



## ICAP Governance Framework

### 1. Objectives

1.1 The International Carbon Action Partnership (ICAP) is an international forum for governments and public authorities that have implemented or are planning to implement emissions trading systems (ETS). The work of ICAP focuses on the three pillars of technical dialog, knowledge sharing and capacity building activities. ICAP has the following objectives:

- share best practices and learning from each other's experience of ETS;
- help policymakers recognize ETS design compatibility issues and opportunities for the establishment of an ETS at an early stage;
- facilitate future linking of ETSs;
- highlight the key role of emissions trading as an effective climate policy response; and
- build and strengthen partnerships amongst governments.

### 2. Membership and Observer Status

#### Membership

- 2.1 Any government or public authority that has established or is actively pursuing carbon markets through mandatory cap and trade systems for controlling greenhouse gas emissions may apply for ICAP membership.
- 2.2 Applications for membership are decided upon by the Plenary on a case-by-case basis following the procedure set out in Annex 1.
- 2.3 ICAP Members are encouraged to participate in ICAP meetings and events. They are expected to actively participate in the ICAP technical dialog and provide general guidance to the ICAP process.
- 2.4 ICAP Members are invited to provide voluntary financial and/or in-kind voluntary contributions to support ICAP activities.
- 2.5 ICAP Members may withdraw from ICAP at any time. If a Member persistently or egregiously acts in a manner that is inconsistent with the objectives of ICAP, their membership may be revoked by a Plenary decision, in accordance with the procedures outlined in s 5.



### Observer Status

- 2.6 Any government or public authority interested in carbon markets and in the development of mandatory cap and trade systems for controlling greenhouse gas emissions may apply for ICAP observer status.
- 2.7 International and intergovernmental organizations working on issues related to ICAP's scope and objectives may apply to become ICAP Institutional Observers.
- 2.8 Applications for observer status are decided upon by the Plenary on a case-by-case basis following the procedure set out in Annex 1.
- 2.9 ICAP Observers and Institutional Observers may attend Plenary meetings, but do not have voting rights. Their attendance is also subject to the right of ICAP Members to restrict access to some sessions at ICAP meetings and events.
- 2.10 ICAP Observers and Institutional Observers may withdraw from ICAP voluntarily at any time. If an Observer persistently or egregiously acts in a manner that is inconsistent with the objectives of ICAP, their observer status may be revoked by a Plenary decision, in accordance with the procedures outlined in s 5.

## 3. ICAP Organizational Structure

- 3.1 The ICAP organizational structure consists of the Plenary, the Co-Chairs, the Steering Committee, and the Secretariat.

### ICAP Plenary

- 3.2 The Plenary comprises all ICAP Members and is the main decision-making body of ICAP.
- 3.3 The Plenary has the following roles and responsibilities:
  - set the vision and overall strategic direction for ICAP;
  - propose activities (e.g. projects, events and work streams) to be incorporated in the work program;
  - approve the establishment of working groups;
  - review and approve the work program and associated budget, and oversee its implementation and associated expenditures;
  - review and approve applications for membership and observer status to ICAP;
  - elect the Co-Chairs and Steering Committee; and
  - make amendments, where needed, to the ICAP Governance Framework.



### ICAP Co-Chairs

- 3.4 ICAP has two Co-Chairs, elected by the Plenary. In the interest of diversity and fair representation, Co-Chairs should come from different regions and/or represent different levels of governance (subnational, national, supranational). The term of the Co-Chairs is at least one year and may be extended subject to approval by the Plenary.
- 3.5 The Co-Chairs have the following roles and responsibilities:
- provide strategic guidance to the Secretariat regarding the planning and implementation of ICAP activities;
  - chair ICAP meetings and represent ICAP at events;
  - propose the establishment of working groups;
  - engage in networking/outreach with jurisdictions that are actively considering or developing ETS, as well as with other related organizations and initiatives; and
  - engage with ICAP Members and others to promote fund raising for ICAP activities.

### ICAP Steering Committee

- 3.6 The Steering Committee consists of seven ICAP Members, elected by the ICAP Plenary for a two-year term.
- 3.7 The Steering Committee includes two ICAP Members from North America, three from Europe, and one from Asia-Pacific. This composition is intended to maintain a representative geographic balance across ICAP Member jurisdictions and will be reviewed as additional jurisdictions join ICAP as Members.
- 3.8 The Steering Committee has the following roles and responsibilities:
- approve additional expenses outside of the agreed budget;
  - provide strategic guidance on ongoing or future ICAP activities, at the request of the Co-Chairs;
  - Steering Committee members engage in networking and outreach as appropriate.

