



World Business Council for
Sustainable Development



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GHG Protocol Initiative Product and Supply Chain Accounting and Reporting Standard ***Governance Plan & Terms of Reference***

I. Background

The Greenhouse Gas (GHG) Protocol Initiative brings together leading experts and practitioners to develop internationally accepted accounting and reporting standards. Building on the success of the *Corporate Accounting and Reporting Standard* and the *GHG Protocol for Project Accounting*, the GHG Protocol Initiative is developing new GHG accounting and reporting standards for products and supply chains.

II. GHG Protocol Supply Chain Initiative Objectives

The goal of the GHG Protocol supply chain initiative is to develop internationally accepted standards for product life cycle and corporate value chain greenhouse gas accounting and reporting through an open and inclusive process. The new guidelines will be designed to:

- Provide a credible and transparent approach for quantifying and reporting product life cycle and supply chain GHG emissions
- Enhance the usability of GHG life cycle and supply chain accounting through the application of common accounting concepts, principles, and methodologies
- Provide a platform and process for harmonization among different initiatives and programs focused on product and supply chain carbon footprinting.

III. Governance Structure and Approach

The governance process to oversee and develop the new guidelines will consist of five groups:

1. Conveners/Secretariat
2. Steering Committee
3. Technical Working Group
4. Stakeholder Advisory Group
5. Pilot Testing Group

The guideline development will occur through an open, transparent, inclusive, multi-stakeholder process. Decisions will be developed through building consensus and all outputs will be subject to comprehensive and rigorous reviews by stakeholders. WRI and WBCSD will make every effort to reach consensus within the Steering Committee and Working Groups on each aspect of the standards. On the occasion that the Steering Committee and Working Groups are unable to reach a consensus, WRI and WBCSD retain the authority to make a final decision.

1. Conveners/Secretariat

WRI and WBCSD will convene and facilitate the standard development process and act as the secretariat.

Composition

GHG Protocol staff from WRI and WBCSD

Responsibilities

- Convene participants
- Raise funds to support the process
- Facilitate and coordinate meetings of the steering committee; technical working groups; and stakeholder workshops
- Assist working group leaders and other technical experts, prepare written inputs to the technical working group process, including background on relevant standards and methodologies; accounting issues and challenges; and key decisions to be made by each group
- Ensure GHG standards and guidelines meet highest quality standards
- Ensure consistency and user-friendly presentation in the final standard across all sections developed by the technical working groups
- Recruit pilot testers and manage pilot testing
- Produce final chapters taking into account feedback received

Commitment

The WRI and WBCSD team will consist of 4-5 FTE staff dedicated to this initiative.

2. Steering Committee

The Steering Committee will provide strategic guidance and build consensus on the development of the new guidelines.

Composition

The Steering Committee will consist of 10-15 strategic and technical advisors with proven expertise in product and supply chain GHG issues. Members will be invited based on the following criteria:

- Commitment to the GHG Protocol's objectives (see above under II)
- Demonstrated engagement in the international standard development process and agenda
- Level of expertise in GHG emissions and/or life cycle accounting and the use of such information in advancing effective GHG management
- Stakeholder and geographic diversity, including representation from developing countries, business, government and environmental NGOs

Responsibilities

1) Strategic Guidance:

- Provide advice and guidance on strategy, objectives and composition of working groups, and scope of the standards
- Reach consensus on the objectives of the standards and ensure that working group outputs are consistent with established objectives
- Provide guidance on the structure of the standard (including content, level of detail, balance of standards and guidance, etc.) based on agreed objectives.

- Provide guidance on the topics to be addressed by the technical working groups.
- Support broad adoption and use of the standards by business, governments and NGOs
- Ensure that the process used to develop the standards is inclusive and credible

2) Technical Guidance:

- Provide management-level guidance for functioning of technical working groups
- Resolve disagreements when the working groups are unable to reach consensus

3) Standard Review:

- Review draft standards/guidance from the working groups for technical accuracy, consistency and completeness.

