Feedback on the Greenhouse Gas Protocol Draft Land Sector and Removal Guidance | Incentivising Corporate Action at Landscape and Jurisdictional Scale

November 2022

Contents

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Author Note: Conservation International, Emergent, Proforest, Tropical Forest Alliance, ISEAL, IDH and EDF have been in a collaborative conversation considering the gaps and potential solutions in response to the GHG Protocol Draft Land Sector and Removal Guidance published here: Draft GHG Protocol Land Sector and Removals guidance, part 1 in September 2022.

Preface

The GHG Protocol Draft Land Sector & Removals Guidance represents a step forward in bringing natural climate solutions into corporate GHG accounting in the forestry, land & agriculture (FLAG) sector. It has the potential to incentivise private sector action to protect, manage, and restore nature in and around supply chains and productive lands.

However, the draft guidance currently has several gaps, which risk its future success in driving urgent global climate action at scale. Specifically, the guidance currently constrains FLAG company ambition by taking a narrow focus on action within the working lands of transparent supply chains. There is an opportunity for a more inclusive and enabling accounting framework that enables company action at landscape and jurisdictional scale, or in situations of limited supply chain transparency.

Within this context, representatives from **Conservation International, EDF, Emergent, ISEAL, IDH, Proforest and the Tropical Forest Alliance** have been in a collaborative conversation considering the gaps and potential solutions in response to the guidance. This document summarises these gaps and solutions, but we recognize that further discussion and work will be required to reach a final solution on these topics, given the complexity of the accounting challenge. We encourage the GHG Protocol to engage and create space for this to happen.

This document provides guidance for FLAG sector companies and wider stakeholders interested in promoting landscape and jurisdictional approaches to respond to the public consultation of the Draft GHG Protocol Land Sector and Removals guidance, part 1, open for public consultation until **30 November 2022.**

The document provides:

1. **Rationale for Submitting Feedback | The Key Ask**
2. **Instructions on How to Submit Written Feedback | The Two Options**
    - Email & Excel Template
    - Online Form
3. **Suggested Feedback for Consideration | Two Options**
    - Fast Track Option | General Feedback
    - Comprehensive Option | Chapter Specific & Open Question 3 Feedback

1. Rationale for Submitting Feedback | The Key Ask

Momentum for company engagement at landscape and jurisdictional scale is growing and should be further incentivised.

To date, companies across the FLAG sector have worked to reduce commodity-driven deforestation in their individual supply chains. Unfortunately, this approach has failed to slow deforestation in any meaningful way. Examples of relative success have required a combination of supply chain action with strong producer government and wider stakeholder action e.g., for palm concessions in Indonesia.

Recognizing this context, an increasing number of companies have shifted efforts and investment to landscape and jurisdictional scale activities within sourcing and production regions. Both individually and through platforms such as the CGF Forest Positive Coalition of Action, Action for Sustainable Derivatives, and the World Cocoa Foundation, companies are collaborating with local stakeholders to create positive change in the systems around their supply chains and production. In 2022, the number of companies disclosing engagements in landscape or jurisdictional approaches to CDP's forest questionnaire almost quadrupled to over 190 companies.

For over a decade, tropical forest counties have also been working to develop and deliver inclusive Reduced Emissions from Deforestation and Forest Degradation (REDD+) strategies. Many forest countries have scaled and adapted these strategies in favour of a jurisdictional approach, with ambitious, landscape-scale plans developed with the explicit expectation of results-based payments from the private and public sectors. Companies are responding and recognising their constructive role within jurisdictional REDD+ frameworks that correlates with their sourcing and production footprints, helping to scale and accelerate mutual climate and deforestation goals. This focus has brought the LEAF Coalition together and secured commitments amounting to USD1.5 billion from companies and governments in results-based finance for large scale emissions reductions from jurisdictional REDD+.

Climate goals have become a key lever for private sector action, and can accelerate inclusive, holistic, and just land use transformations at the jurisdictional scale in collaboration with local governments and forest communities. Deforestation drivers are often found in the influence area of supply chains. To create meaningful change, vertical value chain strategies must be combined with landscape-level approaches.

The GHG Protocol for Land Sector and Removals Guidance can further enable and drive scale for meaningful corporate action. However, the current draft limits company actions to those directly in the working lands of supply chains and lacks incentives for critical actions and finance in the surrounding landscapes and jurisdictions.

A sole focus on supply chain action for companies will not encourage the scaled collective action and financial support for production and forest landscapes necessary to reduce deforestation and emissions at scale.

Key asks

Our key asks to the GHG Protocol are for the Draft Land Sector and Removal Guidance to:

- **Encourage the development of mechanisms that allow companies to add carbon impacts (positive and negative), generated outside farm boundaries, within jurisdictional sourcing regions, to be accounted for within a company's GHG footprint.**

  This document proposes potential mechanisms, but we recognise further discussion is required to reach a workable solution. We ask the GHG Protocol be open to conversations in the coming months to discuss this.

- **Actively incentivise companies to invest in land use transformation within their jurisdictional sourcing regions.**

  Although the Science Based Targets Initiative (SBTi) is developing voluntary guidance for Beyond Value Chain Mitigation, we argue that landscape-level efforts in sourcing regions should not be considered as "beyond-value chain" action, but as additional efforts to drive more sustainable land use in the value chain.

- **Seek inputs from stakeholders in production and forest landscapes that will be affected directly and indirectly by the implementation of the framework.**

  Strong buy-in and active participation of local stakeholders including Indigenous peoples and local communities are key to achieving an inclusive, holistic, and just transformation of land use at scale.

Why should the GHG Protocol expand the boundaries of action in Scope 3 for FLAG sector companies?

