



Terms of Reference (ToR)

For the Council of the Climate Action Data Trust



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This document outlines the terms of reference and procedures of the council to the Climate Action Data Trust (the “**Council**”). The first Council will be appointed for a two-year term starting in October 2022 (the “**Interim Period**”), with the possibility for this period to be extended by six months at the discretion of the Board. The Board will determine what amendments should be made to the terms of reference of the Council, prior to the end of the Interim Period, for periods beyond the Interim Period.

### 1. Purpose

One of the main purposes of the Council is to recommend the strategic direction for the Climate Action Data Trust.

During the Interim Period, it will propose a work programme to the Board that, should the Board accept, will be operationalised. The work program will comprise inter alia fundraising, developing and updating the data specifications of the Climate Action Data Trust, facilitating adoption and onboarding of the Climate Action Data Trust data layer by the registries of independent and national carbon crediting programs, developing a technology roadmap, and recommend capacity building activities by defining the main priorities for the Climate Action Data Trust.

The Council will have a review role in respect of financial and operational performance of the Climate Action Data Trust.

The Council may also provide recommendations to the Board on the role and composition of the Council after the Interim Period. The Council will undertake its tasks, building on the work already carried out on the Climate Action Data Trust initiative by the Founding Sponsors, whilst at all times safeguarding and advancing the best interests of the Climate Action Data Trust.

## 2. Composition

### Size

a. The Council will comprise no less than nine (9) members (each a "**Council Member**") during the Interim Period. The Council may set the maximum number of members in the Council from time to time.

### Appointment to the Council

- a. The term of all Council Members during the Interim Period will be two years or until the end of the Interim Period, whichever is the later. The term for Council Members, after the Interim Period, will be determined by the Board, which may make its decision based on proposals made by the Council.
- b. Council Members may serve either (i) individually, in their personal capacity, or (ii) as representatives of a relevant government, company, agency, or other entity.
- c. Notwithstanding point (b) above, where applicable, if a Council Member serves in their personal capacity, such member will be expected to carry out its role reflecting the interests of the stakeholder type and region of the entity that they are associated with when recommending the strategic direction of the Climate Action Data Trust.
- d. At least ten (10) Council Members shall be appointed by the Founding Sponsors for the Interim Period. These Council Members shall:
  - i. be appointed according to the conclusions from the governance and finance consultation conducted between September 2021 and March 2022, which is referenced in, but with amendments, Annex I;
  - ii. be associated with<sup>1</sup> an entity closely involved with the Climate Action Data Trust to date;
  - iii. shall meet the selection criteria outlined in Annex I;
  - iv. confirm that they are willing and able to take on the responsibilities of a Council Member.
- e. Any Council Members initially proposed shall be evaluated and appointed based on the selection criteria.
- f. Up to two (2) Council Members shall be elected from members of the User Forum. The selections of such Council Members shall be made at the first meeting of the User Forum. The selection shall be from entities in the broader carbon market community pursuant to Annex I.
  - i. The Board shall approve the election process and criteria for these

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<sup>1</sup> In most cases, this will mean "employed by", but not necessarily (e.g., regular contract work would count).

Members in their first meeting following the first meeting of the User Forum.

- ii. The election process and criteria will be publicized to the User Forum with reasonable lead time along with the terms of reference for the User Forum.
  - iii. The Board shall, prior to the end of the Interim Period, determine the procedure for the selection of Council Members from the User Forum for subsequent periods.
- g. If a Council Member wishes to withdraw from the Council or ceases to be associated with the entity which put them forward during the Interim Period, the Board will contact that entity to nominate a replacement for the remainder of the Interim Period.

#### Renewal and Procedure following the Interim Period

- h. The Council shall recommend to the Board the procedures for the election or appointment of Council Members to serve after the Interim Period.
- i. The Board shall adopt such procedures, for the election or appointment of Council Members to serve after the Interim Period, that it considers appropriate.
- j. A number of Council Members may be re-elected to Council to ensure continuity but the Board shall take into consideration the need for rotation consistent over time with good governance practices.
- k. The Board shall seek to ensure that appointments to the Council reflect a diverse regional representation and diversity in carbon market stakeholder types.

