

Scaling innovative *climate solutions*:



→ WBCSD's Avoided Emissions work expands focus towards standardization, implementation and financing

- WBCSD has initiated the enhancement of their Guidance on Avoided Emissions, with plans to share key proposals for change for open consultation in late 2024 and release the updated Guidance in 2025.
- The organization has launched an Avoided Emissions Implementation Hub, including real-life use cases, technical assessments, reporting templates, and sector-specific guidance.
- WBCSD is expanding its collaboration with policy and finance actors, working closely with the Japanese Ministry of Economics, Trade, and Industry in light of COP29, and collaborating with leading financial actors such as GFANZ and Prime Coalition.

In a world striving for a net-zero emissions future, businesses have the challenge of developing credible ways to measure their contributions to decarbonization. Primarily, companies need to measure and reduce their own greenhouse gas (GHG) footprint (i.e., scope 1, 2 and 3 inventory) on their path to net-zero emissions. However, they are both sources of emissions and solution providers with a strong innovation capability to contribute to decarbonization through their low-carbon products and services. These contributions to decarbonization are called 'avoided emissions'. Unlike companies' carbon inventories, which they build by taking stock of historic emissions relative to a base year, they calculate avoided emissions by using a comparative assessment of a low-carbon scenario relative to a counterfactual reference scenario (see introduction [video](#)). Companies need a perspective on avoided emissions to better understand their impact on emissions of other companies and consumers and identify the markets in which their low-carbon solutions can reach the highest decarbonization potential.

To mainstream these strategies, WBCSD released the [Guidance on Avoided Emissions](#) in 2023. The industry, finance and policy sectors provided substantial support – including the G7 Climate, Energy and Environment ministers who agreed on the value of recognizing avoided emissions under the recent Japan and Italy presidencies. In line with the growing need for standardized practices among voluntary standard setters, stakeholders identified a demand for further standardization and wide-spread application of avoided emissions and intervention-based GHG accounting. Therefore, WBCSD expanded its Avoided Emissions program and launched several new projects in 2024 under the *Methodology, Implementation and Finance & Policy workstreams*.

New workstream to enhance the Guidance and advance standardization efforts

WBCSD kicked off a project under its Methodology workstream to refine the Guidance on Avoided Emissions. As part of this process, the organization plans to launch an open consultation around the United Nations Climate Change Conference (COP29) in November to solicit feedback on key thematic areas. WBCSD will base the sharpened Guidance on the outcomes of the open consultation, lessons learned from the testing and early adoption phases, as well as existing and emerging voluntary standards. Similar to the initial Guidance development process, WBCSD will continue to engage independent experts from policy, finance, NGOs and standard-setters in an advisory function. WBCSD plans to launch the consolidated Guidance in 2025. With this work, the organization aims to provide a helpful and implementable foundation for standard setters, including the Greenhouse Gas Protocol and the International Organization for Standardization (ISO), to build on when working on standardized approaches to intervention-based/avoided emissions accounting in their respective standard-setting and governance procedures.

Focus on implementation

Projects under the Implementation workstream include the piloting of a technical template and the development of a use case repository, along with developing sector- and solution-specific application guidelines for the agriculture & food and built environment sectors. With these assets, WBCSD aims to support practical adoption and makes them publicly accessible via the [Avoided Emissions Implementation Hub](#). WBCSD will launch the sector-specific application guidance in 2025, addressing emissions from both a methodological and managerial standpoint in the two sectors mentioned above. This approach ensures that the Guidance remains practical and relevant in a rapidly evolving landscape characterized by the early adoption and nascent development stages.

Collaborative efforts with finance and policy

Past and current collaborators of the Finance & Policy workstream include leading institutions, such as the Glasgow Financial Alliance for Net Zero (GFANZ), Partnership for Carbon Accounting Financials (PCAF), Prime Coalition, the Japanese Government, Mission Innovation and the United Nations Framework Convention on Climate Change (UNFCCC), with the objective of mobilizing resources for low-carbon solutions. WBCSD launched a [Sustainable Finance & Avoided Emissions](#) insight paper in June 2024 to strengthen the links between avoided emissions and sustainable and transition finance.

Funding from Bloomberg Philanthropies and Generation Foundation support the continuous expansion of the WBCSD Avoided Emissions program. WBCSD will be present at COP29 in Baku, to host an event to convene leading actors from industry, finance, policy and standard development. At that time, the organization will also launch the open consultation for the Guidance update.

Should you be interested in learning more, participating in program activities or engaging with the WBCSD team during COP29, please contact: [Marvin Henry](#)