1) **Actions within supply chains alone will not stop deforestation and natural conversion**.

   Our collective experience from the past three decades, shows corporate efforts to "clean" **individual** supply chains using certification and "No Deforestation, No Peat, and No Exploitation (NDPE)" commitments have failed to remove deforestation from commodity production. This is because a lot of deforestation happens outside of supply chains and there is too much leakage to other markets. Addressing many root causes of deforestation requires collaboration with local stakeholders and action at landscape and jurisdictional scale. Halting deforestation and ecosystem conversion at scale is critical if we are to limit global warming to below 1.5˚C.

2) **Actions cannot wait for full transparency, particularly in complex, fragmented supply chains.**

   Many companies are investing in landscape initiatives within the jurisdictions of their sourcing regions, instead of waiting for full, individual supply chain transparency.

Groups such as the CGF Forest Positive Coalition of Action, Action for Sustainable Derivatives, and the Cocoa and Forest Initiative are facilitating downstream buyers to finance forest conservation and restoration in known sourcing areas, while in parallel, working to increase the traceability, visibility, and productivity of upstream actors, particularly smallholders. The GHG Protocol accounting framework should encourage and reward these interventions, particularly in situations of fluid land tenure and smallholder production, to ensure an inclusive and just transition.

3) **Enabling actions outside farms at a jurisdictional level is necessary to accommodate communal land and other types of land tenure and management models in line with climate and social justice principles.**

The focus on control at farm level does not recognise the reality of ownership structures in many producing countries for Indigenous peoples, local communities and/ or multi-stakeholder partnerships or the need to collaborate with all the aforementioned.

2. How to Submit Written Feedback

Submit official written feedback by **November 30th, 2022,** via option A or B below (both have the same content)

A - Via Excel Template & Email

1) Open the excel document: "GHGP Review Group Feedback Form" which you will have received via email, alongside this guidance. The excel document includes recommended feedback that mirrors the content of this document.

2) Complete your company information, review the document, and include any changes your organisation would like to make.

3) Email the completed excel file to info_ghg@ghgprotocol.org with the subject line "Review Group feedback for Land Sector and Removals Guidance" by November 30th, 2022.

OR

B - Via Online Digital Form

1. Complete each page of this form and press 'submit'.
2. Provide requested individual and company information.
3. Provide chapter specific feedback, as prompted, using the feedback listed below in this document, as relevant.
4. Provide general feedback, as prompted, upon progression through the digital form, using the feedback listed below in this document, as relevant

Please note:

- The digital form requires an entry on each page prior to progression to the next page and finally, submission.
- The digital form does not save draft responses. The submission must be done in one sitting.
- There is a character limit of 4000 for each response box.
- You can respond to as many or few questions as you wish, and no responses are shared publicly.
- Feedback will be shared with the technical working group and advisory committee in aggregated form and no contact information will be shared with any third party (including the technical working group and advisory committee)

3. Suggested Feedback for Consideration

This guidance document includes two feedback types you can submit:

1. Fast track feedback: High-level summary feedback appropriate for Question 16 - General Feedback
2. Comprehensive feedback: Chapter specific feedback and Open Question #3

In both sections, the language in orange accompanied by the icon is prepared for the online digital feedback form. Please review and edit the suggested feedback as needed to reflect your individual or company perspective. Otherwise, please feel free copy and paste directly.

Please note, all the below feedback is prepopulated in the aforementioned Excel document (for those taking submission approach A outlined on the previous page).

Fast-track feedback option

Please consider, at a minimum, responding via the Fast Track Option, if you are aligned with the rationale for submitting feedback and key asks outlined in this document.

Please review the following text and edit as needed in response to the last question on the digital form (Question 16). Please note that prior pages of the digital form require entries to move forward to the last question.

General Feedback

Question 16: Do you have any other comments on the Land Sector and Removals Guidance

The GHG Protocol Land Sector and Removal Guidance should further consider how the guidance can:

Encourage the development of mechanisms that allow companies to include carbon impacts (positive and negative) generated outside farms' boundaries in sourcing region or jurisdiction to be accounted for within a company's GHG footprint. We ask that the GHG Protocol keeps an open space to work to find ways to address these gaps in the coming months, which multiple organizations are keen to support, including Conservation International, EDF, Emergent, IDH, Proforest, and Tropical Forest Alliance.

- Actively incentivise companies to invest in low-carbon land use transformation at landscape and jurisdictional scale. While we appreciate that SBTi is developing voluntary guidance for Beyond Value Chain Mitigation, we argue that the landscape-level efforts in sourcing regions should not be considered as beyond-value chain, but as additional efforts to drive more sustainable land use within the value chain.

- Develop the guidance with inputs from stakeholders in production and forest landscapes that will be affected directly and indirectly by the implementation of the framework. Strong buy-in and active participation of these stakeholders are key to achieving the inclusive, holistic, and just transformation of land use at scale.

The rationale for these considerations includes:

1) Actions within supply chains alone will not stop deforestation and natural conversion. Collective experience from the past three decades, shows corporate efforts to "clean" individual supply chains using certification and "No Deforestation, No Peat, and No Exploitation (NDPE)" commitments have failed to remove deforestation from commodity production. This is because a lot of deforestation happens outside of supply chains and there is too much leakage to other markets. Addressing many root causes of deforestation requires collaboration with local stakeholders and action at landscape and jurisdictional scale. Halting deforestation and ecosystem conversion at scale is critical if we are to limit global warming to below 1.5˚C.

