



# Partnership for Carbon Accounting Financials Inc.

CONCEPT OF OPERATIONS

April 2023

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# Purpose of this document

## OBJECTIVE, AUTHORITY & SCOPE

This Concept of Operations document outlines the governance and operating model of the Partnership for Carbon Accounting Financials (PCAF Inc.).

PCAF's governance framework is and will remain aligned with applicable regulations, laws, and related policies. This governance framework embeds a conscious, consistent, and comprehensive approach to adhere to these and other internal requirements. The scope of this Concept of Operations document applies to all personnel and officers within PCAF. All PCAF employees and supporting personnel are responsible for adhering to the principles of this governance and supporting a culture of risk transparency, disclosure, and open dialogue. PCAF's Board of Directors expects timely and direct discussions regarding risks and opportunities, in a manner consistent with the processes and guidelines detailed in PCAF's governance framework.

The governance framework is reviewed annually to ensure it remains in alignment with PCAF's strategic priorities and performance objectives. The Board of Directors is responsible for ensuring commitments made in this governance framework are current, relevant, and consistently fulfilled. PCAF signatories are encouraged to provide feedback on the PCAF's governance framework to the Board of Directors.

## BACKGROUND

PCAF was established as a non-profit entity (501c3) on January 13, 2023, with the primary goal to enhance the strategic priorities and performance objectives for PCAF.

PCAF enables financial institutions to consistently measure and disclose the absolute greenhouse gas (GHG) emissions associated with their loans, investments, (re)insurance underwriting, and other financial products and services through GHG accounting. Thus, facilitating financial industry alignment with the Paris Climate Agreement. All PCAF signatories pledge and adhere to this commitment in the commitment letter when joining PCAF.

PCAF supports signatories in their commitment to measure and disclose by developing and maintaining the Standards, delivering professional training, technical assistance, and a reporting checklist for members to leverage. PCAF is a standard setter and cannot provide auditing and quality assurance of disclosures. However, PCAF provides the framework and training opportunities to support signatories in producing quality accounting and disclosures.

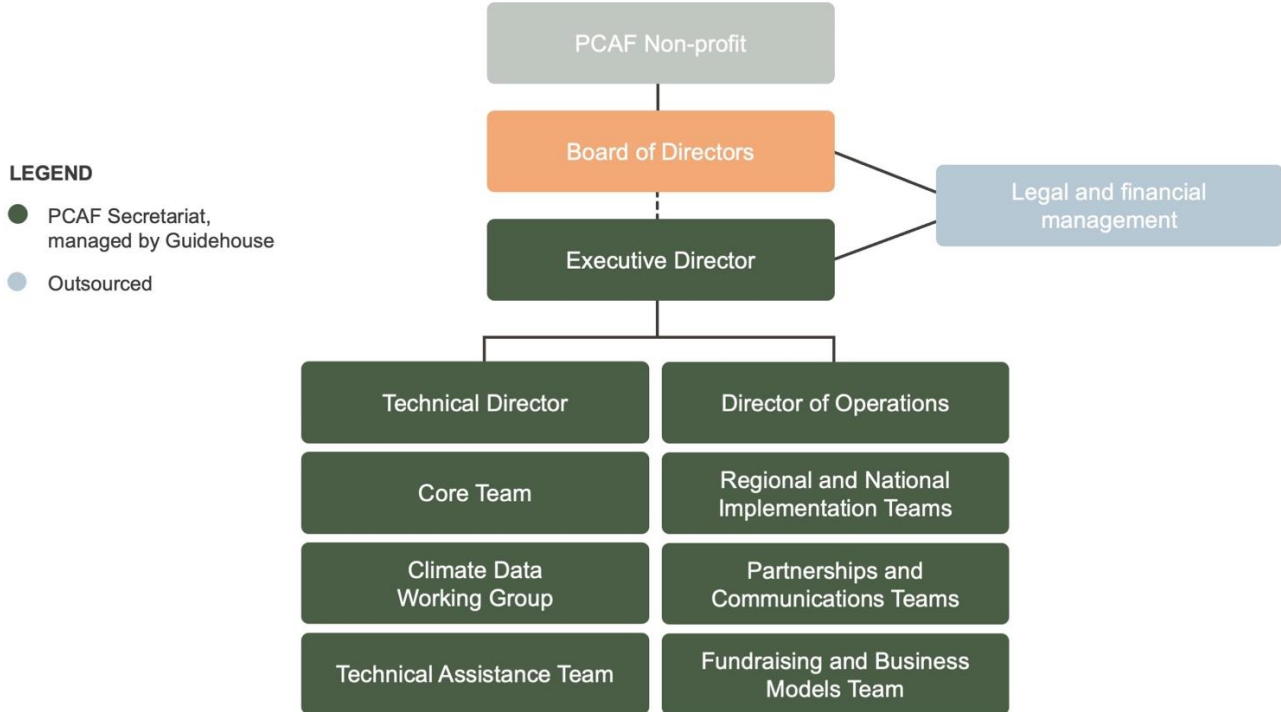
# Governance

## OVERVIEW

PCAF is an industry-led partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the GHG emissions associated with their loans, investments, (re)insurance underwriting, and other financial products and services.

