

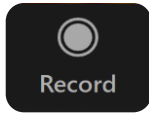
Actions and Market Instruments Technical Working Group

Meeting #1.01

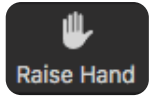
GHG Protocol Secretariat team:

Kevin Kurkul, Michaela Wagar, David Short

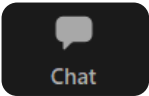
October 23, 2024



This meeting is recorded.



Please use the Raise Hand function to speak during the call.



You can also use the chat function in the main control.



Recording, slides, and meeting minutes will be shared after the call.

Agenda

- Housekeeping
- Standard Development Plan overview
- Break (5 min)
- Decision-making criteria
- What to expect as a TWG member
- Next steps

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Guidelines and Procedures

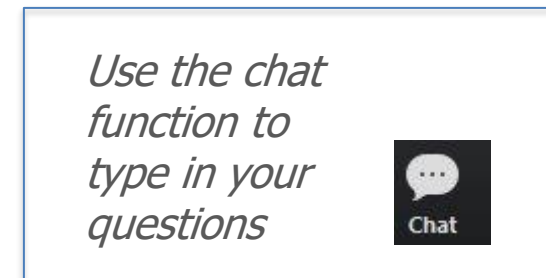
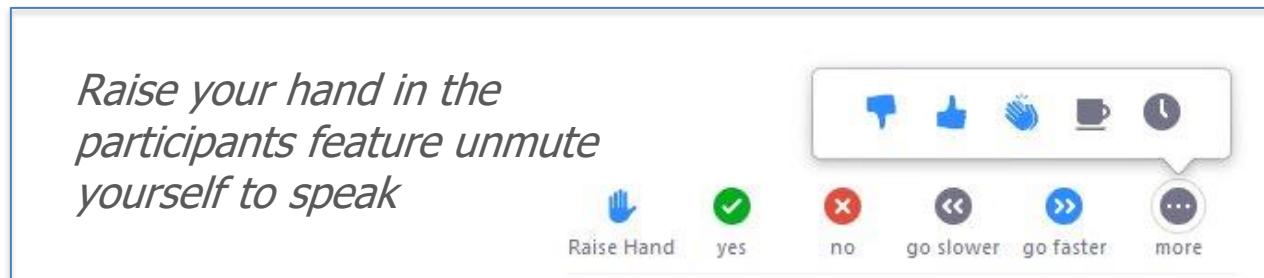
- TWG members should **not disclose any confidential information** of their employers, related to products, contracts, strategy, financials, compliance, etc.
- In TWG meetings, **Chatham House Rule** applies:
 - “When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.”
- **Compliance and integrity** are key to maintaining the credibility of the GHG Protocol
 - Specifically, all participants need to follow the **conflict-of-interest policy**
 - **Anti-trust rules** have to be followed; please avoid any discussion of competitively sensitive topics*

* Such as pricing, discounts, resale, price maintenance or costs; bid strategies including bid rigging; group boycotts; allocation of customers or markets; output decisions; and future capacity additions or reductions

Zoom logistics

Zoom Meetings

- All participants are muted
- Please turn on your video
- Please include your full name and company/organization in your Zoom display name



Meetings will be recorded and shared with all TWG members

- Facilitation of notetaking for Secretariat staff
- Assist TWG members who cannot attend the live meeting or otherwise want to review the discussions

*Recordings will be available for a limited time after the meeting; **access is restricted to TWG members only.***