2) Actions cannot wait for full transparency, particularly in complex, fragmented supply chains. Many companies are investing in landscape initiatives within the jurisdictions of their sourcing regions, instead of waiting for full, individual supply chain transparency. Groups such as the CGF Forest Positive Coalition of Action, Action for Sustainable Derivatives, and the Cocoa and Forest Initiative are facilitating downstream buyers to finance forest conservation and restoration in known sourcing areas, while in parallel, working to increase the traceability, visibility, and productivity of upstream actors, particularly smallholders. The GHG Protocol accounting framework should encourage and reward these interventions, particularly in situations of fluid land tenure and smallholder production, to ensure an inclusive and just transition.

3) Enabling actions outside farms at a jurisdictional level is necessary to accommodate communal land, other types of land tenure and management models in line with climate and social justice principles. The focus on control at farm level does not recognise the reality of ownership structures in many producing countries for Indigenous peoples, local communities and/ or multi-stakeholder partnerships or the need to collaborate with all the aforementioned.

Comprehensive feedback option

In addition to submitting general feedback, we encourage companies to submit more comprehensive feedback using the chapter specific and open question 3 guidance outlined below.

Once again, the language in orange accompanied by the icon below is ready for direct copy & digital entry into the form and is already prepopulated into the Excel (for submission approach A, outlined on page 7).

Suggested feedback is provided for the following chapters and open questions of the Draft GHG Protocol Land Sector & Removals Guidance:

GHG Guidance Chapters	Recommended Feedback Guidance Topic
Chapter 5: Setting the Inventory Boundary	Setting inventory boundary at landscape and jurisdictional level
Chapter 7: Land Use Change and Land Tracking	Accounting for land use emissions at sourcing region and jurisdictional scale
Chapter 8: Land Management Accounting	Including communal and indigenous lands, and other types of land tenure and management models.
Chapter 8: Land Management Accounting	Including marginal lands
Chapter 11: Evaluating Impacts of Action	Evaluating System-wide impacts with intervention accounting
Chapter 12: Setting Targets and Tracking Progress	Incentivizing company compensation and contribution targets
Chapter 12: Setting Targets and Tracking Progress	Jurisdictional results-based finance as a scope 3 mitigation option
Chapter 13: Accounting for Credited Emissions Reductions and Removals	General considerations for the inclusion of jurisdictional REDD+ crediting – General Feedback
Chapter 13: Accounting for Credited Emissions Reductions and Removals	Potential applicability of jurisdictional inventory accounting and crediting
Chapter 13: Accounting for Credited Emissions Reductions and Removals	Potential role of jurisdictional REDD+ insetting
Chapter 13: Accounting for Credited Emissions Reductions and Removals	Clarifying corporate and jurisdictional claims
Chapter 13: Accounting for Credited Emissions Reductions and Removals	Exploring use-case scenarios for jurisdictional REDD+ framework within the company inventory boundary
Open Question 3 Traceability for Land Management Removals	Accounting for removals using ‘Sourcing regions with safeguards’ approach (option 2).

Feed back guidance by chapter

Chapter 5 Setting Boundaries: Setting inventory boundaries at landscape and jurisdictional level

Select the below text to copy and paste into the digital form:

Chapter 5

Page 58

Summary: The draft guidance currently prevents organisations from accounting for the impacts of sourcing region or jurisdictional approaches. This despite the fact that these programs are often more direct and effective in combating deforestation and conversion than the on-farm, traceability-focused approaches the guidance does allow in the accounting.

Current Framing: Activities companies finance at the sourcing region or jurisdictional scale that deliver GHG reductions related to improved land management, restoration, or forest conservation but are not directly traceable to a farm that company sources from cannot be included in a company's scope 3. As drafted, the guidance disincentivizes investments in areas outside corporate supply chains even when investment in those areas may be more effective in reducing total emissions via avoided land conversion or degradation.

Proposal: Given the efficacy and momentum of investments at the regional and jurisdictional scale, the guidance should allow corporations to account for the impact of these actions in their inventory. More specifically, companies should have a route to account for GHG emissions and removals from operations or lands in which it owns an interest and have monitoring, including company's direct investments and operations in a sourcing region or jurisdiction that is not land directly managed for production. We recognise that additional discussion is needed to confirm an accounting and allocation approach that appropriately incentivizes impactful action (rather than providing a veil to obscure inaction). But given how critical landscape-scale action is to reducing deforestation, we believe this additional discussion is warranted.

Rationale: Companies are already investing in sourcing regions and jurisdictional initiatives, which include off-farm interventions like forest conservation using patrols and monitoring systems that will reduce emission in the land sector. While these actions are outside of companies' supply chain, they are directly influenced by the company and the investments funding them are allocated by exercising the company's 'organisational financial or operational control'. Companies have operational and financial influence to support better jurisdictional policies in these sourcing regions to meet their Climate and Deforestation Free policies and commitments. Companies should be able to account for the emissions at this level. In many cases, the companies' influence in these sourcing regions or jurisdictional approaches are more direct and effective than the control through traceability systems.

Example: In the Tapanuli Selatan district of North Sumatra, Indonesia, Unilever, Conservation International and Konservasi Indonesia are collaborating with farmers, local communities and government agencies to build a sustainable palm oil supply chain that benefits people and nature. This initiative includes efforts to improve production by working with smallholder palm oil producers on farm, and it also includes efforts to restore degraded lands and conserve standing forest in the production landscape. This integrated approach is based on the recognition that sustainability and resilience of Unilever's suppliers, both plantations and small-scale farmers, are directly affected by the health of the environment surrounding farmers in the production landscape. Finally, the initiative includes efforts to share lessons and build capacity for scaling and replication through the Coalition for Sustainable Livelihoods. Additional information is available here: https://www.conservation.org/corporate-engagements/unilever This initiative could be part of the Unilever influence area for Scope 3 inventory.