Figure 1 illustrates PCAF’s governance model. PCAF is a non-profit entity, led by the Board of Directors which comprises a set of financial institutions that monitor and steer the progress towards achieving the overall objectives and ambition of PCAF.<sup>1</sup> Guidehouse, a global consulting firm specializing in energy, sustainability, risk, and compliance for the financial industry, serves as the Secretariat of PCAF. The PCAF Secretariat provides technical support to PCAF signatories, facilitates the Core Team’s work on the Standard development, raises awareness, and builds capacity through regional implementation teams and technical assistance offerings. The PCAF Secretariat is coordinated by the Executive Director with support from the Director of Operations and Technical Director. The legal and financial tasks are operated by an external organization.

**Figure 1: Governance model of PCAF**



<sup>1</sup> Through the filing of a non-profit entity on January 13, 2023, PCAF has become a legal entity with the Steering Committee transforming into the Board of Directors. Amalgamated Charitable Foundation serves as the fiscal sponsor of PCAF until PCAF has become a self-sustaining initiative.

## GENERAL TERMS ON CONFIDENTIALITY AND COLLABORATION

**Anti-trust:** It is the responsibility of PCAF stakeholder group members to follow Anti-trust and Competition laws. An exchange of information can achieve the same and as an explicit agreement and it is important to avoid exchanging information which might result in abuse of competition laws, even if only inadvertently.

**Confidentiality:** PCAF stakeholder group members are expected to respect Chatham House rules and not attribute anything said within this meeting. They are expected to not share meeting papers or drafts of documents outside of the PCAF group. Sharing documents before they are finalized and have gone through PCAF governance can hinder the progression of work.

All participants in the Standard development process are expected to treat conversations, (differences of) opinion, draft texts, potential issues, and any other relevant aspects as confidential to ensure an open dialogue and unbiased decision-making process. Therefore, no details of this process may be shared with stakeholders beyond the PCAF Board of Directors and the participant roles described below, unless approved by the PCAF Board of Directors and/or PCAF Technical Director.

# ROLES AND RESPONSIBILITIES

In the following, the roles and responsibilities of PCAF’s key stakeholder group members are outlined.

## BOARD OF DIRECTORS

The Board of Directors is the governing body of PCAF with the objective of setting, overseeing, and being responsible for the mission, vision, strategy, goals, and overall direction of PCAF.

**Roles:**

POSITION	DESCRIPTION
<b>Chair</b>	The Chair presides at all meetings of the Board of Directors. During the absence or disability of the Chair, then the President exercises all of the powers and discharge all of the duties of the Chair.
<b>President</b>	The President has the active control of PCAF’s business and affairs. The President possesses the power to sign all certificates, contracts, and other instruments of PCAF which may be authorized by the Board of Directors.
<b>Secretary</b>	The Secretary attends to the giving of notice of all meetings of members and of the Board of Directors, except as herein otherwise provided, and keeps and attest true records of all proceedings thereat.
<b>Treasurer</b>	The Treasurer has the care and custody of all moneys, funds and securities of PCAF.
<b>Other roles</b>	Everyone on the Board of Directors can volunteer for a specific role to oversee, support, and be the sounding board for the Executive Director on various matters of PCAF’s operation. Such roles could be for example fundraising, business models, partnerships management, technical matters of the PCAF Standard and Database, marketing & communications, and others that are deemed necessary.

**Expectations and responsibilities:**

For information on the expectations and responsibilities, see Annex – *Board of Directors*.

**Granted authority:**

The Board members have the authority to

- » Set the mission, vision, strategy, and goals of the PCAF;
- » Appoint the Executive Director, Chairs of the Core Team and Climate Data Working Group;
- » Approve the creation of new Regional and National Implementation Teams;
- » Make decisions on matters related to the development of the PCAF Standards when decisions are not achieved by the Core Team.

**PCAF SECRETARIAT & STAFF**

PCAF hired a consulting firm (i.e., Guidehouse) to manage and run its operations. Guidehouse is responsible for executing the mission, vision, strategy, and task to achieve all goals defined by the Board of Directors. Guidehouse is also referred to as the PCAF Secretariat, providing technical support to PCAF signatories in the development and implementation of the Global GHG Accounting and Reporting Standards for the Financial Industry.

**Roles:**

POSITION	DESCRIPTION
<b>Executive Director</b>	The Executive Director leads PCAF, manages, and works closely with the Board of Directors on strategic planning, and steering with the aim of implementing PCAF's mission, strategy, and goals defined by the Board.
<b>Technical Director</b>	The Technical Director oversees the Standards development, Climate Data Working Group, Technical Assistance team, and the training and licensing programs.
<b>Director of Operations</b>	The Director of Operations oversees the operational day-to-day activities of PCAF, coordinating all activities related to the regional and national implementation teams, stakeholder management, marketing as well as fundraising and business models.

**Expectations and responsibilities:**

For information on the expectations and responsibilities, see Annex – *PCAF Secretariat & Staff*.

**CORE TEAM, WORKING GROUPS AND STANDARD DEVELOPMENT**

The Core Team of PCAF governs the Global GHG Accounting and Reporting Standard for the Financial Industry and all its updates and expansions, with the ultimate goal of harmonizing GHG accounting and reporting across the financial industry. The actual writing of new methodologies is prepared by Working Groups. The table below summarizes all relevant roles and positions for standard development.