Document sharing with TWG members

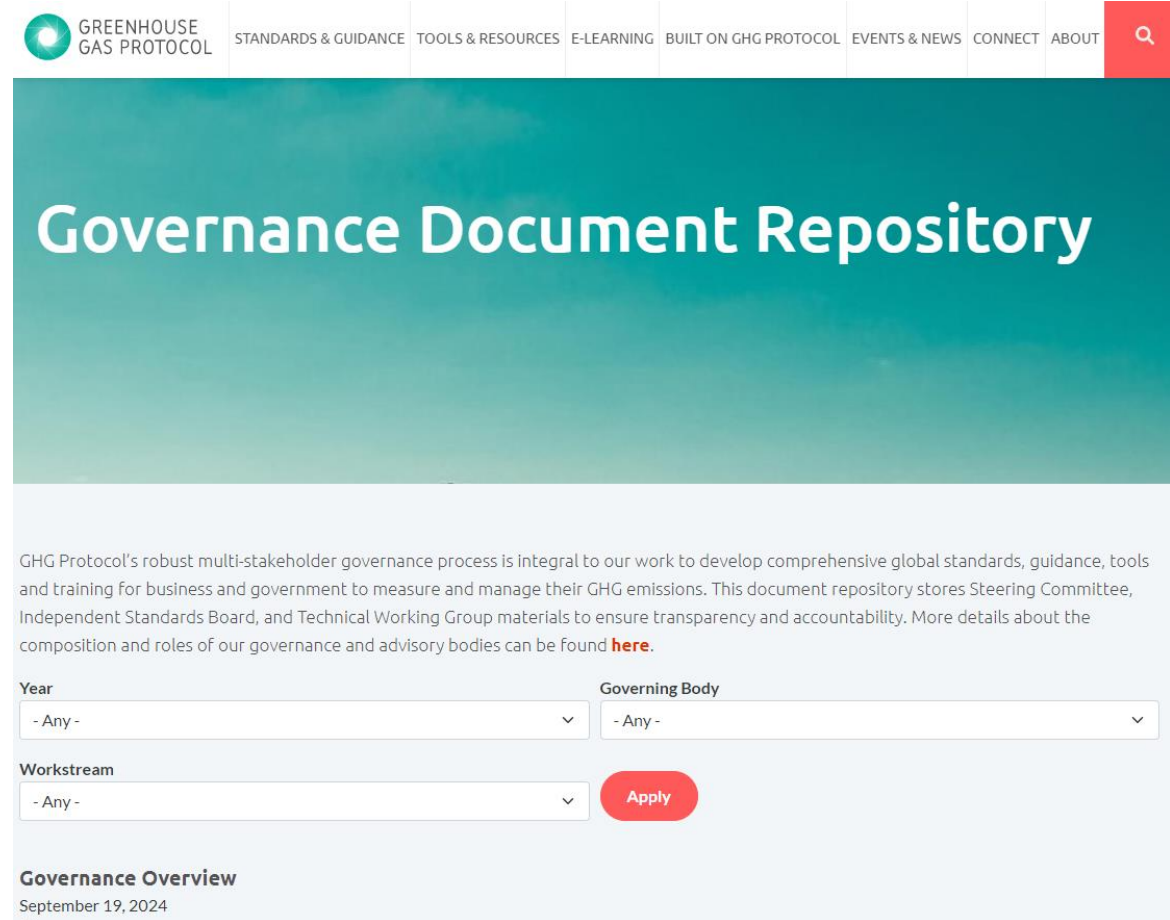
SharePoint (TWG members and Secretariat – internal use only):

- TWG members **are granted view only access** for their TWG's folder and cannot make changes to sub folders and documents.
- Documents will be uploaded by Secretariat **in pdf format** as default five days prior to a TWG meeting.
- Documents for TWG members to track changes or add comments will be uploaded as .docx with necessary access.
- Documents posted to the SharePoint are for **internal use only** and should not be circulated.