Chapter 7 Land Use Change and Land Tracking: Accounting for land use emissions at sourcing region and jurisdictional scale

Select the below text to copy and paste into the digital form:

Chapter 7, Section 7.3

Page 113, line 14

Summary: The current guidance doesn't include a land use change (LUC) tracking metric that allows companies to account for the impacts of actions at the sourcing region and jurisdictional scale; we suggest inclusion of such a metric.

Current Framing: The guidance allows sLUC emissions for a jurisdiction or sourcing region to be allocated in one of two ways: a. Shared responsibility approach which allows the allocation of the LUC into the occupied area of the product; b. Product expansion approach which allows companies to allocate LUC emissions on relative product expansion areas. The allocation approaches in this draft guidance don't allow accounting for actions companies are taking at a sourcing region or jurisdictional scale to reduce land use change emissions on-farm and off-farm by avoiding ecosystem conversion and future crop expansion to deforested areas disincentive companies from taking actions to reduce LUC emissions at scale in their sourcing areas force companies to invest in costly monitoring of product expansion and occupied areas in sourcing regions, when monitoring total agricultural land area requires less resources and this investment could instead be allocated to reducing LUC emissions in sourcing regions.

Proposal: Include a third approach which uses total agricultural area for allocation. Under this suggested approach, companies could allocate the total sLUC emissions from the sourcing regions or jurisdiction into the total agricultural land instead of allocating by a product or expansion area of a product. We recognise that additional discussion may be needed to confirm accounting and allocation details but given how critical landscape-scale action is to reducing deforestation, we believe this additional discussion is warranted.

Rationale: This proposal builds incentives for companies to monitor the LUC of their sourcing regions or jurisdiction instead of only the harvest areas of their dynamic value chains. This also partially covers the effect of iLUC in sourcing regions. Consequently, companies will be able to monitor and report on sourcing regions or jurisdictions instead of allocating much more resources to mapping all product harvest areas to measure dLUC. This approach allows companies to leverage and add to existing jurisdictional data, while monitoring and supporting actions that reduce overall LUC emissions from agricultural land.

This option may be attractive for companies with fragmented supply chains, rotation crops or those lacking full traceability, as it will allow the monitoring of LUC at landscape-level, favouring investments in deforestation drivers that may be hard for suppliers to influence through other means.

Example: The LUC emissions of soy products from a company that does not have full traceability but knows that they source from a municipality in Tocantins, Brazil, can be roughly estimated using the 3 allocation approaches (2 current allocation approaches plus the proposed 'total agricultural area' approach). As a result, the LUC would be:

- sLUC shared responsibility: 1.3 tCO_2eq/ha of soy

- sLUC product expansion: 1.5 tCO2eq/ha of soy

- sLUC total agricultural area: 1.8 tCO2eq/ha of agricultural land (crop rotation: soy, corn, rice)

If a company sets a target based on the first 2 sLUCs, to meet their target, companies will mainly invest in fostering non-expansion of soybean in recent deforested areas. Thus, companies are mainly incentivised to monitor soy expansion to recent deforested areas. However, deforestation and LUC emissions may continue rising elsewhere in the sourcing region as a consequence of the overall agriculture expansion in the municipality, maybe due to iLUC of soy expansion in non-deforested land.

If a company sets a target based on the sLUC 'total agricultural area' in the sourcing municipality, companies will need to invest less resources in monitoring crop specific areas and foster interventions to reduce overall agriculture expansion in natural ecosystems to meet the target, consequently, reducing on-farm LUC emissions across the municipality. Consumer Goods Forum's Forest Positive Coalition of Action members Nestle, Carrefour and Metro AG are supporting such efforts through a landscape approach in Tocantins, Brazil.

Chapter 8 Land Management Accounting: Including communal and indigenous lands, and other types of land tenure and management models

Select the below text to copy and paste into the digital form:

Chapter 8, Section 8.2.3

Page 143, Line 1

Summary: The guidance should allow counting actions on lands of Indigenous Peoples and Local Communities that may have communal ownership or other land tenure or collective management models.

Current Framing: “A land management unit (LMU) is a predefined, spatially explicit area of a given land use, managed according to a clear set of objectives according to a single land management plan … Land management units can include conservation or set aside areas that are part of the land management unit, owned by the same entity and managed according to a consistent land management plan.”

This definition may leave open the inclusion of indigenous people and local community land rights that is held communally or in other types of land tenure rights and collective management models. Inclusion of these lands is in line with climate and social justice principles.

Proposal: Add clarification that Land Management Units may include communal and indigenous land managed by traditional communities and other types of land tenure and management models.

Rationale: Including farm control or ownership does not recognise the ownership structures and reality in many producing countries with local communities and indigenous peoples land ownership and management structures or multi-stakeholder partnerships. GHG Protocol should ensure that the language in the guidance encourages rather than discourages investments in these communities.

Chapter 8 Land Management Accounting: Including Marginal Lands

Select the below text to copy and paste into the digital form:

Chapter 8, Section 8.2.3

Page 144, Line 7

Summary: The current guidance excludes non-working lands from corporate inventories despite the fact that these lands offer significant reduction and removal opportunities which need corporate investment to succeed. We suggest including these land types in certain cases.

Current Framing: The definition of the spatial boundary of 'attributable managed land' for GHG emissions accounting in Scope 3 EXCLUDES the follow types of land:

- Lands designated as unmanaged lands by the reporting company (see section 8.2.2).
- Managed lands or land management units in land uses, forest types or crop types not relevant to the biogenic product or material.
- Lands with legal or regulatory restrictions on harvests (e.g., lands in national parks or preserves).
- Lands not capable of producing sufficient volumes of the product (e.g., forest lands capable of producing <1.4 m3 per ha).
- Lands with other protective status (e.g., conservation easement)

This definition limits companies' monitoring scope for GHG emissions reduction & removals interventions exclusively to agricultural lands and managed forest. Consequently, this guidance will incentivise companies to invest valuable resources in reducing emissions in on-farm activities to deliver marginal gains in emissions reductions and removals, compared to the potential of LUC emissions reduction and removals in the 'marginal' lands excluded in this requirement.