### **3. Procedures for the Council**

#### Roles and organisation

- a. The Council shall have one Chairperson (Chair) or up to two (2) Co-Chairs.
- b. The first Council Chair or Co-Chairs shall be appointed by a vote in the first meeting of the Council for a term covering the Interim Period.
- c. The Council shall define the roles, responsibilities and the selection timeline for any other positions, e.g.: any Vice-Chairs, Sub-Committee and Advisory Body Chairs or others as they deem necessary.
- d. The Board shall define the selection and rotation procedures for the Chair and other positions on the Council.

#### Meetings

- e. The Council will meet at a reasonable frequency determined by the Chair, but not less than four (4) times per calendar year.
- f. The meetings may be carried out in person or using remote internet or phone communications.

#### Secretariat

- g. The Council shall be supported by the Secretariat.

#### Decision-making

- h. Council decisions shall be made by a vote. Each Council Member will have one vote.
- i. A quorum for a Council meeting shall exist when the majority of the Council Members are present in person, by telephone, or other live electronic means.
- j. The Council shall aim to make decisions by consensus, which is deemed to mean the lack of sustained objection. In the event there is no consensus, decisions shall be taken by a simple majority of the votes of the Council Members present at a meeting where a quorum has been reached.

#### Further guidance

- k. Except as otherwise stated in these terms of reference and the governing documents, the Council shall determine any other procedures, provided always that such procedures should not conflict with these terms of reference or the governing documents.

### **4. Duties and Responsibilities**

#### Climate Action Data Trust management

The Council shall:

- a. In their first meeting, consider and if so appropriate recommend to the Board the selection of IETA as the initial Secretariat based on the joint recommendation of the Founding Sponsors
- b. Recommend the hire of, termination of services for, and remuneration for the Secretariat to the Board
- c. Appoint the Chair of the Council and provide recommendations to the Board on matters sought relating to the Secretariat
- d. Recommend the Climate Action Data Trust's work program;

- e. Recommend the Climate Action Data Trust's annual budget, financial model and fundraising goals;
- f. Review the annual report and accounts;
- g. Consider significant and material reports, guidance, and executive briefs to be released in the name of the Climate Action Data Trust;
- h. Recommend amendments to the Constitution and other governing documents of the Climate Action Data Trust;
- i. Identify any business continuity and/or urgent matters that require oversight and highlight these for the attention of the Board;
- j. Recommend to the Board working and coordination arrangements with other relevant bodies including the UNFCCC, voluntary market standard bodies, multilateral development banks or international financial institutions and other relevant international institutions and governments; and
- k. Comply with confidentiality and code of conduct requirements if any

#### Policies and Oversight

- l. Develop and propose to the Board all major policies which govern the Climate Action Data Trust's operations as well as any amendments thereto;
- m. Recommend to the Board any other oversight matters related to the above or otherwise within its competence.

#### Interim Period Mandate

- n. Develop and propose to the Board, the Climate Action Data Trust's policy to enable effective communication with the User Forum; and
- o. Recommend the strategic direction of interactions with key stakeholders, including international bodies such as the United Nations Framework Convention on Climate Change.

#### Additional roles after the Interim Period

- p. Prepare and recommend to the Board, a medium-term development roadmap; and
- q. Prepare and recommend to the Board, a revenue model to achieve financial self-sufficiency.

## 5. Individual Council Member obligations

Each Council Member shall:

- a. Attend all Council meetings and functions, such as special events;
- b. Be informed about the Climate Action Data Trust's mission, services, policies, and programs;
- c. Carry out any additional roles within the Council, if appointed (e.g., Chair, Co-Chair, etc.)
- d. Review agenda and supporting materials prior to Council (or if invited, Board) meetings;
- e. To the best of their ability, serve on committees or task forces and offer to take on special assignments;
- f. Inform others about the Climate Action Data Trust; advocate for the Climate Action Data Trust;
- g. Suggest possible nominees to the Council who can make significant contributions to the work of the Council and the Climate Action Data Trust;
- h. Keep up to date on developments in the Climate Action Data Trust's field;
- i. Follow conflict-of-interest, confidentiality and other good governance policies adopted by the Board from time to time; and
- j. Assist the Council in carrying out its responsibilities.