**Roles:**

POSITION	DESCRIPTION
<b>Core Team participants</b>	PCAF signatories that are selected by the Board of Directors and that volunteer their time and resources to actively engage in developing methodologies, guidance documents, updates to current Standards, or development of new Standards that have been included in the annual work plan. Volunteers are convened by the Board of Directors to form the Core Team ensuring diversity and inclusivity, as described above. The maximum number of Core Team members is 15, including a Chair.
<b>Core Team Chair</b>	A financial institution signatory of PCAF appointed by the Board of Directors to head up and supervise all the activities of the Core Team. The Chair also presides over all meetings of the Core Team.
<b>Technical Director</b>	The individual with technical expertise in GHG accounting and reporting, the GHG Protocol, the published PCAF Standards, and other climate standards relevant to PCAF. The Technical Director facilitates the work of the Core Team and Working Groups, ensuring the technical robustness of PCAF Standards.
<b>Working Groups</b>	Groups of at least five financial institutions signatories of PCAF, with an interest in a topic, and willingness to work together to write GHG accounting methods for specific asset classes or financial products.
<b>Working Group Chairs</b>	A financial institution signatory of PCAF, part of the Core Team, and appointed by the Working Group to head up and supervise the writing of a specific methodology. The Chair liaises with the Technical Director, and an expert appointed by the Technical Director to ensure the technical robustness of the methodology. The Working Group Chair presides over all meetings of the Working group.
<b>Technical Facilitators for the Core Team and Working Groups</b>	Technical Facilitators document and file the minutes, and votes when applicable, of each meeting of the Core Team, and Working Groups. These individuals are appointed by the Technical Director and can be the same experts that work with the Working Groups on ensuring the robustness of the methodologies. They work closely with the Technical Director.



### **Expectations and responsibilities:**

For information on the expectations and responsibilities, see Annex – *Core Team, Working Group and Standard development*.

### **Selection process of Core Team participants:**

- » The Core Team is composed of a limited number of approximately 12 to 15 selected financial institutions from the large group of PCAF signatories. It is a diverse and inclusive body, representing all types of PCAF signatories in the five regions:
  - Types of PCAF signatories: banks, asset managers, asset owners, insurance companies, and other types of financial institutions.
  - Five regions: North America, Latin America, Europe, Africa, and Asia Pacific.
- » Core Team participants are selected by the Board of Directors following an application process for individual representatives of PCAF signatories volunteering for this role. Board members are not eligible for applying for a position to the Core Team.
- » A request for applications will be sent to all PCAF signatories, including the selection criteria and requested qualifications for Core Team participants.
- » The Board of Directors will select candidates from the applicants that will be invited for interviews.
- » These interviews will be carried out by members of the PCAF Secretariat and the Board of Directors.
- » The PCAF Secretariat can make recommendations for the proposed participants, but the Board of Directors will make the final selection taking both the selection criteria, requested qualifications (including relevant GHG accounting experience) as well as composition (e.g., diversity) requirements into account.
- » In the instance where there is a candidate hailing from the same institutions as a current board member, the board member will recuse oneself from the candidate selection process as to avoid any conflict of interest.
- » Core Team participants are expected to commit to participating in the Core Team for a minimum of one complete standard/guidance development cycle (typically 1 year) but can remain in the Core Team for longer until the Board of Directors would decide to convene a new Core Team.
- » The Board of Directors may decide at any moment (e.g., when a participant resigns) to request additional participants (e.g., to fill a specific expertise gap or replace a participant that has resigned) or reconvene a new Core Team.

### **Voting and decision-making in case of no consensus:**

Both the Core Team and the Working Groups try to develop methods or guidance and make decisions on a consensus basis. If consensus cannot be reached, there are three instruments to come to a decision:

1. For Working Groups only: Request for advice from Core Team;
2. Core Team voting procedure aiming to reach a final decision in case of at least a 2/3rd majority;
3. Final decision by the Board of Directors only in case the 2/3rd majority cannot be reached in the Core Team.

### **REQUEST FOR ADVICE FROM CORE TEAM:**

In case a Working Group is in need of methodological guidance and/or is not able to reach consensus on a particular topic, it shall ask the Core Team for advice.

- » The Working Group Chair creates a clear description of the situation, consideration, and question or decision by hand and shares this in written format with the Core Team Chair.
- » The Core Team Chair may call a meeting to discuss this topic or handle the topic over e-mail. In any case, a response shall be shared within 21 days after receiving the request.
- » The guiding principles of the PCAF Standards and the GHG Protocol are leading for the advice provided by the Core Team.
- » The Core Team, as governors of the PCAF Standard, may provide feedback that provides clear directions and expectations for the Working Group. In case Working Groups decide to deviate from this advice the rationale for this should be clearly justified when submitting for final approval to the Core Team.
- » In case the Working Group is unable to reach consensus after receiving a (non-binding) Core Team advice, the topic will be escalated to the Core Team for final decision making.

