Frequently Asked Questions

The Carbon Accounting Landscape Review

Why conduct this analysis now?

Four converging forces make this analysis timely. (1) Regulation is attaching real financial consequences to product-level data – through the European Union's (EU) Carbon Border Adjustment Mechanism (CBAM), California's Low Carbon Fuel Standard (LCFS), and China's push to standardise product carbon footprints – even as diverging methodologies across jurisdictions risk creating inconsistency. (2) Meanwhile, market demand is emerging independently, as large buyers, procurement programmes, and financial institutions increasingly request product-level data to guide purchasing, supplier selection, and capital allocation. (3) That growing reliance is exposing the costs of fragmentation, as inconsistent methodologies and verification rules create friction and raise costs across trade, procurement, and finance. (4) And the tools needed to operationalise this work – life-cycle databases, measurement, reporting and verification (MRV) systems, and digital data frameworks – are finally maturing into a real foundation for implementation at scale.

Why doesn't the analysis cover the new Greenhouse Gas Protocol-International Organization for Standardization (GHGP–ISO) partnership?

The respective works of the GHGP and the ISO are considered in the landscape review. The Secretariat is committed to remaining attentive to new developments in the GHGP-ISO partnership.

Why is the E-Ledgers/E-liability proto-standard included alongside more established standards?

Filtering that ecosystem to the regimes that quantify or account for carbon in a manner relevant to a product-level framework yielded the short-list of twelve regimes. From those twelve, six were examined in detail: two product-level life-cycle assment-based (LCA-based) standards for carbon footprint (ISO 14067 and GHG Protocol Product Standard), one data-exchange framework (PACT), and an articulation of transaction-based, ledger-based carbon accounting that represents emerging ledger-oriented carbon accounting approaches: (E-Ledgers / E-liability proto-standard). The E-ledger was selected as it is the key mechanism that enables incentive-compatible transfer of primary emissions data through complex value chains.

How were the evaluation criteria for the Landscape Review developed?

The landscape review is structured around eight criteria. Seven are the guiding principles of the Technical Expert Panel's (TEP's) Mission, Opportunity, and Principles statement, adopted here in that statement's order and wording. An eighth criterion, Operability, is included because practical implementation is critical to adoption, even though operability is not itself an accounting principle. Together, these criteria allow both the conceptual integrity and the practical usability of existing approaches to be examined.

Why was the Landscape Review conducted using a qualitative rather than a quantitative approach?

The review is a logical assessment of relevant frameworks and regulatory regimes that can inform the Panel's work, consistent with its guiding principles. Such an assessment is necessarily qualitative. Quantitative methods are expected to play an increasingly important role as the Panel's work advances.

Product-level carbon accounting already exists. How does the framework the Technical Expert Panel aims to develop build on existing approaches, and why is it needed?

The Landscape Review shows that the foundations for product-level carbon accounting are largely in place, but they remain fragmented. Most approaches address a single piece – a product, or an individual company – rather than a full system for carbon accounting. The ledger is the key mechanism that enables incentive-compatible transfer of primary emissions data through complex value chains. The opportunity presented by this analysis is to build a harmonised accounting architecture from current and emerging methods capable of supporting emerging markets, investment, and regulation at scale.

More on the Technical Expert Panel on Carbon Accounting and Carbon Accounting Landscape Review, here.