Decision Making Process

The Steering Committee will provide guidance and suggest resolutions based on consensus. On the rare occasion that the Steering Committee is unable to reach a consensus, WRI and WBCSD retain the authority to make a final decision.

Commitment

Steering Committee members are requested to make a commitment of two years to the development and promotion of the standards:

- Participate in a conference call every 2 months
- Participate in up to two in-person meetings per year

Acknowledgement

Members of the Steering Committee will be acknowledged as such and listed by name/affiliation in the final publication.

3. Technical Working Groups

Members of the technical working groups will develop the technical content of the guidelines. This will include working together to produce technical content papers and draft chapters for the guidelines.

Composition

Each working group will consist of 5-10 experts from business, government, academia, and NGOs with technical backgrounds in product and supply chain greenhouse gas accounting (life cycle assessment, supply chain GHG management, carbon footprinting, etc.). In consultation with the steering committee, one member of each working group will be appointed as the group leader. A WRI/WBCSD staff member will be designated as a facilitator of each group.

Responsibilities

- For the set of technical accounting issues designated to the group: review relevant existing standards and methodologies; analyze the issues and challenges; and develop consensus around content of standards/guidance
- Develop inputs to inform, explain and/or justify provisions to the Steering Committee, other working groups, the stakeholder advisory group, and the interested public
- Develop chapters and draft text on the designated topics, containing both standards and guidance as appropriate
- Receive and respond to feedback on draft chapters from the pilot testing phase and public comment periods

Decision making process

The working group will make decisions based on consensus. All efforts should be made to achieve consensus on each aspect of the guidelines. On the rare occasion that the working group is unable to reach a consensus, the working group will provide the Steering Committee with a set of options for review and recommendation, indicating the relevant pro's and cons of each option.

Commitment

Working group members are requested to make a two year commitment to participate in the standards and guidance development. This will entail:

- Two conference calls of one hour each per month (unless only one call per month is necessary);
- Two to three in-person meetings per year, and
- The necessary time to prepare and review materials and draft text.

Acknowledgement

Members of the Technical Working Groups will be acknowledged as "Technical Working Group & Writing Team" and listed by name/affiliation in the final publication.

4. Stakeholder Advisory Group

The stakeholder advisory group will provide feedback on the draft elements of the guidelines as they are produced through the working group process.

Composition

The group will consist of any interested stakeholders from government, business, NGOs, academia, and the general public.

Responsibilities

At the discretion of the individual participant, provide feedback on draft materials two times per year. Incorporation of comments from the stakeholder advisory group will be at the discretion of the relevant Technical Working Groups and Steering Committee members.

Commitment

Receive materials by e-mail approximately every 5-6 months. Provide written feedback at the discretion of the individual participant.

Acknowledgement

Stakeholders who contribute to the content of the guidelines as part of the Stakeholder Advisory Group will be acknowledged and recognized as "General Contributors & Reviewers" and listed by name/affiliation in the final publication.

5. Pilot Testing Group

After the draft guidelines are prepared, a select group of companies will have an opportunity to test the draft guidelines within their organizations to ensure that they can be practically implemented and provide any feedback for their improvement. WRI and WBCSD will provide technical support and guidance to pilot testers in implementing the draft guidelines. Feedback from the road testing will be incorporated into the final version of the guidelines.

Composition

The group will consist of selected companies representing a diversity of industry sectors and geographic locations.

Responsibilities

Road test the draft guidelines in mid-to-late 2009. The expected length of testing phase is 3 months. Provide detailed, constructive feedback on the strengths and weaknesses of the draft guidelines.

Commitment

Commit to testing and implementing the draft guidelines within the company and providing comprehensive feedback based on a pre-determined set of requirements.

Acknowledgement

Pilot testers will be recognized as “Pilot Testers” or “Road Testers” in the final publication.