



environment, forestry & fisheries

Department:
Environment, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

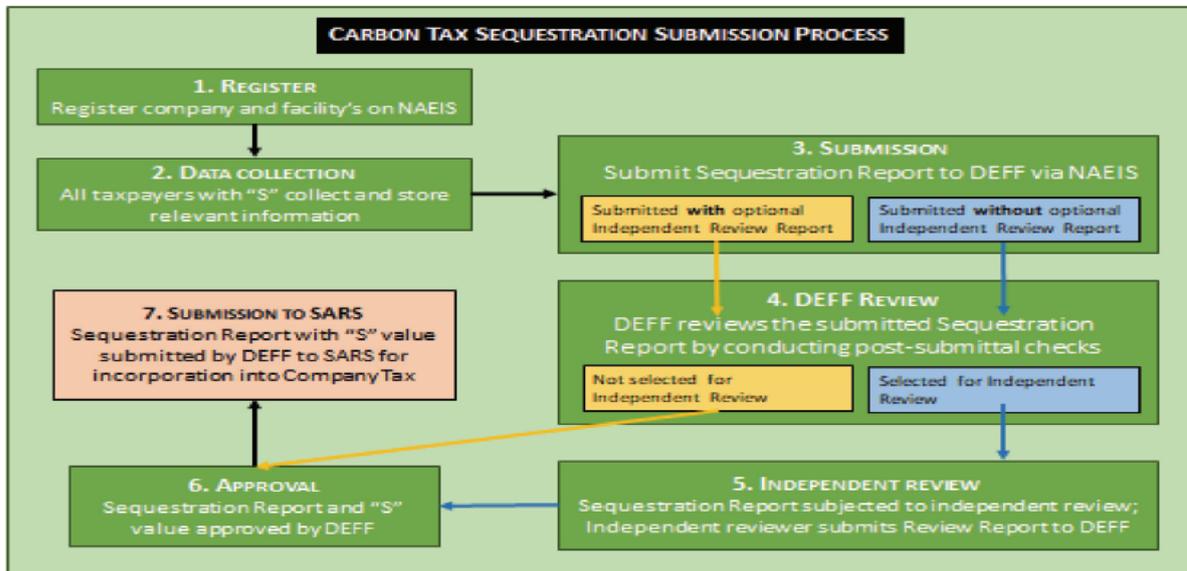


Figure A.5: Carbon Tax sequestration submission process.

A.10.2. Reporting

The NGER specifies **reporting requirements, not accounting rules** to be applied under the C Tax Act. The accounting requirements are therefore much stricter than NGER requirements as accounting rules (such as permanence, inclusion of deforestation and new HWP methodologies) need to be included and adhered to. There was, therefore, a need to develop a separate accounting tool (Carbon Tax Sequestration MRV tool for Forest Plantations and Timber Processing Industry (referred to as “MRV Tool” in this document)) for company sequestration accounting purposes (Figure A.6). Although all efforts were made to harmonize reporting requirements under the C Tax Act and those required under the NGER, the **overriding framework for developing accounting rules must be derived from text in the 2019 Carbon Tax Act**.

The MRV tool is provided as an excel spreadsheet and is attached with this document. The MRV tool provides an option for using a default methodology (tier 1) with provided emission factors and conversion factors. Tier 1 approaches can be used in the absence of available methodologies (e.g. soils and dead organic matter). If companies have their own emission or conversion factors, these can be used (tier 2 reporting). Where models are used (tier 3), the description of the calculations, methods input data and output data should be transparently documented and verified by DEFF. Methodological guidelines detailing the use of the tool are provided in Annex C.