Document sharing with the public

GHG Protocol Website:

- **Select TWG documents** will be posted on the [Governance Document Repository](#) on the GHG Protocol website after TWG meetings. These include:
 - Meeting agendas
 - Meeting slides
 - Meeting minutes (anonymized)
 - Discussion papers
- Not to be published: Internal working documents of TWGs



The screenshot shows the top navigation bar of the GHG Protocol website with links for STANDARDS & GUIDANCE, TOOLS & RESOURCES, E-LEARNING, BUILT ON GHG PROTOCOL, EVENTS & NEWS, CONNECT, and ABOUT. A search icon is visible in the top right corner. Below the navigation is a teal header with the title "Governance Document Repository". The main content area features a paragraph explaining the repository's purpose: "GHG Protocol's robust multi-stakeholder governance process is integral to our work to develop comprehensive global standards, guidance, tools and training for business and government to measure and manage their GHG emissions. This document repository stores Steering Committee, Independent Standards Board, and Technical Working Group materials to ensure transparency and accountability. More details about the composition and roles of our governance and advisory bodies can be found [here](#)." Below this text are three dropdown menus for "Year", "Governing Body", and "Workstream", each with a "- Any -" option. A red "Apply" button is positioned to the right of the "Workstream" dropdown. At the bottom of the screenshot, the text "Governance Overview" and "September 19, 2024" is visible.

Meeting participation, quorum and consensus

Meeting participation (TWG ToR 5.4)

- Active participation and attendance is expected; let the Secretariat know if you will miss a meeting

Quorum (TWG ToR 6.1)

- Defined as a majority of members present. Any member that is unable to take part in a meeting but chooses to provide written input to the Secretariat in advance shall be counted towards fulfilling the quorum
- Recommendations shall not be formally agreed upon during a TWG meeting unless there is a quorum present

Consensus (TWG ToR 6.2)

- Aim is to develop consensus standards and reach maximum level of agreement possible
- Consensus defined as lack of sustained objection, as determined by the Secretariat
- If consensus cannot be reached, options will be presented to the ISB
- Members are expected to make recommendations based on established *Decision-making Criteria*

What are you hoping to accomplish through participation in the working group?

Help develop a great standard!

Collaborate with practitioners and help create change for future generations!

Balance credibility and scalability

Incentivize accurate reporting and ambitious action.

Establish a robust, credible and transparent framework that enables companies to measure and report on market mechanisms

Help GHG Protocol develop robust guidance based on a multi-stakeholder perspective

Strong and clearly defined quality requirements and guard rails

Learn from other members/experts

Protect the integrity and accuracy of GHG inventories and claims

Contribute a regional perspective

Ensure that market instruments are appropriately represented in leading frameworks and guidance, and have better established methodologies for accounting, reporting and disclosure

Activity: How we run our meetings

- We want to make TWG meetings a **safe space** – our discussions should be open, honest, challenging status quo, and 'think out of the box' to get to the best possible results for GHG Protocol
- Always **be respectful**, despite potentially controversial discussions on content

Whiteboard Activity:

What **shared values** should we have in our Technical Working Group meetings?