### **CORE TEAM VOTING PROCEDURE, AIMING TO REACH A FINAL DECISION:**

- » In principle Core Team decisions are made on consensus basis. The Chair of the meeting will therefore always make the best attempt to reach consensus for any decision.
- » The guiding principles of the PCAF Standards and the GHG Protocol are leading for the decisions made by the Core Team. A final decision needs to be accompanied with a short argumentation.
- » In case no consensus can be reached within the Core Team when advising on or approving final GHG accounting methodologies prepared by the Working Groups, the Chair of the Core Team can decide to ask members to vote.
- » The decision to call for such a vote by the Core Team Chair shall be introduced to all members of the Core Team at least 1 week (7 days) ahead of the vote.
- » This notification shall be shared by the Chair via e-mail, including a clear description of the vote, voting options, underlying argumentation and consequences for each voting option, and voting procedure and moment (date and time for voting meeting).

- » The 7-day period allows all members to provide their input or preferences in either a written form or to bring it to the meeting in which the votes will be cast.
- » All votes need to be organized as part of a Core Team meeting to allow for discussion, reflection, and potentially multiple rounds of voting aiming to reach a consensus.
- » Voting responses will be recorded within the Core Team, but will remain anonymous beyond this group with the exception of the PCAF Board of Directors.
- » In case no consensus can be reached, a decision must be approved by at least a 2/3<sup>rd</sup> majority in favor of the proposal. In the absence of such a super majority, the decision will be escalated to the Board of Directors for final decision-making.
- » All members should make the utmost effort to join these meetings or grant another member the authority to vote on their behalf (proxy vote). Granting this authority should be done via e-mail seven days in advance of the voting. On the rare occasion that participants are not able to join the meeting, they are eligible to share their feedback and preference ahead of the meeting.

#### FINAL DECISION BY THE BOARD OF DIRECTORS:

- » In case no 2/3<sup>rd</sup> majority can be reached for a vote in the Core Team, the Core Team Chair shall escalate the topic to the Board of Directors to make a final decision on the matter to avoid a deadlock.
- » The Core Team Chair shall create a clear description of the situation, procedures followed, outcomes of earlier votes and the key decision to be made and share this in written format with the Board of Directors.
- » The Board of Directors should respond to this request with their final decision within a reasonable timeframe and in line with the anticipated timeline for publication.
- » The guiding principles of the PCAF Standards and the GHG Protocol are leading the decisions made by the Board of Directors. A final decision needs to be accompanied by a short argumentation.

#### Public consultation process:

- » Prior to the publication of final reports e.g., any material changes to the PCAF Standards, the addition of new Standards and asset class methods, will go through a public consultation after a final draft is approved by the core team.
- » Public consultations are made available for external feedback for a period of at least four weeks. Public consultations are accessible on the PCAF website and announced via newsletters and other relevant communication channels.
- » Public consultations are open to all Non-Working Group members. Working Group members who developed the method will not participate in the public consultation.
- » The PCAF Secretariat synthesizes and summarizes feedback for the Core Team and Working Groups and shares all responses; responses are anonymous unless respondents have opted to disclose their details.

- » Feedback may be deemed as irrelevant and disqualified from the consultation if it goes against GHG Protocol or key PCAF principles.
- » Feedback received on the public consultation process shall be carefully considered by the relevant Working Group and, where applicable, the Core Team. Draft methodologies will be adjusted to reflect and implement the feedback received where required.
- » In cases where the Working Group decides not to implement relevant feedback from (multiple) external stakeholders, the Working Group should elaborate on their reasoning when submitting to the Core Team for final approval. When deemed necessary, the Working Group may be requested to provide a written explanation to be made publicly available.
- » To promote broad public participation in the process of establishing and improving the PCAF Standard, every draft methodology under public consultation will be made available on the PCAF’s website.
- » To promote transparency, PCAF will publish a summary of the results of the feedback from the public consultation.

**GHG Protocol review:**

- » Any material changes to the Standard which fall within GHG Protocol jurisdiction will be shared with GHG Protocol for review.
- » Relevant GHG Protocol staff members will be informed, by the PCAF Secretariat, in advance of the timeline from (new) Working Group’s developing (updates to) PCAF methodologies.
- » Working Group chairs will, through the PCAF Secretariat, keep the GHG Protocol updated on any relevant developments or issues that may arise and invite the GHG Protocol for intermediary feedback or discussions if needed.
- » PCAF aims to align its methods with the GHG Protocol, where relevant. However, it is noted that the GHG Protocol review may or may not precede publication. GHG Protocol review is dependent on availability and capacity and therefore may take place after a revision or addition to the Standard. In cases where revisions or additions are published prior to review and approval from the GHG Protocol, PCAF shall explicitly state which parts of the Standard have or have not been reviewed and approved. Upon review, Standard revisions or additions may be amended to align with the GHG Protocol.
- » Changes required to receive the “built-on mark” will be implemented and can only be dismissed with Board approval. PCAF will strive to integrate all feedback, where relevant, and will provide rationale and obtain Board approval for any deviation from the GHG Protocol.
- » Where the PCAF Standard goes outside the scope of the GHG Protocol, a review will not be required but may still be requested.