This guidance also excludes forest conservation and restoration actions in companies' influence area outside of supply chains, including those within sourcing areas that companies would need to monitor to reduce risk of future iLUC, sLUC, or dLUC.

Proposal: 'Marginal lands' considered managed by companies using sourcing region or jurisdictional approach for sLUC could be included as attributable land for emissions and removals. Therefore, we propose that all 5 categories of land excluded in this session should be included in the spatial boundaries under the following conditions:

- If these land types are part of the company sourcing region or jurisdictional approach.
- If the company has financial or operational influence over these lands through investments in landscape or jurisdictional approach.
- If 'ongoing storage monitoring' (detailed in pg. 148) is in place to monitor LUC emissions and removals consistent with the company boundaries. Under this proposal, companies should use sLUC approach in the regions of these 5 land types.

Rationale: Because there is a trade-off between primary production and carbon regulation on any land, it is not always possible to optimise GHG emissions mitigation by managing interventions only on production land. Emissions reductions and carbon removals on unmanaged or ‘marginal’ lands are required to mitigate GHG emissions to meet below 1.5C global warming (Shulte et al., 2015 & 2016), providing at least 15% of the cost-effective mitigation opportunity from the AFOLU sector between 2020-2050 (Wolosin et al., 2022 & IPCC AR6 WGIII Chapter 7). These ‘marginal land’ mitigation in the company's influence area requires interventions in the land types excluded in 8.2. Thus, the direct investment of companies to implement land management mitigation off-farm in sourcing regions or jurisdictions should be accounted for in their GHG emissions.

Sourcing region and jurisdictional approaches combine land management improvement on-farm at suppliers with forest conservation and restoration off-farm in a sourcing region. These interventions are showing potential for reducing emissions and sequestering carbon at scale. Corporate investments have been crucial to implementing these interventions in priority sourcing regions or jurisdictions, which show potential for reducing emissions and sequestering carbon at scale. The companies’ deforestation-free and climate commitments have recently become a more relevant driver for investing in this landscape and jurisdictional approach.

Example: The company's engagement in cocoa sustainability certification schemes and landscape approach can illustrate our argument above. On the one hand, the boundaries proposed in the GHG Protocol are similar to several certification schemes that have failed in reducing deforestation and consequent LUC emissions at scale. For example, the UTZ and Rainforest Alliance certification has limited companies to source only from cocoa farmers that have not deforested since a cut-off date in Ivory Coast. However, at the same time, deforestation has increased in the companies’ cocoa sourcing regions of Ivory Coast. On the other hand, the landscape approach financially supported by Nestle in their Ivory Coast cocoa sourcing region called Cavally Forest landscape has resulted in lower deforestation rates and 400 ha reforested in the landscape in on-farm and off-farm land, including forest reserves, in 2 years. The current boundaries of the GHG Protocol would not account for the conservation and restoration actions supported by companies such as Nestle in Cavally, disincentivising company investment in these effective actions to reduce GHG emissions in the land sector. This also shows that working at sourcing regions, instead of the value chain strictly, can be more effective to reduce LUC emissions in certain sourcing regions.

Chapter 11 Evaluating Impacts of Action: Evaluating System-Wide Impacts with Intervention Accounting

Select the below text to copy and paste into the digital form:

Chapter 11

Pages 191-201

Summary: In this section, the Guidance currently does not have an option for companies to evaluate the system-wide impacts of their actions within a jurisdictional REDD+ framework and associated jurisdictional inventory accounting. GHG Protocol can gain input from JREDD+ stakeholders to further develop this option as an effective means of evaluating and integrating company actions within the overarching landscape-level and jurisdictional approach of a region.

Current Framing: The Guidance currently directs companies to evaluate the system-wide impacts of their actions using intervention/project accounting, which evaluates impacts relative to a counterfactual baseline. The Guidance supplements this with optional land tracking metrics and mentions evaluation other types of impacts in addition to GHG emissions and removals, left undefined.

Proposal: The Guidance should consider presenting companies with an option that evaluates the impacts of company actions within a forest nation or state REDD+ strategy and the associated jurisdictional inventory accounting and baseline. Monitoring of emissions (plus environmental and social safeguards) are coordinated by the jurisdictional REDD+ framework across private and public sector initiatives and can meet verifiable 3rd party standards, such as ART TREES.

Rationale: Companies evaluating their actions within the jurisdictional REDD+ framework can gain access to jurisdictional emissions monitoring and reporting data, and secure credible additional evidence of environmental and social impacts of their actions, while supporting coordination and enhancement of the jurisdictional approach.

Alignment of company baselines within jurisdictional inventory data rather than a theoretical counterfactual minimizes the risk of inflated company baselines and builds convergence towards commonly agreed, verified, and validated datasets.

Governments can provide coordination across multiple companies and stakeholder actions, promoting efficiency and effectiveness. Companies gain understanding and access to a wider set of levers available to inform decision-making, and enhance individual company efforts through collaboration and partnership, for meaningful change with pace and scale.

