

**SKILLS FRAMEWORK FOR FINANCIAL SERVICES
TECHNICAL SKILLS AND COMPETENCIES (TSC) REFERENCE DOCUMENT**

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| TSC Category | Sustainable Finance | | | | | |
| TSC | Carbon Markets and Decarbonisation Strategies Management | | | | | |
| TSC Description | Lead organisation's strategy and policies in response to current and projected carbon policy, market developments and decarbonisation strategies, and provide support for the organisation and clients in their efforts to decarbonise and become net-zero | | | | | |
| TSC Proficiency Description | Level 1 | Level 2 | Level 3 | Level 4 | Level 5 | Level 6 |
| | | | Understand and explain key carbon market and pricing developments relevant to the organisation and how they fit with the organisation's goals | Research and analyse carbon policy, carbon markets developments and decarbonisation strategies to support decision making and organisational dealings | Shape organisation's strategy and policies in response to current and projected carbon policy, market developments and decarbonisation strategies | |
| Knowledge | | | <ul style="list-style-type: none"> • Key climate-related policy concepts and leading government and corporate commitments driving carbon markets • Definition of carbon credits as well as the different attributes and qualities • Key greenhouse gas (GHG) accounting approaches and principles for financial institutions • Compliance and voluntary carbon markets, carbon pricing mechanisms and policy considerations • Mitigation hierarchy approaches and benefits of carbon trading and how it allows efficient allocation of capital • Global carbon markets | <ul style="list-style-type: none"> • Nationally determined contributions of governments, and net zero, carbon neutrality targets of governments and corporates and how these are (should be) related to each other • Domestic, regional and international developments on carbon tax and markets as well as major initiatives that will influence the market • Greenhouse gas (GHG) measurement, accounting and reporting approaches • Carbon market mechanisms – carbon tax, compliance and voluntary markets and the impact on financial sector and economy • Sources of carbon credits, and international and regional standards governing carbon markets and credits • Types of carbon credits and their attributes and qualities | <ul style="list-style-type: none"> • Methodologies to assess impact of nationally determined contributions of governments, and net zero, carbon neutrality targets of governments and corporates on financial and economic sector • Techniques to develop decarbonisation and carbon management strategies across operations and business • Controversies and international debate surrounding use of carbon credits • Solutions to address challenges and problem statements in compliance and voluntary carbon market • Internal/shadow carbon pricing approaches and methodologies to apply to the organisation | |

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| | | | | <ul style="list-style-type: none"> • Trading and pricing mechanisms of carbon credits • Nascent decarbonisation technologies • Challenges and limitations of carbon markets | | |
| <p>Abilities</p> | | | <ul style="list-style-type: none"> • Identify key carbon related goals e.g. net zero, carbon neutral • Explain difference between voluntary and compliance carbon markets • Identity opportunities for organisations to participate in carbon markets • Explain key carbon market and pricing developments and how these fit with the organisation's goals to relevant stakeholders | <ul style="list-style-type: none"> • Research and analyse developments in global carbon markets policy, and how they impact the broader economy and the organisation • Apply GHG accounting and reporting methodologies in relevant areas of responsibility • Develop carbon risk management tools • Support development of organisation's carbon management strategies • Assess and implement use of voluntary carbon credits to support decarbonisation strategies of organisation and customers • Support the sourcing and trading of high quality, third party verified carbon credits | <ul style="list-style-type: none"> • Lead the formulation of organisation's decarbonisation strategies • Develop implementation measures to decarbonise backed by science, including the role and prospects of emerging decarbonisation technologies • Assess and implement internal/shadow carbon pricing within the organisation • Assess and implement use of voluntary carbon markets in organisation's decarbonisation strategies • Identify and assess feasibility of solutions to scale voluntary carbon markets • Lead sourcing and trading of high quality carbon credits • Identify opportunities of carbon markets in support of customers' decarbonisation efforts and embed into business and product strategies • Lead the organisation's involvement in multi-lateral and domestic platforms on carbon markets and provide technical inputs | |

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| <p>Range of Application</p> | <p>Policy concepts and corporate commitments driving carbon markets may include, but not limited to:</p> <ul style="list-style-type: none"> • Nationally Determined Contributions of emissions reductions • Net zero • Carbon neutrality <p>Key greenhouse gas (GHG) accounting approaches and principles may include, but not limited to:</p> <ul style="list-style-type: none"> • Scope 1, 2, 3 emissions concept • PCAF’s Global GHG Accounting and Reporting Standard for the Financial Industry • GHG Protocol <p>Domestic, regional and international developments on carbon tax and markets as well as major initiatives that will influence the market may include, but not limited to:</p> <ul style="list-style-type: none"> • Taskforce for Scaling Voluntary Carbon Markets (TSVCM) • Carbon Pricing Leadership Coalition (CPLC) • Glasgow Financial Alliance for Net Zero (GFANZ) <p>Types of carbon credits may include, but not limited to:</p> <ul style="list-style-type: none"> • Removal credits • Avoidance credits |
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