#### Granted authority:

- » **Core Team:** The Core Team has the authority to decide by consensus if the methodologies developed by the Working Groups are ready to be published. In case a decision cannot be made by consensus in the Core Team the decision is escalated to the Board of Directors for advice or to make a final decision.
- » **Technical Director:** This individual can veto methods or any document developed by the Working Groups or Core Team that does not adhere to the technical robustness, principles, and requirements of the PCAF Standards and their alignment with The GHG Protocol. In these cases, the Technical Director should alert the Board to these problems and seek input. In case of any issues or misalignment, the Technical Director can send contributions back to the Working Group or Core Team for consideration and edits.
- » **Board of Directors:** The Board of Director has the authority to make final decisions on the Core Team workplan and methodological issues on which the Core Team cannot reach consensus or do not adhere to the technical robustness, principles, and requirements of the PCAF Standards or do not align with the GHG Protocol.

**CLIMATE DATA WORKING GROUP**

The Climate Data Working Group (CDWG) governs the PCAF emission factor database. It is composed of financial institutions from a large group of PCAF signatories. It is a diverse and inclusive body, and any PCAF signatory can be part of it.

**Roles:**

POSITION	DESCRIPTION
<b>Working Group members</b>	The CDWG is made up of representatives from PCAF signatories who work with emissions data in their day-to-day, and volunteer their time and resources to actively engage in maintaining, updating, and expanding the PCAF emissions factors database. The CDWG meets once every two months, and meetings are facilitated by the PCAF Secretariat. The maximum number of CDWG members is 15 PCAF signatories, each with up to 3 representatives.
<b>Chair</b>	The Working Group is chaired by a PCAF signatory who is appointed by the Board of Directors.
<b>PCAF Secretariat</b>	The database lead from the PCAF Secretariat facilitates the Working Group meetings, by preparing discussion points and content and hosting sessions.

**Expectations and responsibilities:**

For information on the expectations and responsibilities, see Annex – *Climate Data Working Group*.

**REGIONAL AND NATIONAL IMPLEMENTATION TEAMS**

Regional and National Implementation Teams work together to implement the PCAF GHG Accounting and Reporting Standards in a manner consistent with regional and national conditions. They are composed of financial institutions from all types of PCAF signatories in each of the regions and/or nations. Each PCAF signatory can choose the existing Regional or National Implementation Team they want to participate in.

**Roles:**

POSITION	DESCRIPTION
<b>Regional and National Implementation Teams</b>	PCAF signatories engage to support the implementation of the PCAF Standard on the regional/national level.
<b>Chair</b>	The Regional and National Implementation Team is chaired by a PCAF signatory who is appointed by the participating financial institutions in the respective team.
<b>PCAF Secretariat</b>	The Regional/National Implementation Team Lead from the PCAF Secretariat facilitates the meetings, onboarding, and knowledge exchange of the respective team.

**Expectations and responsibilities:**

For information on the expectations and responsibilities, see Annex – *Regional and National Implementation Teams*.

**Criteria to set up a new National Implementation Team:**

- » Min. 8 to 10 participating financial institutions, considering also the market size.
- » Ownership (specific themes/topics of interest to be covered, workplan) and relevance (justification for national approach due to national conditions, language barriers, etc.) demonstrated by the national financial institutions to set up the respective team.
- » Chaired by PCAF signatory willing to drive the national activities.

**Granted authority:**

- » **Technical Director:** This individual can veto any document developed by the Regional/National Implementation Teams that do not adhere to the technical robustness, principles, and requirements of the PCAF Standards and their alignment with The GHG Protocol. In case of any issues or misalignment, the Technical Director can send contributions back to the Regional/National Implementation Teams for consideration and edits.

**LEGAL AND FINANCIAL MANAGEMENT**

PCAF relies on an independent organization management company to oversee the financial duties such as grants management, accounts receivable/accounts payable, signatories dues management, and as liaison with legal counsel and external auditor / tax preparer compensated by PCAF to support compliance with Internal Revenue Code requirements applicable to organizations exempt from federal income taxation under IRC Section 501(c)(3).

**EFFECTIVE DATE**

This governance framework is effective as of April 2023.

**CHANGE CONTROL TABLE**

VERSION	DATE	CONTACT NAME	SUMMARY OF CHANGES
1.0	14/04/2023	Madeline Schneider, Caspar Noach	Baseline version



# Annex

## EXPECTATIONS AND RESPONSIBILITIES

### BOARD OF DIRECTORS

- » The Board of Directors is responsible for setting, overseeing, and being accountable for the mission, vision, strategy, goals, and overall direction of PCAF.
- » They are expected to participate in Board meetings, review and assess documents as a basis for making decisions, participate in voting when required, and make decisions to help PCAF succeed.
- » 2/3<sup>rd</sup> of the number of Directors constitutes a quorum for the transaction of business.

