

# Accounting for Harvested Wood Products

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## What HWP do matter:

- HWP produced from wood harvested in forest land under KP
- Either default categories: Wood panels, Sawn wood, Paper and paperboard
- Or country-specific categories
- Exported HWP:
  - either in or out
  - either according to default categories or to country-specific categories

## Excluding HWP:

- All Imported
- All discarded (through half-life values)
- Fuelwood and other wood used as bioenergy
- All HWP produced from wood originated from deforestation events
- All HWP produced from wood originated in the 1<sup>st</sup> CP from ARD lands
- All HWP produced from wood originated in the 1<sup>st</sup> CP from FM lands, if FM elected
- Optionally, all HWP produced from wood originated from FM lands before the beginning of the 2<sup>nd</sup> CP if FMRL is a projected estimate.

# What does impair the calculation?

- Trend in ND:
  - If ND increase across time, IPCC default method gives expectation of net debits
  - If ND decrease across time, IPCC default method gives expectation of net credits
- Lagged C stock changes:
  - Differences in the time series length between BL and actual GHG estimates during the CP would result in a trend
    - likely increasing, if only emissions included
    - likely decreasing, if also removals included

## To apply HWP, report in NIR of 2015:

- The treatment of the HWP produced with wood harvested in the 1<sup>st</sup> CP and that were already accounted for on the basis of instantaneous oxidation.
- The treatment of the HWP produced before the 2<sup>nd</sup> CP that, in case of a projected FMRL only, may be excluded from the calculation of the HWP contribution.
- The treatment of the HWP exported, that may also be tracked and associated emissions reported when they actually occur instead of assuming the entire HWP being instantaneously oxidized when exported.
- The methodology applied to estimate the HWP contribution

# Reporting

CRF table 4(KP-I)C contains all the information on HWP

Total harvested quantity should be apportioned among the following five relevant categories:

- ✓ From land subject to AR
- ✓ From land subject to D
- ✓ From land subject to FM
- ✓ From Deforestation events
- ✓ From other lands (e.g. cropland)

# Reporting

Any country-specific method must be consistent with the production approach

Any country-specific method must calculate the HWP C stock at initial time ( $t_0$ ) at equilibrium (i.e. annual C stock loss = annual C stock gain).

*Note that in the case of a projected FMRL such steady-state condition may not be established if the Party decides to exclude all HWP produced before the first year of the 2<sup>nd</sup> CP, i.e.  $t_0 = 2013$ .*

## What if:

- ✓ HWP produced from wood originated from AR and D lands are reported together under AR (or D)

*no effect on accounting since both activities follow the same accounting rules*

- ✓ HWP originated from AR and/or D are reported together under FM:
  - Under AR and/or D, the HWP sink will not be reported so resulting in a conservative accounting.
  - Under FM:
    - In case of a projected FMRL, there is no impact on FM accounting if HWP resulting from AR and/or D are also included in the projected FMRL.
    - In case of a historical FMRL, or in case HWP resulting from AR and/or D are not included in the projected FMRL, the HWP net sink that would have been accounted for under AR and/or FM will be accounted for under FM, for an identical quantity, although subject to the FM cap.

## What if:

HWP produced from wood originated from land not subject to AR, D or FM are reported under FM:

- ✓ in case those non-forest HWP are also included in the FMRL (projected or historical), there will be:
  - No impact if the quantity accounted for during the CP does not differ from the quantity included in the FMRL.
  - Credits/debits if the 2 quantities are not equivalent (this issue may be addressed by the Party calculating a technical correction of the FMRL)
  
- ✓ In case those non-forest HWP are not included in the FMRL, there will be an impact on FM accounting since a net sink from HWP will be added to the 2<sup>nd</sup> CP accounting.