Specific Recommendations:With input from national and sub-national governments and associated landscape level and wider stakeholders, the GHG Protocol can explore these jurisdictional options in different company scenarios, including but not limited to:

a) A company making voluntary supply chain investments to secure deforestation and conversion free supply in a production landscape, but not yet quantifying and/or verifying emissions reductions/removals. In this scenario, a company saves resources/costs in data collection and monitoring and identifies additional levers to scale or deepen its impact.

b) A company is developing projects or programs with the intention of emissions reductions / removals, and decides to align its baselines, integrate monitoring, and adopt the environmental and social safeguards of the jurisdictional REDD+ framework. Working through the existing forest nation or state framework builds credibility to the company approach, allows for efficiency, and opens new opportunities for collaboration and financing.

c) A company is delivering programs at production landscape level as part of a jurisdictional REDD+ strategy, such as building demand for non-timber forest-based products, providing ecosystem services, etc. The forest nation or state is monitoring emissions reductions / removals of these programs against a jurisdictional baseline and is sharing data with company and structuring incentives accordingly.

d) A company is channelling finance to jurisdictional REDD+ in its sourcing regions through either program financing or provision of results-based payments, channelled via public-private partnerships such as the LEAF Coalition.

Chapter 12 Setting Targets and Tracking Progress: Incentivizing company compensation and contribution targets

Select the below text to copy and paste into the digital form:

Chapter 12

Page 234

Summary: Many companies are compensating for unabated emissions and/or contributing finance for natural climate solutions *in addition to* emissions abatement on a high ambition pathway to net zero. GHG Protocol can consider how it incentivizes and rewards this type of action rather than offering it solely as optional in the Guidance.

Current Framing: The Guidance currently offers companies the option to supplement GHG targets with a compensation and/or contribution targets.

Proposal: The Guidance should consider how it can actively incentivize companies to set a compensation and/or contribution target and reward them for doing so.

Rationale: Many companies are taking a high ambition pathway to net zero and investing in beyond value chain mitigation (BVCM), recognizing the need to go further to compensate unabated emissions and/or contribute private sector finance to meet the scale and urgency of the climate crisis. This type of action should be actively rewarded and incentivized by the Guidance.

Chapter 12 Setting Targets and Tracking Progress: Jurisdictional results-based finance as a scope 3 mitigation option

Select the below text to copy and paste into the digital form:

Chapter 12

Page 234-235. Section 12.7 Setting targets for external compensation or contributions

Summary: Company 'contributions' or results-based payments through initiatives like jurisdictional REDD+ presents a huge opportunity to unlock private sector finance for forest nations and states at an unprecedented scale and pace. In situations where a company does not yet have full supply chain transparency or has defined its inventory boundary at landscape or jurisdictional the**,** GHG Protocol can consider how company results-based payments can count towards scope 3 mitigation to further enable and incentivize sorely needed funding at landscape level.

Current Framing: The Guidance currently only allows companies to use contribution targets, or results-based carbon finance, for GHG outcomes outside of the company's inventory boundary.

Proposal: GHG Protocol should consider how company compensation/results-based finance can be used as scope 3 GHG mitigation for companies without full supply chain transparency or defining their inventory boundary at sourcing landscapes / jurisdictions to unlock private sector financing for forest nations and states at an unprecedented scale and pace. GHG Protocol can ensure this option has specific applicability and guardrails, e.g., in scenarios where a company lacks supply chain transparency or influence, when frameworks such as jurisdictional REDD+ are established, etc.

Rational: Many companies recognize the time- and resource-intensive nature of building supply chain transparency and influencing practices, particularly in complex, fragmented supply chains that experience diminishing marginal returns upstream. Companies are increasingly complimenting these supply chain investigations with collaborative efforts that contribute private sector finance to initiatives that systematically address incentives in their sourcing landscapes and jurisdictions, while building their supply chain knowledge and jurisdictional and landscape level engagement.

Many forest nations and states have been developing and delivering their jurisdictional REDD+ strategies for more than a decade, anticipating results-based payments for their efforts to verifiably reduce deforestation and restore degraded forests. New public-private initiatives such as the LEAF Coalition are enabling large scale private sector contributions for jurisdictional REDD+ results.

Specific Recommendations:GHG Protocol can consider how company contributions/results-based finance to sourcing could be considered scope 3 GHG mitigation for companies defining inventory boundary at landscapes / jurisdictions as a short-term option in specific scenarios.

For example, if a company has:

a) Limited or no supply chain visibility beyond country or region of origin, and has a clear roadmap for improving transparency and supply chain engagement

b) Defined their scope 3 accounting based on the landscape or jurisdictional boundary, and is making efforts to align and improve data informed by transparency efforts and jurisdictional engagement

c) Identified credible contribution mechanisms such as jurisdictional REDD+, verified and validated by a third-party standard, such as ART TREES, in forest nations or states that overlap with the company's sourcing landscapes

d) Developed a contribution target the is commensurate with the company scope 3 footprint and contribution mechanisms available.

Chapter 13 Accounting for Credited Emissions Reductions and Removals: General feedback for consideration of jurisdictional REDD+ crediting

Select the below text to copy and paste into the digital form:

Chapter 13

Pages 241-253

Summary: The GHG Protocol Guidance currently does not include parameters for company accounting for jurisdictional REDD+, which leverages a nation or state level inventory accounting, crediting and results-based payments. The private sector plays a pivotal role in Jurisdictional REDD+ and is a significant lever for forest nations and states systematic efforts to preserve and restore forests. GHG Protocol can work with relevant stakeholders to better incorporate this approach in company accounting guidelines.

Current Framing: The Guidance currently outlines the use of emissions reductions / removals crediting only for external mitigation purposes, supplemental to the reporting company's GHG scope 1, 2 and 3 targets. Guidance is only provided for project / intervention level accounting and crediting, for the purpose of avoiding double counting and transferring credits and claims between parties, when a reporting company is either generating, purchasing, or selling project credits.