## PCAF SECRETARIAT & STAFF

**Executive Director:** The Executive Director is expected to safeguard the mission and strategy of PCAF, and to report to the Board of Directors. The responsibilities of the Executive Director are:

- » Lead PCAF toward executing the strategy and activities towards the goals set forth by the Board, and oversee the PCAF's overall operations.
- » Lead the PCAF Secretariat team to ensure the following:
  - The development of the Global GHG Accounting and Reporting Standard for the Financial Industry
  - Further expansion of the PCAF network in line with PCAF's strategy and objectives
  - Broad recognition in the market of PCAF, its missions, vision, and activities
- » Engage with key stakeholders to ensure PCAF fits into the development of relevant voluntary and regulatory standards globally.
- » Present the annual work plan and budget to the Board of Directors and seek its feedback and approval.
- » Prepare and facilitate the meetings of the Board of Directors.
- » Keep the Board of Directors informed and up to date about all aspects related to the implementation of the PCAF's strategy, progress on the annual work plan, and status of budget expenditures.
- » Implement decisions made by the Board of Directors.
- » Manage the relationships and partnerships with strategic stakeholders, including PCAF's philanthropic funders, regulatory bodies, partners, and collaborators.
- » Promote PCAF to raise public awareness, boost the growth of PCAF signatories, attract signatories, and draw support from strategic stakeholders.
- » Ensure PCAF's policies and procedures are implemented.
- » Guide PCAF's business model development and secure revenue streams to fulfill PCAF's mission.
- » Identify candidates for PCAF's future home and launch processes for transition and handover.

**Technical Director:** This person reports to the Executive Director and is expected to safeguard the technical robustness of all technical work developed and published by PCAF. The responsibilities of the Technical Director are:

- » Coordinate and facilitate the work of the Core Team.
- » Ensure roles, responsibilities, policies, and procedures of the Core Team are implemented.
- » Convene the Core Team and work closely with the Core Team Chair to prepare and facilitate Core Team activities.
- » Provide technical advisory to the Core Team and related Working Groups as they develop publications.
- » Perform reviews of all public technical publications/products developed by PCAF before publication.
- » Coordinate with communications partners to ensure the proper design of all technical publications developed by PCAF.
- » Coordinate with the Partnerships and Communications team for any events related to publications developed by the Core Team.
- » Oversee the staff that leads PCAF's Climate Data Working Group, Technical Assistance, and professional training as well as the long-term scope and strategy of these groups.

**Director of Operations:** The Director of Operations reports to the Executive Director and is expected to run the operational day-to-day activities of PCAF. The responsibilities of the Director of Operations are:

- » Substitute for the Executive Director in times of absence (vacation, illness, business travel, etc.).
- » Prepare and manage the annual work plan and budget with the Executive Director.
- » Prepare and maintain progress reports of the annual work plan and budget execution.
- » Prepare progress reports to charitable funders, as long as applicable.
- » Join the meetings of the Board of Directors and write and archive the minutes.
- » Support the Executive Director on activities as required by the execution of the strategy and work plan.
- » Monitor the external landscape of relevant disclosure frameworks and regulations, to both inform PCAF's work and ensure PCAF's methodologies are, to the extent feasible, adopted into other frameworks to increase uptake.
- » Join the Executive Director in engaging with strategic stakeholders, including the PCAF's philanthropic funders, partners, and collaborators.
- » Support the Executive Director in writing proposals related to fundraising efforts.
- » Promote PCAF to raise public awareness, boost the growth of PCAF signatories, attract signatories, and draw support from and strengthen relationships with strategic stakeholders.
- » Coordinate and guide the following team leads of the PCAF Secretariat:

- Regional and National Implementation Team leads: responsible for maintaining the membership base, recruiting targeted signatories to support PCAF's sustainable growth strategy, doing outreach activities at the regional level and standardizing materials and approaches where applicable.
- Partnerships and Communications Team lead: responsible for strengthening and expanding partnerships with key stakeholders, maintaining policy dialogues and performing PCAF's external communications.
- Fundraising and Business Models lead: responsible for developing the business model as well as detailing and implementing the revenue streams for PCAF to become a self-sustaining initiative.

## CORE TEAM, WORKING GROUPS AND STANDARD DEVELOPMENT

**Core Team:** The Core Team participants are expected to make the commitment to prepare, join and actively engage in the Core Team meetings. The responsibilities of the Core Team participants selected through the process described above are:

- » Participate in the Core Team meetings, discussions, and related activities.
- » Read and assess documents shared by the Core Team Chair, Technical Director, or Working Groups and provide written feedback in a timely manner.
- » Explain their written feedback in Core Team meetings when meetings are scheduled for this purpose.
- » Engage respectfully and constructively with other Core Team participants, the Chair, the Technical Director, and experts during debates about any matters discussed during Core Team meetings, or via e-mail.
- » Safeguard the technical robustness, principles, and requirements of the PCAF Standards and their alignment with the GHG Protocol.
- » Participate and ideally chair 1 or more Working Groups to build and maintain a strong connection between the Core Team and the methodology developments.
- » As methodologies are being developed, maintain confidentiality on the Core Team's work by not disclosing information publicly as highlighted in the introduction above.
- » Advise Working Groups in making important methodological decisions in case the Working Group members cannot reach an agreement and in case of continued lack of consensus even make binding decisions on methodologies to avoid deadlocks.
- » Review and approve final draft methodologies submitted by the Working Groups in a timely manner, before the Technical Director sends them out for publication. Or when applicable, require changes to draft methods in case of misalignment with the GHG Protocol, the PCAF accounting and reporting principles and requirements, or already existing PCAF (asset class) methodologies and requirements.

