABA accounting for its own estimates of emissions, and the MLP memo fails to identify a single LCA study that uses the MLP.**

Although the MLP memorandum continuously states that the IPCC supports the managed land proxy (MLP), there is not one statement of support by the IPCC in any document of which we are aware for use of the MLP in (a) any corporate context, or (b) for use in evaluating emissions from products, which are the basis for Scope 3 emissions. The differences are fundamental. As discussed in the ABA memorandum, the sign (removal vs emission) of GHG flux is literally reversed when using the MLP at national versus Scope 3 corporate levels. At the national level for the MLP, although countries unfairly receive credit for the effects of climate change itself, the harvest of wood decreases forest growth and increases net emissions. However, under Scope 3, most wood harvesting is carbon negative, even independent of whether and how wood is used.

Moreover, the IPCC itself uses ABA accounting to estimate emissions from forestry and all other emissions from land use change. IPCC estimates of emissions are based on global ABA models (Shukla et al. 2019; Jia and Shevliakova 2019), in particular the Woods Hole model (Houghton and Nassikas 2017) and the Blue model (Hansis, Davis, and Pongratz 2015). The discrepancy between the scientifically accurate accounting of emissions based on ABA models used by the IPCC and national reporting using the MLP is precisely why new processes have focused on the discrepancy, including recent papers such as Allen et al. (2024). Even for national reporting, rather than “settled science, the ISPRA meeting report and the Allen paper highlight the discrepancy with scientific estimates of emissions. They present the MLP as a pragmatic compromise at the national level given its history of use, and call for further, unspecified, methodological developments to try to reconcile the inconsistencies at a global level. The Allen paper specifically calls for private sector standard-setting bodies not to use the MLP.

Rather than bearing similarities to national reporting, the GHGP takes a lifecycle approach to emissions, yet the MLP memorandum fails to identify a single LCA for wood products that uses the MLP. That stands in contrast to the papers used by the IPCC in Assessment Reports, and 35 additional identified papers in the ABA memorandum all use ABA. The MLP memorandum strangely criticizes the scientist members of the TWG for having lifecycle expertise. While the scientist members collectively also have multiple, high-level peer review papers focusing on global emissions and participate in global processes, it is their lifecycle experience and deep knowledge of actual effects of forestry on carbon that are most relevant to the GHGP.

2. Contrary to claims, the MLP treats wood use as carbon negative in the Scope 3 context as evidenced by claims of every company testing it for the GHGP. Also because most wood cannot be traced, the specific MLP proposal fails to identify a viable method for Scope 3.

The MLP memorandum claims that the MLP does not treat wood use as carbon negative, but this is inaccurate, and every company testing the MLP under the original draft protocol (whether wood-producing or wood-consuming companies) claimed to be carbon negative.

The MLP memo claims that companies must meet additional criteria for removals to count them, and the proposal is ambiguous enough that it might (or might not) be true in the Scope 1 context, but it is certainly not true in the Scope 3 context. For Scope 3, the emissions from harvested wood and wood products are not based on the emissions that physically occur. Instead, they are assigned some portion of the changes in carbon in some broader, ill-defined, sourcing area. And this sourcing area is not even limited to those owned by a single company. If this sourcing area has net increases in carbon, these increases are attributed to the wood product, making it carbon negative.

As described in our original memorandum (originally written in April) most of the world's forests do in fact have net increases in carbon due to the passive forest sink (see the map in Harris et al. 2021). In developed countries, this is aided by recovery from heavy harvesting and agricultural abandonment in the last century. This makes wood harvested from them carbon negative.

The MLP proposal would restrict this approach to areas in some vaguely defined "sourcing area," now called "supply shed." But most of the world's wood, as for agricultural products, cannot be traced to small sourcing areas. The GHG Protocol must work at all traceability levels. If this approach is taken, therefore, the MLP provides no mechanism whatsoever for calculating the Scope 3 emissions of most wood products.

In addition, even in the Scope 1 context, the basic question is whether removals must result from an anthropogenic activity. Nothing in the remainder of the Protocol would require that removals be anthropogenic. That is the question right now before the ISB in choosing MLP or ABA.

