



Greenhouse Gas Emission Estimation & Inventories: Uncertainty in Reporting Standards

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16 January 2007

Questions to answer

- Why is standardisation important?
- What are the existing standards?
- What are the regional and sectoral variations?
- How is the World Economic Forum involved?
- How can we build upon past efforts?
- What are our options for the future?

Importance of Standardisation

- Risk of regional and / or sectoral divergence
- Four key factors in reporting metrics:
 - Transparency
 - Comparability
 - Consistency
 - Simplicity
- One objective for corporate reporting – reducing transaction costs

Existing Initiatives

- Existing Markets:
 - Canadian Program, Chicago Climate Exchange, Clean Development Mechanism, EU ETS, Joint Implementation, New South Wales Greenhouse Gas Abatement Scheme (GGAS), Regional Greenhouse Gas Initiative (RGGI)
- Generic Greenhouse Gas Accounting Standards
 - GHG Protocol – WRI / WBCSD Corporate Accounting & Reporting Standard
 - ISO 14064
- Generic Project Accounting Standards
 - GHG Protocol for Project Accounting; ISO 14064, Part 2; the Voluntary Carbon Standard
- Registries and offset initiatives
 - CCAR, Climate Leaders, Climate Neutral Network, the Climate Trust, Global Greenhouse Gas Register

Role of the World Economic Forum

- What is the World Economic Forum and who do we represent?
- Role of public-private partnerships in finding solutions
- Origins of the Forum's involvement on climate change issues
- Other partners and collaborating organisations:
 - California Climate Action Registry (CCAR)
 - Carbon Disclosure Project (CDP)
 - Chicago Climate Exchange (CCX)
 - The Climate Group
 - Coalition for Environmentally Responsible Economies (CERES)
 - International Emissions Trading Association (IETA)
 - International Energy Agency (IEA)
 - Pew Center on Global Climate Change
 - World Business Council for Sustainable Development (WBCSD)
 - World Resources Institute (WRI)

Historical Efforts

- The World Economic Forum's Global Greenhouse Gas Register (GHGR)
- 2005 CEO Roundtable Statement
 - Urged Governments of the G8 to “Work towards convergence of existing GHG reporting processes and systems”
 - Signed by 24 CEO's from Alcan to Vattenfall
- The Gleneagles Dialogue on Climate Change Clean Energy and Sustainable Development
 - Building towards a diverse group of 50 companies representing 9 different industries: Energy, Automotive, Logistics, Aviation, Mining & Metals, Chemicals, Engineering & Construction, IT and Financial Services

“Despite the increase in the number of company reports and shareholder requests for information, climate-related disclosure remains the exception rather than the rule”

- Rick Samans, MD World Economic Forum

- The World Economic Forum is convening a consortium with CERES, CDP, IETA, CCAR to advocate an integrated approach to climate risk reporting
- Based on the Global Reporting Initiative, the Carbon Disclosure Standards Board is being readied for launch in Davos next week
- Supported by an Advisory Board of Industrials, Investors & Auditors

Conclusions

- The standardisation of reporting, the verification of emissions reductions and the accounting of all this is not an independent effort:
 - Strategic importance of climate risk reporting
as a part of a climate change solution
- There is a need for a coordinated and vigorous response from business to push governments towards convergence of existing standards and metrics

Thank you

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