**Chair:** The Core Team Chair is expected to collaborate with the Technical Director in all aspects of supervision and accountability of the technical robustness of the PCAF Standards. The Board will appoint the position of Core Team Chair based on the relevant skill set determined through the Core Team selection interview process. The responsibilities of the Chair are:

- » Collaborate with the Technical Director to convene the Core Team as needed, align on the annual work plan and timeline, and prepare the Core Team meetings.
- » Preside over all meetings of the Core Team, facilitate the discussions in each meeting, aim to reach a decision on a consensus basis, call for voting when necessary, and announce the conclusions of the meetings before the meetings are over.
- » Provide regular updates to the Board of Directors on all relevant matters related to standard development, annual work plan and timeline, and any challenges or limitations that may delay or

impede the work of the Core Team. The Chair will meet with the Board of Directors twice per year for mutual exchange in key areas.

**Technical Director:** The Technical Director is expected to share knowledge and expertise on all aspects of GHG accounting and reporting, The GHG Protocol, the published PCAF Standards, and other climate standards relevant to PCAF. The responsibilities of the Technical Director are:

- » Draft and propose the annual scope of work and work plan and align it with the Chair before it is presented to the Core Team. This work plan will be developed based on proactive suggestions and inputs from Core Team Members, the Board of Directors, and other PCAF signatories. Any suggestions for additional guidance will be reviewed and pre-selected based on a (to be developed) decision-making model as well as the available annual budget for standard development in the given year. The draft work plan may be adjusted based on the Core Team feedback and sent for final approval to the Board of Directors.
- » Join and facilitate the meetings of the Core Team, and opine, when necessary, on all technical matters during Core Team meetings.
- » Share the minutes of the Core Team meetings with the Core Team.
- » Ensure the technical robustness of PCAF Standards, in line with the GHG Protocol.
- » Liaise with the officers of the GHG Protocol to coordinate the review and approval of the methodologies developed by the Core Team, to obtain/maintain the “Built on GHG Protocol Mark”.
- » Appoint technical experts from his team to facilitate the operations of the Working Groups and coordinate closely with these experts and the Working Groups as required.
- » Quality review of the overall development and publishing of methodologies, guidance documents, updates to current Standards, or development of new Standards that have been included in the annual work plan.
- » Liaise with the communications lead to plan the designs of publications, and the overall communications campaign to promote the publications in the market.

**Working Groups:** Working Groups are formed by financial institutions from the large group of PCAF signatories. Working Groups should consist of a minimum of 5 and up to 15 PCAF signatories. It is a diverse and inclusive body, representing all types of PCAF signatories in the five regions and including the relevant expertise on the specific topic or financial product covered by the Working Group.

Signatories can volunteer to join a Working Group on a specific topic or financial product and are selected by the PCAF Secretariat based on their expertise and diversity. It is preferred that each Working Group includes at least 1-2 Core team participants to build a connection with the Core Team. The Working Group Chair is selected by the PCAF Secretariat.

Participants of Working Groups are expected to join and actively engage in the Working Group Meetings and write GHG accounting methods for specific asset classes, guidance documents, updates to current Standards, or the development of new Standards that have been included in the annual work plan of the Core Team. The responsibilities of the **Working Group participants** are:

- » Join every Working Group meeting and engage respectfully and constructively with other Working Group participants, the Chair, the Technical Director, and experts during debates about any matters discussed during Working Group meetings, or via e-mail.
- » Read and assess documents shared by the Working Group Chair or the Technical Director and provide written feedback in a timely manner.
- » Explain their written feedback in Working Group meetings when meetings are scheduled for this purpose.
- » Approve final draft methodologies, guidance documents, and any other work developed before doing the final submission to the Core Team.
- » Engage with the Core team as follows:
  - Prepare and present the progress and final results of their work to the Core Team at Core Team meetings.
  - Ask the Core Team for advice or decisions on any key methodological matters on which no consensus can be reached in the Working Group.
  - Engage respectfully with other Core Team participants, the Chair, the Technical Director, and experts during debates about any matters discussed during Core Team meetings, or via e-mail.
  - Note and address the feedback from the Core Team as it relates to the work developed by the Working Group.
- » Safeguard the technical robustness, principles, and requirements of the PCAF Standards and their alignment with The GHG Protocol.
- » As methodologies are being developed, maintain confidentiality on the Working Group's work by not disclosing information publicly as highlighted in the introduction above.

**Working Group Chairs:** The Working Group Chair is expected to lead the Working Group discussions and hold the pen (on behalf of the Working Group) when drafting new GHG accounting methodologies and guidance. The Chair will collaborate with the Technical Director and PCAF Secretariat facilitators in all aspects of supervision and accountability of the technical robustness of the PCAF Standards, including new methods, guidance, and update of current Standards. The responsibilities of the Chair are:

- » Develop and agree on a plan of action to ensure timely publication of the report under their responsibility.
- » Distribute roles between Working Group members for writing the PCAF guidance or GHG accounting methodologies under their responsibility, and performing additional research required to do so.

- » Collaborate with the technical experts to convene the Working Group on a frequent basis, align on the plan of action to ensure timely publication of the report under their responsibility, and prepare the Working Group meetings.
- » Preside over all meetings of the Working Group, facilitate the discussions in each meeting, call for voting when necessary, and announce the conclusions of the meetings before the meetings are over.