Among other implications from using the MLP, using wood for a long-lived wood product plays no role in the accounting and therefore is assigned no carbon advantage relative to burning wood for energy or using it for paper. This is but one example of the perverse incentives the MLP approach creates.

Although the ABA memo pointed to many perverse incentives, including that recycled paper is worse than virgin paper, the MLP memo claims that these perverse incentives will not affect the behavior of large forestry companies. But (a) that would have no effect on wood consuming companies under Scope 3, (b) that would just mean that large forestry companies resist the perverse incentives created by the MLP, (c) that has no significance for most wood, which is not supplied by large forestry companies.

3. Although the MLP memo claims it supports forests, the MLP approach poses severe threats to forests globally by treating wood harvest and use as carbon negative, particularly for bioenergy use.

The harvest and uses of wood has many human benefits but also causes large emissions: As estimated by the global ABA models used by the IPCC, emissions are in the gigatons of CO₂ per year (Hansis, Davis, and Pongratz 2015). Global studies have estimated that remaining forests have lost even as much or more carbon than was lost from forest conversion to agriculture, which is indicative

of the effects of wood harvest (Mo et al. 2023). For this reason, papers have repeatedly emphasized the carbon mitigation from reducing wood harvests (Mo et al. 2023) (Erb et al. 2018) (Keith et al. 2024).

By treating the harvest of wood as beneficial, use of the MLP would encourage increased harvests regardless of use with potential implications to increase global wood harvests multi-fold if followed. For example, to produce just 2% of additional global energy from additional wood for bioenergy would require doubling of global commercial wood harvest (Searchinger et al. 2018). This same paper calculates that commercial wood harvest could triple and still be considered at least carbon neutral using an approach in which the effects of wood harvest are offset by growth in adjacent or other forest areas.

4. Contrary to claims, the ABA is at least primarily attributional accounting, while the MLP is not attributional because it relies on carbon gains of others.

The MLP memo claims that ABA accounting is inconsistent with the GHGP because it is consequential. This is incorrect for two reasons.

First, ABA accounting is at core attributional. When wood is harvested and used, carbon is released in the forest, in processing, and in consumption. In fact, the great majority of wood removed from a forest is burned either purposely or in making other wood products (Peng et al. 2023). These are pure emissions. Contrary to claims in the MLP memorandum, this is exactly how the GHGP evaluates all emissions from land use change. For example, if land is cleared to generate an agricultural product, emissions are counted regardless of whether a larger land area is accumulating carbon.

The MLP would ignore these emissions not because they are not attributional but because they are supposedly offset by growth in other forests. In the Scope 3 context, that includes even forests owned by other people or governments. In the Scope 1 context, it includes the passive forest sink and recovery from legacy wood harvests. The distinction has nothing to do with attributional or consequential. Instead, wood products are credited with carbon removals attributable to other activities. Indeed, if there is any rationale for the MLP in Scope 3, it must be based on some kind of distorted consequential theory.

The MLP memorandum plays on the idea that ABA is consequential because removals caused by forestry activity must be anthropogenic, i.e., caused by human activities. This is not consequential; it simply asks what carbon stocks would be in the absence of harvests or other management activities. Again, that is purely attributional and required to be consistent with the Paris Agreement that only “anthropogenic removals” count as removals. If, however, efforts to separate anthropogenic from non-anthropogenic were construed as impermissibly consequential, that would still leave the direct emissions from wood harvest and use.

In addition, Scope 3 emissions may have a consequential component. The definition of Scope 3 emissions is: “Emissions that are a consequence of the activities of the reporting company but occur at sources owned or controlled by another company.”

5. Contrary to claims that the MLP is broadly used, carbon offsets also do not award credit for just owning growing forests, which explains why using the MLP for the GHGP would undermine offset integrity.

To obtain a forestry carbon offset, it is not enough just to own an already growing forest. There are different kinds of forestry offsets, but they all start with an action that enhances growth. Furthermore, any leakage must be factored in.