For example: Respect; maintain basis in science

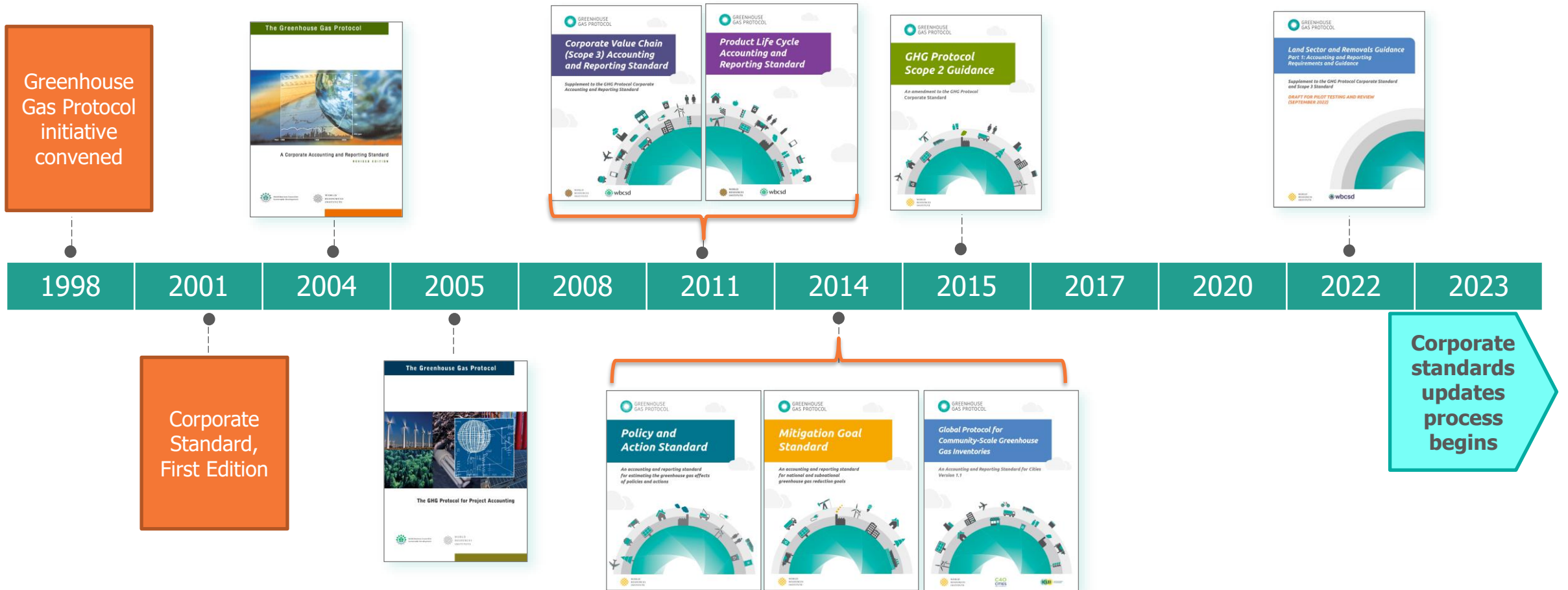
Instructions:

1. **Type your answer(s)** into the Zoom Whiteboard
2. **Star/flag** any you agree with

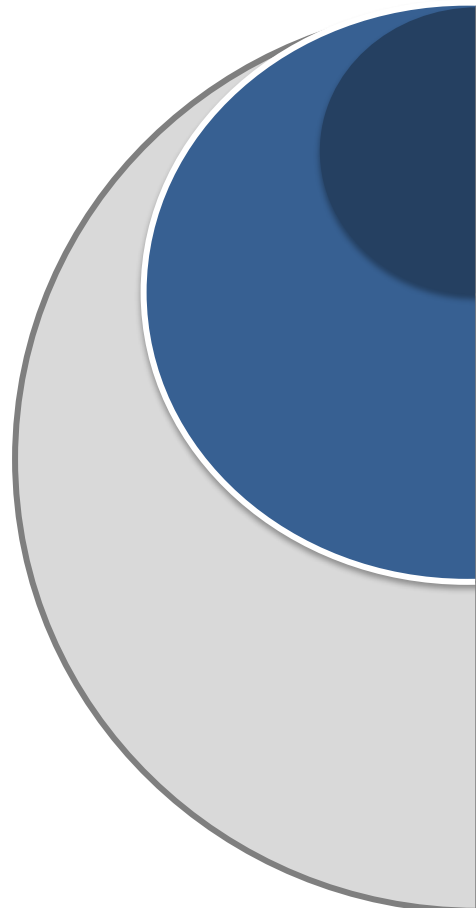
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History of GHG Protocol standards



Current accounting and reporting structure



<p>GHG Protocol Inventory</p>	<ul style="list-style-type: none"> • Corporate Standard <ul style="list-style-type: none"> • Scope 1 • Scope 2 • Scope 3
<p>GHG Protocol Emissions Report</p>	<ul style="list-style-type: none"> • Purchases of credits, other instruments, etc., • GHG impact of actions or financing, e.g., avoided emissions, using Project or intervention accounting methods
<p>Full ecosystem of climate disclosures, sustainability reports, goal- and target-setting, etc.</p>	<p>Includes accounting, reporting, and target-setting engagements by which a company seeks to evaluate and characterize the GHG emissions related to their operations</p>