**PCAF Secretariat facilitators for the Core Team and Working Groups:** These individuals are expected to support the Technical Director in facilitating all aspects concerned in the development and publication of PCAF Standards, new methods, guidance documents, and updates to current Standards. The responsibilities of the technical facilitators are:

- » Technical facilitator of the Core Team works closely with the Technical Director and the Core Team Chair in preparing meeting agendas and materials and supporting any other activity that the Technical Director may assign to the facilitator.
- » Technical facilitators to the Working Groups, work closely with the Working Group Chairs in preparing meeting agendas and materials, supporting any desk research required for advancing the development of methods.
- » Document and file the minutes, and votes when applicable, of each meeting of the Core Team and Working Groups.
- » Technical facilitators for the Working Groups share the minutes of the Working Group meetings with their corresponding Working Group.



## CLIMATE DATA WORKING GROUP

### Working Group members:

- » The CDWG is responsible for drafting a proposal for annual work plans and the strategic direction of the PCAF Database. These will be presented to the Board of Directors for feedback and approval.
- » The CDWG shall provide strategic leadership to the Board of Directors on engagement and potential partnership with public climate data systems.
- » The CDWG is also responsible for deciding whether to proceed with adding new data sources to the Database. Decisions are informed by the analysis presented by the PCAF Secretariat in CDWG meetings.
- » The CDWG will contribute to increasing the data coverage of the Database. This includes the breadth of geography, sectors, and emission factors useful for the implementation of PCAF methodologies.
- » The CDWG is responsible for identifying new data sources that could be added to the Database and passing these on to the Database team of the PCAF Secretariat for analysis and assessment.
- » Active engagement in tasks and responsibilities, agreeing to share knowledge to help improve the PCAF Database.
- » CDWG commits to dedicate approximately 2 hours per month per participant. This includes a bi-monthly meeting (six meetings per year), the identification of new data sources, e.g., through participation in Sub-Working Groups, and any general administrative work.
- » PCAF requires the attendance of one representative from each institution part of the CDWG.
- » Participants who are absent from more than one meeting per year will be removed from the CDWG.

### Chair: The Chair of the CDWG has the following additional responsibilities:

- » Liaise with the PCAF Secretariat on the agenda for the CDWG meetings and support the facilitation of the meetings.
- » Coordinate sub-working groups, if necessary, to help find data sources for identified gaps.
- » Support the recruitment of new CDWG members.
- » Support and stimulate active participation in CDWG meetings, including inviting members to work on getting more regional and/or specific data (in the Database)
- » The Chair commits to dedicating an additional 1 hour per month on top of the commitment of regular CDWG members (3 hours per month in total) for a brief session with the PCAF Secretariat to discuss the upcoming CDWG meeting, additional email exchanges, and additional administrative work. Additionally, the Chair will meet with the Board of Directors twice per year for mutual exchange in key areas. More time may be needed when specific actions or activities are identified during the year. Any additional workload will be aligned and planned with the PCAF Secretariat, which can also provide support where possible.

- » The Chair takes a leadership role in CDWG meetings and engagements and acts as a spokesperson for the CDWG.

**Emissions Factor Database Lead (an individual from the PCAF Secretariat)** is responsible for:

- » Consulting the CDWG on technical topics related to platform design, including user flows, accessibility, and the design of features and pages. The PCAF Secretariat is responsible for making decisions and carrying out tasks on these topics.
- » Informing the CDWG of general developments within PCAF, including the release of new Standards.
- » Consulting the CDWG on other strategic matters, including partnership models, and data

## REGIONAL AND NATIONAL IMPLEMENTATION TEAMS

### Regional/National Implementation Teams:

- » Support the implementation of PCAF GHG accounting methods consistent with regional/national conditions.
- » Drive PCAF's regional/national agenda (e.g., regional expansion) and support PCAF's financial institutions' recruitment efforts relevant to the respective signatories.
- » Each Regional/National Implementation Team meets at least every quarter for one hour.
- » Potential further activities can include the following:
  - Promote the regional/national collection of relevant data to support the measurement of GHG emissions associated with financial activities with local stakeholders. Ideally, this data is also shared with the PCAF Secretariat for integration in the PCAF Database.
  - Develop local guidance and/or clarifications to the PCAF GHG accounting methods, if applicable. Guidance needs to adhere to the PCAF Standard. Any suggestions for guidance will be reviewed by the Technical Director based on the scope, alignment with the PCAF Standard as well as the available annual budget for the regional/national implementation team in the given year. Changes to the PCAF Standard can only be proposed by the Core Team.
  - Share experiences and lessons learned with regional/national peers.
  - Develop regional/national reports on the status of implementation.

**Chair:** Lead activities of the regional/national implementation team, including quarterly meetings and standard implementation relevant for the regional/national context.

### PCAF Secretariat:

- » Onboarding of PCAF signatories by the respective Regional/National Implementation Team Lead, including introductory information on the Regional/National Implementation Team operations and activities.
- » Facilitates the work of the National/Regional Implementation Teams and supports the Chair in organizing meetings and guiding the teams.



**PCAFA**

Partnership for  
Carbon Accounting  
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