Nothing in these ToR constitutes a Council Member as a fiduciary of the Climate Action Data Trust.

Please note that this ToR remains subject to the other governing documents, the Constitution of the Climate Action Data Trust and the laws generally applicable in Singapore from time to time (including under the Companies Act 1965).

## ANNEX I:

### INITIAL RECOMMENDATIONS FOR THE COUNCIL

#### The Council

A Council should be established, and for the Interim Period, the Council should be made up from a “coalition of the willing” convened from **active participants in the World Bank technical simulations or the governance and finance consultations**. To prioritise efficiency in the crucial operationalization stage, the Council should be relatively small – ideally **8-10 members**, but subject to such final numbers as the Board may agree. This Council would serve for a defined Interim Period of 2 years and be responsible for recommending to the Board, the initial policy and strategy decisions for the Climate Action Data Trust.

#### **The initial tasks are likely to include (not exhaustive):**

- Recommending a shared vision on the purpose, scope, mission, principles, etc for the Climate Action Data Trust
- Recommending procedures for voting and decision making within the governance body
- Enabling fundraising, adoption and capacity building activities by recommending the main priorities for the Board
- Recommending the establishment of any additional Committees to address any specific needs (e.g., Finance, Coordination with International Organisations)
- Recommending a long-term governance model, including the composition and selection process for the Council and the formation of any additional bodies (e.g., expert panels, advisory boards)

Governments and Independent Standards should be represented on the Council as potential data providers and supporters of the public good mission, while some seats should be opened to broader entities fitting the selection criteria.

The selection process for the Council will be jointly designed, announced and overseen by the World Bank, Singapore and IETA over Q2 2022.

#### **The following indicative criteria are being considered for selecting members for the Council:**

- Active participation in the consultation process and/or the technical simulations
- Value of potential contributions to operationalizing the Warehouse
- Subject matter competence (carbon market infrastructure, data services, etc.)

- Commitment to meaningfully advance the public good mission
- Diversity in geography, stakeholder types and perspectives
- Lack of competing interests

Additionally, once the initial list of interested stakeholders for the Council is identified, it may be beneficial to consider any rolling representation on the Council. This may include, among other options, largest data providers having a semi-permanent place and other seats being offered on rotation. The Board will ultimately define the governance model, including the governance for the Council during the Interim Period.

Furthermore, funding and governance should be separated in the Interim Period. The Council should be formed prioritising the above criteria to be open to developing country or other members who are only able to provide limited financial support, or none at all.

Each country or organisation wishing to become a Council Member during the Interim Period should demonstrate the value, resources and expertise they would contribute to advance the initiative in the first crucial years of operation. Any level of financial support from the Founding Sponsors, especially from a mix of government and non-government entities, might signal a stronger commitment to the initiative, internally and externally. This may facilitate securing future funding and buy-in from philanthropies, the private sector or international organisations, and all interested entities are encouraged to consider this according to their abilities. However, financial contributions should not guarantee a place on the Council.

Additionally, the Climate Action Data Trust is likely to seek grant support from unaffiliated organisations, such as philanthropies, multilateral development banks, international organisations or crowdfunding, especially in the short term. The Board will determine what conditions (e.g., reporting requirements) for receiving grants the Climate Action Data Trust should accept, and what benefits the funders may receive, with the exception of a seat on the Council.

The Board will have the freedom to define its relationships with project funders and is encouraged to keep in touch with them through the User Committee (described below) and the Secretariat as part of ongoing efforts to achieve broad buy-in and short-term financial sustainability. IETA, during the Interim Period, will lead any fundraising and funder relationships in consultation with the other Founding Sponsors.