Summary of feedback from global stakeholder survey and consultation

- The Secretariat received 343 submissions to the Market-Based Accounting Approaches Survey and 230 total proposals across all topics
- Respondents represented 62 countries across 6 continents and included companies, consultants, industry groups, non-governmental organizations, academia, and governments
- Significant interest across surveys for enabling **methods to account for and recognize the impact of actions and market instruments**
 - Current disclosure and target-setting programs mainly focus on inventory accounting
 - Methods to account for impacts need to be clarified and recognized within target- and goal-setting programs
- Many respondents requested that the **GHG Protocol provide clarity on:**
 - Accounting methods applicable to both impacts within and outside the "scopes"
 - The reporting of claims associated with project impacts, market-based instruments, etc.
- Respondents wanted to **maximize harmonization** between the requirements of different voluntary and regulatory reporting programs

Workstream Objectives

Advance **comprehensive and transparent** accounting and reporting of corporate emissions and related impacts by:

- **Providing clarity** on the structure of a corporate GHG emissions report including the purpose and limitations of its respective elements
- **Identifying the appropriate role** of actions and market instruments within each element of a corporate GHG emissions report

Accounting and reporting on the impacts of actions and market instruments in corporate GHG reports



Standard and/or guidance building on other GHG Protocol standards and guidance

Workplan

- **Phase 1 – Reporting structure, elements and definitions**
 - Clarify and/or define the purpose, structure, and limitations of individual elements within the corporate GHG emissions report
 - Determine additional reporting elements and associated quantification method(s) needed to address the impacts of actions and market instruments
- **Phase 2 – Technical development for new reporting elements**
 - Consolidate relevant guidance from existing standards
 - Develop additional accounting and reporting criteria, safeguards and requirements where necessary
 - Develop guidance to programs and policymakers

Scope of Work

- A. Standardizing relevant terms and concepts
- B. Accounting and reporting objectives and principles
- C. Structure of a corporate GHG emissions report
 - Disaggregated, transparent reporting
 - Which may include multiple reporting elements such as categories, tables, or statements related to physical inventory emissions, impact reporting, and/or others to be defined
 - In relation to the reporting company's organizational boundary and value chain
 - Definitions, purpose, and limitations of each reporting element
 - The relationship between inventory (attributional) and project/intervention (consequential) accounting and their relevance to GHG emissions reports
- D. Appropriate quantification methods for each reporting element (e.g. attributional, consequential)

Scope of Work

- E. Role of quantified impacts of corporate actions (within and outside the value chain) in GHG emissions reports
 - Emission reduction projects
 - Removal enhancement projects
 - Value chain interventions
 - Systemwide positive and negative impacts of actions, including avoided emissions (e.g. from the use of sold products), leakage, and other types of impacts
 - Other
- F. Role of market instruments in GHG emissions reports
 - Chain-of-custody certification
 - Models such as identity preserved, segregated, mass balance of various types, book-and-claim
 - Examples: biomethane certificates, SAF certificates, and other environmental attribute certificates
 - Supply shed / value chain interventions
 - Credits
 - Offsets
 - Insets
 - Other

Scope of Work

G. Accounting requirements/guidance for individual reporting elements such as:

- Boundaries, criteria, safeguards, etc.
- Traceability requirements and guidance
- Role of programs in defining programmatic rules

H. Reporting requirements and guidance

- The relationship between reporting elements or categories and how to interpret a comprehensive GHG emissions report

I. Verification/assurance of emissions reports

Scope of Work

J. Guidance to programs and policymakers

- Options and guidance for setting target setting rules based on program/policy objectives
 - Such as related to target boundaries, level of ambition, and eligibility of actions or market instruments
- Options and guidance for setting target accounting (or performance accounting) rules for quantifying target progress and achievement, based on program/policy objectives
- Role of programs in making policy decisions on whether and which instruments and actions count toward GHG targets and whether to aggregate or net across reporting categories to determine target progress
 - Including under what conditions, for which sectors, over what time period, etc.
- Role of programs in verification, oversight, and enforcement

