



Appendix 2: Terms of Reference for the High-Level Expert Group on the Net-Zero Emissions Commitments of Non-State Entities

Background

Since the adoption of the Paris Agreement in 2015, the world has seen an increasing number of net-zero commitments and pledges by non-State actors, in particular from the private and financial sectors, as well as from local government and regions.

The growth in pledges has been accompanied by a proliferation of criteria and benchmarks to set net-zero commitments with varying levels of robustness. There is now a perceived lack of clear, transparent, and generally accepted sets of standards and criteria for the development, measurement, assessment, and accountability of non-State net-zero pledges and their associated implementation. This perception risks undermining the commitments and actions of stakeholders who are serious in delivering on their pledges upon joining the global coalition for net-zero called for by the Secretary-General; and it enables greenwashing, announcements that lack concrete decarbonization plans, undue reliance on the use of offsets and potential unrealistic dependence on removals (in lieu of concrete mitigation action) to reduce absolute emissions which is the priority this decade.

To ensure that net zero emissions commitments and implementation are aligned with the goal of keeping global temperature rise to 1.5°C goal and credibly contribute their fair share to urgently cutting emissions in this decade to achieve a decline of 45% from 2010 levels by 2030, the UN Secretary-General is proposing to convene a High-Level Expert Group on the Net-Zero Emissions Commitments of Non-State Entities (HLEG) to help ensure credibility and accountability of net-zero pledges.

Objectives

Building on existing initiatives and work around transparency and credibility of standards and criteria for net-zero commitments, best available science, emerging digital monitoring evaluation and verification capabilities and scenarios for achieving net zero aligned with the 1.5°C goal, the HLEG will develop recommendations on:

1. Current standards and definitions for setting net zero targets by non-State actors and, if necessary, on additional elements to enhance these to achieve the highest possible integrity of standards for net zero targets.
2. Credibility criteria used to assess the stated objectives, measurement and reporting of net zero pledges by non-State actors.
3. Processes for the international community to verify and account in a transparent manner non-State actors' progress towards meeting their net-zero commitments and the fulfilment of their reported decarbonization plans, including any reliance on carbon dioxide removal and offsets. These processes for reporting will also consider to the extent possible methodologies to assess the aggregate impact and comparability of non-State actor efforts including to potentially serve



as an input into the United Nations Framework Convention on Climate Change's stocktake of international climate efforts in 2023 and beyond; and

4. A roadmap to translate these standards and criteria into international and national level regulations, in the context of a just transition.

Scope

The HLEG will cover net-zero pledges and commitments from non-State actors: private sector (businesses), including that of financial institutions, as well as those by sub-national entities (local and regional governments).

Mode of Operation

In undertaking its work to formulate its findings and recommendations, the HLEG will build on existing credibility and standard setting frameworks for net-zero pledges to formulate its findings and recommendations.

The HLEG will be supported by a small technical secretariat to be housed in the Climate Action Team in the Executive Office of the UN Secretary-General.

The HLEG will rely on the following modalities:

- High-Level Expert Group meetings: The HLEG will meet as often as needed (virtually, in-person) based on a work programme to be developed at its first meeting to ensure delivery of the HLEG's objectives within nine to twelve months of its first meeting. Individual panel members may also convene and participate in thematic and regional meetings and consultations.
- Consultations: The HLEG will engage in consultations and dialogue with a broad range of stakeholders including Member States, UN entities, companies, financial institutions, business associations and networks, civil society, local and regional governments, academia, youth, indigenous peoples' networks and ongoing initiatives and platforms focused on net-zero commitments by non-State actors in a transparent and inclusive manner.
- Scientific and policy support: The Core Group of Climate Principals chaired by the Deputy Secretary-General which includes the WMO, ILO, UNFCCC, UNEP, UNDP, DESA, SRSG for Sustainable Energy for All, SRSG for Oceans, and UN Special Envoy on Climate Action and Finance will advise the HLEG in its deliberations and provide the scientific and policy support.

Composition

The Secretary-General will appoint members to the HLEG. In doing so, due consideration will be given to relevant qualifications of candidates and to ensure gender, geographic and thematic balance. The Secretary-General will also select the Chair of the HLEG from one of its members.



In addition to having the requisite expertise and experience necessary to contribute to the work of the HLEG, members must abide by a code of conduct in line with United Nations principles to ensure the impartiality and independence of the HLEG, eliminate any possible conflicts of interest and not use their position for the purpose of financial gain.

Members of the HLEG should be recognized as honest brokers, and shall serve in an individual, personal and independent capacity.

The following non-exhaustive areas of expertise and constituencies will be covered by the overall composition of the HLEG:

- International and national corporate disclosure standard setters and bodies (including, but not limited to, ESG, carbon and climate disclosure standard setters)
- Securities and accounting regulators
- Regulatory and policy bodies supervising the global financial system
- Local and regional net zero transition policies, laws and regulations
- Standard setters for net zero pathways
- Leading global Civil Society Organizations including youth
- Climate Science

Timeline

The HLEG will provide a report to the Secretary-General with its findings and recommendations within nine to twelve months of its first meeting, which will take place in early 2022.

Staffing and Budget

The HLEG will be supported by a full-time technical secretariat to be housed in the Secretary-General's Climate Action Team and funded by donor resources. This funding will be provided without stipulation of outcomes or objectives or conditions of any kind during the work of the HLEG.

The technical secretariat shall seek to leverage existing platforms and partners, including UN agencies, working in the related domains. Decisions on resource allocations and expenditures will be made by Assistant Secretary-General Selwin Hart in consultation with the head of the technical secretariat.