Proposal: GHG Protocol should consider the role of jurisdictional REDD+ inventory accounting and crediting as a significant lever in company production landscapes / jurisdictions. With input from national and sub-national governments and associated landscape level and wider stakeholders, GHG Protocol can consider the role of JREDD+ in scenarios including, but not limited to:

1. How JREDD+ can enable company action when it has limited supply chain transparency or influence. For example, GHG Protocol could make allowance for company contributions/results-based finance to be used in sourcing landscapes/jurisdictions as a scope 3 mitigation option within the company inventory boundary to unlock private sector finance for forest nations and states and build a company's supply chain knowledge and jurisdictional and landscape level engagement.

2. How JREDD+ can support voluntary supply chain investments that a company may be struggling to achieve results and scale. Irrespective of whether a company is quantifying, verifying and/or crediting emissions reductions/removals, integrating these efforts within a JREDD+ framework could allow company access to:

I. credible and efficient sources of jurisdictional data, monitoring and reporting for emissions, reducing the risk of leakage and including wider environmental and social safeguards and co-benefits
II. a broader set of levers, resources and tools coordinated by the jurisdiction across actors and locations
III. scaling models, through for example jurisdictional co-investment in collaboration models to build supply chain results, revenue sharing, etc.

3. How a company can be an active participant in a JREDD+ strategy, through delivery of REDD+ activities such as ecosystem services and being compensated based on practice or performance results.

Rationale: As per chapter 12 proposals and recommendations, GHG Protocol should consider the role of company contributions / results-based payments to unlock large scale private sector financing in production landscapes / jurisdictions.

GHG Protocol should also consider the role of jurisdictional inventory accounting and crediting to drive efficiencies in production landscapes and scale individual company actions for meaningful change at scale.

Chapter 13 Accounting for Credited Emissions Reductions and Removals: Potential applicability of jurisdictional inventory accounting and crediting

Select the below text to copy and paste into the digital form:

Chapter 13

Pages 242 - 244

Summary: The GHG Protocol Guidance currently does not include parameters for company accounting of jurisdictional REDD+ crediting, and therefore misses the potential opportunity for companies to leverage jurisdictional inventory accounting and financing/crediting options such as jurisdictional REDD+. GHG Protocol is encouraged to engage stakeholders to include further parameters for this option.

Current Framing: Section 13.1 "Introduction to credited GHG emissions reductions and removals" of the Guidance currently directs companies to quantify credit GHG reductions and removals using project or intervention accounting methods, which quantify systemwide GHG impacts relative to a counterfactual baseline. The Guidance outlines how this contrasts with the company's inventory accounting approach for emissions reductions and removals reported in scopes 1, 2 and 3 in the company's operations or value chain, as outlined in Chapter 11 (see comments above).

Proposal: The Guidance should include options for integrating jurisdictional REDD+ inventory and crediting mechanisms. Specifically Figure 13.1 and Table 13.1 should include a third option for jurisdictional accounting of emissions and removals, and options how JREDD+ crediting could be used in certain scenarios such as when a company has limited supply chain transparency or influence; a company wants to scale its efforts through integration with the jurisdictional REDD+ framework; or the company is already an active participant or implementor of the jurisdictional REDD+ strategy.

Rationale: The Guidance omits and therefore misses the opportunity for reporting companies to leverage jurisdictional inventory accounting and financing/crediting mechanisms such as jurisdictional REDD+.

Chapter 13 Accounting for Credited Emissions Reductions and Removals: Potential role of jurisdictional REDD+ insetting

Select the below text to copy and paste into the digital form:

Chapter 13

Pages 244-246

Summary: The GHG Protocol Guidance currently does not include parameters for company accounting of jurisdictional REDD+ crediting and specifically the role JREDD+ insetting could play in specific scenarios to drive large-scale finance to production landscapes and forest jurisdictions.

Current Framing: Section 13.2 "Distinguishing between GHG credits" of the Guidance currently distinguishes between GHG credits in several ways, including:

1) Project credits used against compensation targets vs. contribution/financing targets (as outlined in Chapter 12 and commented above)

2) Inset project credits vs. offset project credits

The Guidance permits companies to purchase credits only as a supplemental effort, to compensate or contribute to emissions outside a company's inventory boundary. Compensation targets allow for carbon credits or offsets to be applied against unabated emissions in the target boundary. Contribution targets allow for financing via credits or other mechanisms outside the target boundary but without the use of offsets or compensation claims. Project in setting can be used in contribution targets. Primary data collection for inventory accounting in the value chain is encouraged/preferred. Insets are then used as a contractual mechanism to ensure that claims to scope 3 emissions are maintained within value chain actors and not sold on/transferred to third parties as an offset for use toward compensation targets.

Box 13.1 outlines a scenario where a company is using insetting to account for improvements to scope 3 emissions from mitigation actions in the value chain. The Guidance directs companies to prioritize and improve the collection of primary data for inventory accounting in the value chain over an insetting crediting approach. In this same context, the Guidance permits a company that has worked with value chain partners to achieve the scope 3 mitigation outcomes to purchase inset/contribution credits from the value chain partners as mechanisms to ensure that claims to scope 3 emissions are maintained within the value chain actors and not sold on/transferred to 3rd parties via credits. In this scenario, inset credits are used as a contractual mechanism for tracking, verification, and quality control as part of scope 3 inventory accounting, and to ensure rights to reductions or removals are not transferred to a third party (e.g., as an offset used toward compensation targets).

Proposal: The GHG Protocol should consider crediting options when a company does not have access to primary data for scope 3 inventory accounting and/or value chain partners to achieve improvements. As outlined in Chapter 13 General Comments above, there are scenarios where jurisdictional inventory accounting and crediting, e.g., jurisdictional REDD+, can and should be presented as an effective mechanism for a company to act and scale scope 3 mitigation outcomes.