### ICAP Secretariat

- 3.9 The Secretariat provides technical support and assists with substantive and logistical matters related to all ICAP activities, under the guidance of the Co-Chairs and the Steering Committee.
- 3.10 The Secretariat has the following roles and responsibilities:



- propose a draft agenda and provide secretariat services for ICAP meetings;
- review applications for ICAP membership and observer status for completeness;
- prepare the work program and associated budget for consideration by the Plenary;
- execute the work program;
- prepare annual progress and financial reports;
- maintain a website with relevant information and documentation about ICAP;
- disseminate knowledge on emissions trading resulting from the ICAP technical dialog and other ICAP activities;
- under the guidance of the Co-chairs, represent ICAP at events and engage and maintain contacts with relevant jurisdictions, organizations and initiatives; and
- perform other services necessary for facilitating the effective operation of the ICAP process.

## 4. ICAP Meetings

- 4.1 ICAP meetings include the ICAP Annual Meeting, Plenary meetings and other ICAP meetings. Meetings may be held either in person or remotely via telephone or videoconference.
- 4.2 At the ICAP Annual Meeting, ICAP Members, Observers and Institutional Observers convene to discuss ICAP activities and work streams, as well as the overall strategic direction of the partnership.
- 4.3 The Plenary meets once a year in-person during the ICAP Annual Meeting. The Secretariat, in coordination with the Co-Chairs, may call for supplementary Plenary meetings as necessary, which may be held remotely.
- 4.4 Meetings of the Plenary are open to ICAP Members, Observers and Institutional Observers, with the possibility for Members-only sessions.
- 4.5 The Secretariat prepares meeting agendas in coordination with the Co-Chairs, taking account of inputs and feedback from ICAP Members and Observers. Co-Chairs assume chairing duties during meetings. Agendas and documents for meetings are circulated to Members and Observers at least one week in advance. The Secretariat prepares and circulates records of decisions, actions and minutes no later than three weeks after each meeting. Members are given two weeks to provide feedback, which will be addressed by the Secretariat under the guidance of the Co-Chairs.



- 4.6 Representatives of other jurisdictions and relevant organizations may be invited to attend ICAP meetings as guests on a case-by-case basis, subject to a formal invitation from the Co-Chairs.

## 5. Decision Making

### Decision Making at Meetings

- 5.1 Decisions taken by the Plenary are generally made by consensus. A Member who does not wish to block a consensus decision but holds a different view may request to record this view as a note to the decision. If all efforts to reach a consensus have been exhausted and no decision has been reached, the decision shall be taken by voting. Each Member has one vote or the right to abstain. Decisions are passed with a two-thirds majority of all Members in attendance.
- 5.2 Records of decisions taken at in-person or remote Plenary meetings are subsequently circulated to all ICAP Members by the Secretariat, and Members not in attendance have two weeks to raise any objections. If an objection is raised, the decision proceeds to a vote by email which requires a two thirds majority of all counted votes to pass. Each Member has one vote or the right to abstain, with abstentions counted towards the total votes. If Members do not respond to the request to vote within two weeks, their participation is not considered necessary for the decision to pass.

### Decision Making outside of Meetings

- 5.3 If the Co-Chairs determine that a matter requiring a decision should not be postponed to the next meeting, they may call for the Plenary to take a decision by email, based on a no objections (tacit approval) procedure. Members have four weeks to raise any objections. If objections are raised, the voting procedure in s 5.2 applies.

## 6. ICAP Work Program and Associated Budget

- 6.1 The ICAP work program determines the foci and outlines key activities of ICAP for the next two calendar years. The associated budget provides allocations for each intended activity. The budget is conceived as a fundraising budget; it includes activities with secured funding and those where implementation is contingent on additional funding.
- 6.2 Prior to the end of the current work program, the Secretariat develops a draft work program and associated budget in coordination with the Co-Chairs and based on input by ICAP Members and Observers. The draft work program is circulated to Members and discussed during an in-person or remote Plenary meeting. The Plenary may decide to



adopt the work program during the meeting or a revised draft will subsequently be circulated and adopted following the decision-making procedure outlined in s 5.

- 6.3 ICAP Members may decide to update the work program and budget after one year as necessary. In the meantime, if opportunities arise for the implementation of ICAP activities not previously included in the work program, then the work program may be adjusted in accordance with the decision-making procedure set out in s 5.
- 6.4 The option to adopt an annual work program instead of biennial work program is also open to the Plenary.

## 7. Working Groups

- 7.1 To facilitate progress in the work streams under the technical dialog or other aspects of ICAP's activities, the Plenary may establish dedicated working groups on a case-by-case basis. Working groups are open to all interested ICAP Members. ICAP Observers may also be invited to join the working group. A designated working group chair, elected by working group members, facilitates collaboration within the group, with the support of the Secretariat. The working group chair regularly informs the Plenary about the progress and key outcomes of the working group.

## 8. Financing

- 8.1 The ICAP Trust Fund is used to implement activities under the ICAP work program that are not covered by the core grant for the running costs of the ICAP Secretariat. The Trust Fund is financed by voluntary contributions from ICAP Members, Observers, and other government or non-government entities as appropriate. The ICAP Trust Fund is governed by the rules set out in Annex 2.