Phases and Deliverables

Development will take place in two phases with the following main steps for each:



- **Phase 1 Deliverable**

- Interim guidance on the structure of corporate emissions reports and general accounting guidelines for any new reporting elements

- **Phase 2 Deliverable**

- Standard and/or Guidance on GHG accounting and reporting on the impacts of actions and market instruments

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GHG Protocol Decision-Making Criteria

- Purpose: Support the GHG Protocol Secretariat, Technical Working Groups, and Independent Standards Board in evaluating GHG Protocol accounting and reporting approaches to determine which option among a defined set of options best adheres to the criteria and should be pursued.
- Summary version:

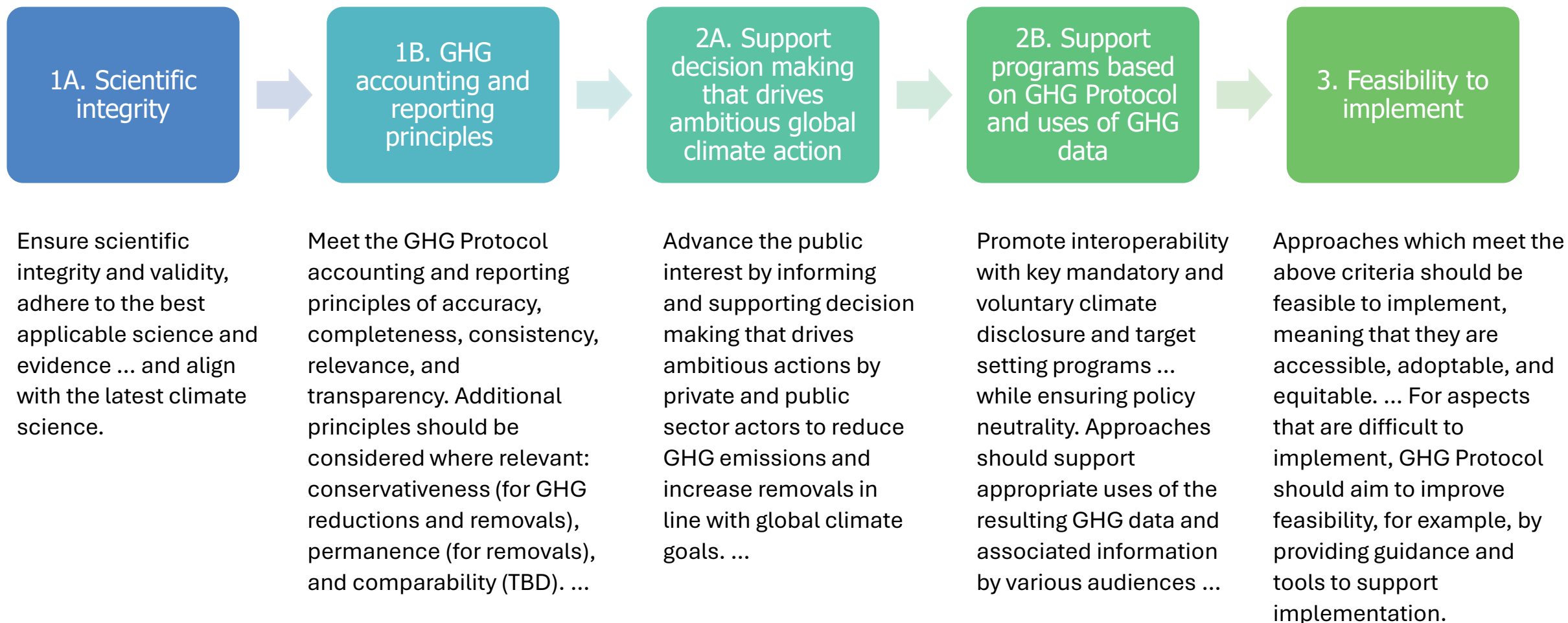


- Full version:



Note: This is a summary version. For further details, refer to the full decision-making criteria included in the annex to the Governance Overview, available at <https://ghgprotocol.org/our-governance>.