Chapter 13 Accounting for Credited Emissions Reductions and Removals: Clarifying corporate and jurisdictional claims

Select the below text to copy and paste into the digital form:

Chapter 13

Pages 246-248

Summary: The GHG Protocol Guidance should more clearly outline that claims can be made by private entities that take ownership and retire voluntary carbon credits for a single emissions reduction, removal, or mitigation outcome, which can also be reported by the relevant host government as part of their Nationally Determined Contributions (NDCs) and refer to WRI Guidance on Voluntary Use of Nature-based Solutions Carbon Credits Through 2040, Guardrail 10.

Current Framing: Section 13.3 "Quality criteria for credited GHG reductions or removals", Section 13.4 "Accounting for transfers (sales) of credits and avoiding double counting" and Table 13.3 of the Guidance outline how credits can be used against compensation targets / offsetting claims and stipulates 'unique issuance and claiming' to prevent different types of double counting. The Guidance states that a single entity claims the right to use or retire GHG credit and notes that 'Double Claiming' can occur when multiple parties claim the right to a single emissions reduction, removal, or mitigation outcomes. For example, by the host country where the emission reduction or removal occurs as well as by a corporate purchaser of carbon credits.

Proposal: The Guidance should explicitly outline that corporate claims can be made by private entities that take ownership and retire voluntary carbon credits for a single emission reduction, removal, or mitigation outcome, which can also be reported by the relevant host government as part of their Nationally Determined Contributions (NDCs). In this circumstance, both parties must transparently declare that they have provided or received financial support in realizing the mitigating outcome. The Guidance should remove any implicit or explicit reference to corresponding adjustments at this time until there is clarity on when countries' REDD+ strategies will be fully self-funded. Until those plans are self-funded and are guaranteed to happen without private sector support, GHGP adhere to the position of the WRI Guidance on Voluntary Use of Nature-based Solutions Carbon Credits Through 2040, Guardrail 10.

Rationale: Requiring corresponding adjustments (implicitly or explicitly) at this stage would dampen billions of dollars of investment into JREDD+ programs. Venturing into this topic is a non-sequitur in the context of the broader guidance.

Chapter 13 Accounting for Credited Emissions Reductions and Removals: Exploring use-case scenarios for jurisdictional REDD+ within the company inventory boundary

Select the below text to copy and paste into the digital form:

Chapter 13

Pages 248-253

Summary: The GHG Protocol Guidance can more clearly articulate the relationship between private entities and governments in the context of specific use-case scenarios of Jurisdictional REDD+ crediting.

Current Framing: Section 13.4 "Accounting for transfers (sales) of credits and avoiding double counting" of the Guidance outlines how credits can be used against compensation targets / offsetting claims, and stipulates double counting includes double use, double issuance, and double claiming. It states that GHG credit should only be claimed by the party that retires the credit and outlines how the requirements for double counting also apply between private entities and governments (e.g., host country's NDC), where applicable. Table 13.3 accounts for various crediting scenarios and provides accounting approaches.

Proposal: The Guidance could further explore and articulate scenarios in Table 13.3 of the relationships between private entities and governments in the context JREDD+. Example scenarios include, but are not limited to:

1) A company has limited visibility or influence in its scope 3 emissions and selects an inventory boundary that leverages jurisdictional inventory accounting for a sourcing region / jurisdiction that fits the crediting level (is nested) of a jurisdictional REDD+ scheme. The company purchases JREDD+ credits generated for verifiable emissions reductions /removals, e.g., via credible standards such as ART TREES, from the same sourcing region / jurisdiction. The jurisdiction use-of-proceeds is stipulated by the ART TREES standard and includes reinvestment in JREDD+ activities and a benefit sharing plan to participating private and public stakeholders. The company is looking to account for the purchased credits towards either:

a) Compensation target for unabated emissions in the same reporting year of JREDD+ credit purchase; OR
b) Scope 3 mitigation target using contribution in setting upon verifiable GHG emissions improvements in following year(s)

2) A company is generating scope 1 or scope 3 emissions reductions or removals, using a baseline that fits within the crediting level (is nested) of the jurisdictional REDD+ scheme (and does not register with another program). Company receives a share of the total jurisdictional REDD+ credits or a proportion of the JREDD+ credit revenue.

3) A company is generating scope 1 or scope 3 emissions reductions or removals, using a baseline that fits within the crediting level (is nested) of the jurisdictional REDD+ scheme or uses a different baseline altogether. The company is registered with another, non-JREDD+ program. The jurisdiction subtracts the volume of credits under the non-JREDD+.

Rationale: If the Guidance does not provide further guidance on the accounting and crediting scenarios between private entities and governments, the GHGP runs the risk of missing a huge opportunity of leveraging jurisdictional REDD+ strategies and financing opportunities for production landscapes in forest nations and states.

Open Question #3
(For more information see Chapter 8, box 8.3)

Select the below text to copy and paste into the digital form:

Companies should be able to account for removals using ‘Sourcing regions with safeguards’ approach (option 2). This ensures that action is not stalled due to traceability challenges and that removals accounting recognizes the reality of dynamic supply chains. Further, the GHG Protocol should consider ways to modify the 'attributable managed lands' safeguard (p149, line 118) to allow inclusion of the five land types excluded in section 8.2 (pg. 129) for lands within a company's sourcing region or jurisdiction when that company invests in jurisdictional or landscape programs that address the root causes of land use change.

Next steps and contact details

Thank you for taking the time to submit this feedback to help incentivise corporate action at a landscape and jurisdictional scale within future Greenhouse Gas Protocol Land Sector and Removal Guidance.

If you have any questions regarding the contents of this document or the process behind its compilation, please reach out to one of the following:

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