Under the MLP approach, neither the additionality nor the leakage consideration is required. This would quickly lead to undermining offset integrity because companies with land-based emissions could just purchase already growing forests and claim removals that in effect offset their emissions. They could also engage in joint ventures with offset companies rather than purchasing credits to do the same.

6. Contrary to claims, the MLP approach cannot be saved by target-setting or restrictive statements.

The MLP suggests that the problems with taking credit for the passive carbon sink can be met by target-setting. At the global level for countries, this is true. In other words, if countries take incorrect credit for 6 gigatons of removals, targets can be adjusted by requiring countries to achieve 6 gigatons of negative emissions. The distributional consequences, however, are still severe as the MLP incorrectly favors developed countries that harvested much of their forests over other countries.

At the company level this is not possible. First, for Scope 1, there is not even a theoretical idea of how this additional sink could be assigned to all the world's forests. Second, for Scope 3, since companies reduce emissions more by using more wood, the sign of the carbon flux (removal vs. emission) is wrong. A stricter target will lead to more wood harvests that are mistakenly treated as reducing emissions when they in fact increase them.

Neither can the MLP be saved by restrictions on statements. If a company reports negative emissions, that is what is reported in the GHGP. Restricting further statements would have little to no consequence.

7. Contrary to claims, the ABA approach is necessary to conserve natural forests

The MLP memorandum claims that the ABA approach harms forests by encouraging the use of wood plantations. This is a strange comment coming from representatives of several forestry companies primarily engaged in plantation forestry or that primarily use plantation wood. (One large wood-consuming company in this process has properly claimed credit for making more wood products from bamboo because of this fast growth despite its low carbon stocks due to short rotations.)

The reality is that conserving forests in the face of not only large but growing wood demands – expected to increase by ~50% over the next 40 years – will require a combination of wood supply sources. Plantations store less carbon but produce more wood per hectare per year. Numerous papers have identified plantations therefore as a potential means of conserving forests by supplying wood with less land and allowing the world therefore to have less harvest of natural forests.

However, plantation forests can only contribute toward the conservation of natural forests if their wood is used to reduce harvests of natural forests. This means Scope 3 accounting rules are critical. Under the MLP, because harvesting most natural forests is considered carbon negative, companies would be encouraged not just to harvest plantation wood but to harvest more wood and therefore more natural forests as well.

The only way to conserve forests is to properly account for the effects of harvesting them.

8. Contrary to claims, the ABA is practical

The GHGP must work for all levels of traceability. As explained, the MLP cannot, but the ABA can. Vast numbers of models are available to estimate the effects of wood harvest and silvicultural practices on forest growth, as evidenced: (a) by the IPCC's accounting itself using ABA

models (the Woods Hole model and the Blue model), and (b) the many papers cited in the ABA memorandum. From wood harvest data, and information on growth rates of forests at different ages and with different management, these models can estimate the quantity of carbon lost due to wood harvest and product use. Although model precision varies by area, even global models are adequate to give a sufficiently reasonable estimate of net effects and rough scope to be able to meaningfully guide consumption and production decisions. (They are at least as precise as livestock models.)

9. Although the MLP memorandum is written from the perspective of large forestry companies, they do not represent the dominant users of the GHGP, and the MLP would unfairly favor them.

The MLP memorandum is written entirely from the perspective of large forestry companies. Most of the world's wood does not come from large forestry companies. In fact, 75% of the world's forests are owned by governments. The GHGP must work for all companies, including all companies that consume wood. Most of these companies will use wood in the Scope 3 context.

Moreover, the distributional consequences of the MLP are grossly unfair. Any landowner or government that preserved its forests will have a lower carbon sink. And countries such as those in Europe and China with largescale agricultural abandonment and large carbon sinks (Chen et al. 2019) in part due to food outsourcing (Pendrill et al. 2019), will have large carbon sinks. Companies in these areas could simply lease these already growing forests and claim removals that offset their land-sector emissions without engaging in any actions by themselves to sequester carbon.

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