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Applying the decision-making criteria

<i>Illustrative example</i>	Option A: Name	Option B: Name	Option C: Name
1A. Scientific integrity	<ul style="list-style-type: none"> Pros Cons 	<ul style="list-style-type: none"> Pros Cons 	<ul style="list-style-type: none"> Pros Cons
1B. GHG accounting and reporting principles	<ul style="list-style-type: none"> Pros Cons 	<ul style="list-style-type: none"> Pros Cons 	<ul style="list-style-type: none"> Pros Cons
2A. Support decision making that drives ambitious global climate action	<ul style="list-style-type: none"> Pros Cons 	<ul style="list-style-type: none"> Pros Cons 	<ul style="list-style-type: none"> Pros Cons
2B. Support programs based on GHG Protocol and uses of GHG data	<ul style="list-style-type: none"> Pros Cons 	<ul style="list-style-type: none"> Pros Cons 	<ul style="list-style-type: none"> Pros Cons
3. Feasibility to implement	<ul style="list-style-type: none"> Pros Cons 	<ul style="list-style-type: none"> Pros Cons 	<ul style="list-style-type: none"> Pros Cons

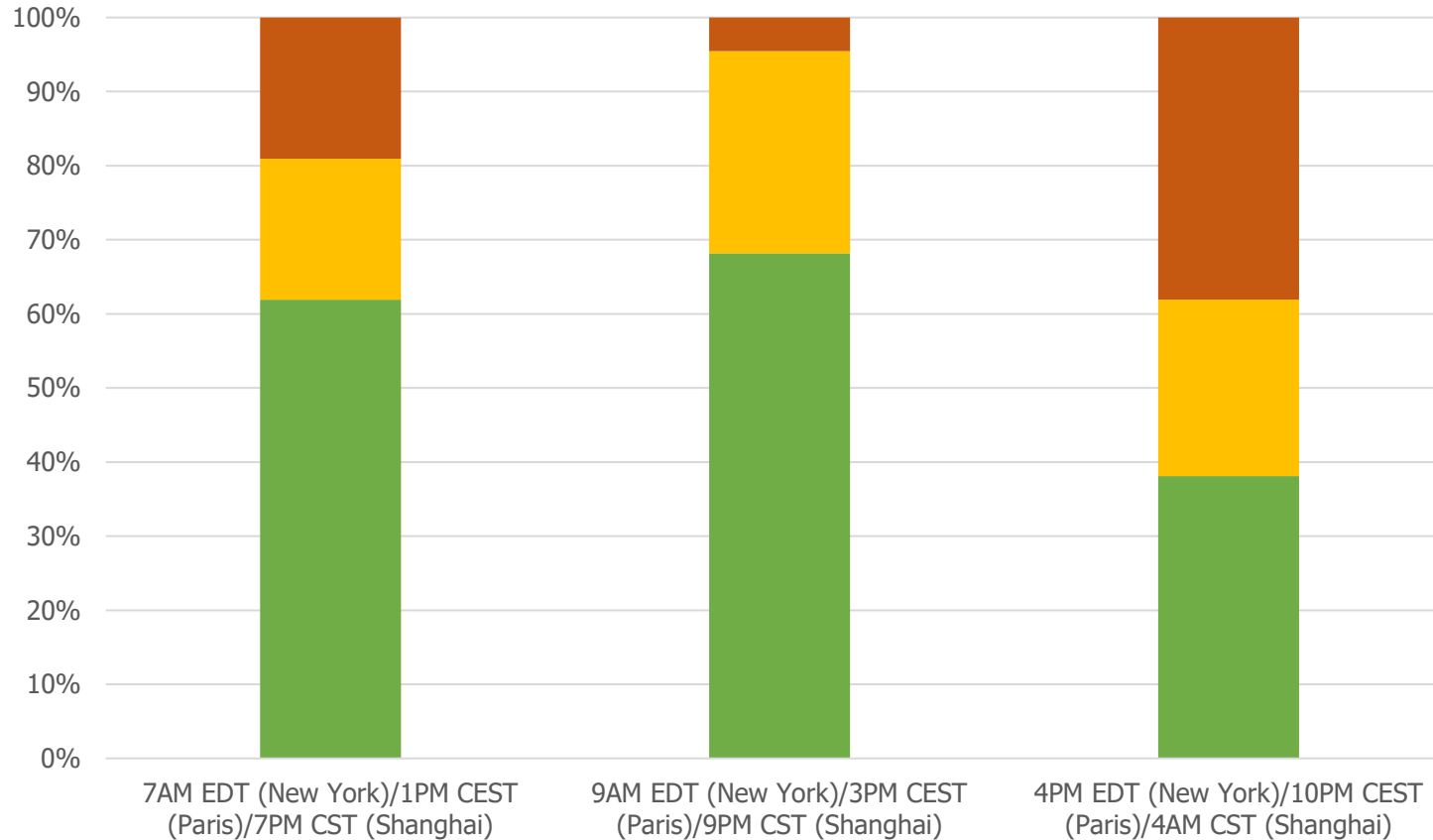
- **Evaluating options:** Describe pros and cons of each option relative to each criterion. Qualitatively assess the degree to which an option is aligned with each criterion through a green (most aligned), yellow (mixed alignment), orange (least aligned) ranking system. Some criteria may be not applicable for a given topic; if so, mark N/A.
- **Comparing options:** The aim is to advance approaches that ideally meet all decision criteria (i.e. maximize pros and minimize cons against all criteria). If options present tradeoffs between criteria, the hierarchy should be generally followed, such that, for example, scientific integrity is not compromised at the expense of other criteria, while aiming to find solutions that meet all criteria.

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Meeting Times



Responses (22 total)

- Green - Little to no difficulty, I will be able to attend regularly
- Yellow - Some difficulty, I should be able to partially/occasionally attend
- Red - High difficulty, I will not be able to attend

Meeting Times

- Default meeting time will be **9-11AM EDT**
- Every third meeting will be **4-6PM EDT**
 - This may be revisited if a quorum cannot be achieved regularly

12-Month Meeting Schedule

- Calendar holds will be sent following this meeting
- Zoom links will be provided prior to meetings
- Changes to scheduled times will be communicated no later than 2 weeks prior to the meeting

Date	Time
Wednesday, October 23, 2024	9 AM and 8 PM EDT
Wednesday, December 4, 2024	9 AM EDT
Wednesday, January 15, 2025	9 AM EDT
Wednesday, February 12, 2025	4 PM EDT
Wednesday, March 26, 2025	9 AM EDT
Wednesday, April 23, 2025	9 AM EDT
Wednesday, May 21, 2025	4 PM EDT
Wednesday, June 18, 2025	9 AM EDT
Wednesday, July 30, 2025	9 AM EDT
Wednesday, September 10, 2025	4 PM EDT

Time commitment and example tasks

Estimated time commitment: 10-15 hours per month (TWG ToR 7.1.2)

- Approximately one TWG meeting per month, 2-hour default duration
- Coming prepared for and actively participating in meetings is critical to the success of the TWG process
- Please inform the Secretariat in advance when unable to attend a meeting

TWG meetings



- Reviewing discussion papers and other background materials provided
- Providing written feedback on meeting discussions and related materials
- Reviewing and providing feedback on draft content

Example
activities outside
of meetings



Communication and feedback

- **In meetings**
 - Verbal feedback
 - Chat (we will always save this)
 - Informal polls
- **Requested written feedback**
 - Feedback forms after meetings as needed
 - Edits and comments on draft content
- **TWG Member Chat**
 - To be set up by Michael Gillenwater in Slack
 - Will not be officially monitored by Secretariat for feedback or questions

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Next Steps

- Feedback form will be circulated
 - Please submit by November 1st
- Next meeting
 - Wednesday, December 4th

Thank you!

Contact information

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