



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

OIL AND GAS SECTOR STANDARD TERMS OF REFERENCE

CONSULTANCY SUPPORT FOR GHG ACCOUNTING GUIDANCE

January 2024

OVERVIEW

The SBTi has launched a project to provide resources and tools for companies in the fossil fuels sectors to set science-based targets, and to update the ambition to 1.5°C for the whole industry.

The SBTi currently does not validate or accept commitments from fossil fuel companies as per the [fossil fuel policy](#). Fossil fuel combustion accounts for the vast majority of global GHG emissions, and therefore the companies that produce them must align with 1.5°C compliance pathways.

Target-setting standards for fossil fuel industries are an essential part of SBTi sectoral standards and have been a priority of the SBTi for several years. This project will assess how best to take these into account in the 1.5°C emissions scenarios pathways and guidance, in order to provide the right incentives for decarbonization.

The main goal of this project is to develop the SBTi's sector-specific standard for the oil and gas sector, informed by the Interim and EAG reports published in 2022 and 2023 respectively, and research that has been done since. The final deliverable document will be version 1.0 of the Oil and Gas Sector Standard.

The project will run for approximately 12 months and has the following broad objectives:

1. An industry brief that
 - a. Defines value chain activities and transition metrics.
 - b. Defines the underlying science for emission metrics and non-emission metrics.
 - c. Reviews metrics against business model transformation options related to each activity.
2. Development of measurement/accounting and reporting criteria, including relevant scopes per activity, minimum target boundaries and available target-setting methods across scopes for emissions-based metrics.
3. Development of measurement and reporting criteria for non-emissions metrics.
4. Review and identification of relevant global scenarios aligned with 1.5°C and derivation of target-setting pathways based on the scenarios.
5. Development of a target-setting tool.
6. Draft a standard that will be the foundation for emissions accounting and reporting as well as target setting and validation guidelines.

Please visit [the dedicated webpage](#) to find out more about this project and view the timeline.

PROPOSED WORK

Addressing objectives 2 and 3 and following the SBTi's principles for sector standard developments, the project will require the evaluation and/or development of metrics that are representative of the sector's transition based on the underlying science, and the defining of GHG accounting guidelines specific to the sector. The SBTi is seeking to hire a technical partner that can provide support to the project team in defining the relevant metrics and developing scope 1, 2 and 3 GHG accounting guidelines for the activities in the oil and gas sector.

The SBTi has drafted additional requests for proposals (RfPs) that have been shared with prospective suppliers, focussing on pathway derivation and tool creation as well as standard drafting. You are encouraged to respond to all other RfPs with a proposal.

The technical partner will work directly with the SBTi Fossil Fuels project team to:

1. Develop scope 1 and 2 GHG accounting guidelines for the activities to be covered by the standard, including required minimum target boundaries.
2. Develop scope 3 GHG accounting guidelines for the activities to be covered by the standard, including required minimum target boundaries.
3. Develop target-setting methods available for scope 3 targets using identified metrics.
4. Develop guidelines on how to measure/report the identified non-emissions metrics.
5. Test the GHG accounting with all the potential fossil fuels business transformation pathways.

Authorship and recognition

Technical partners will be credited as co-authors of the standard delivered through this collaboration in SBTi's Fossil Fuel standards.

OUTPUTS AND TIMELINE

Technical work should be completed and made available based on the below timelines.

Output	Proposed Timeline	Description
1. Develop scope 1 and 2 GHG accounting guidelines	By mid-March 2024	Building upon the identified oil and gas activities, the cornerstone of greenhouse gas (GHG) accounting is laid. This crucial phase involves the meticulous development of operational (scope 1 and 2) GHG accounting, and target boundary setting with a specific focus on including methane emissions.
2. Develop scope 3 GHG accounting guidelines and acceptable methods for target-setting	By mid-March 2024	Going beyond operational emissions, Scope 3 accounting encompasses a broader range, including the sold product category which is crucial in this sector. By extending the accounting scope to these relevant categories, the standard aims to provide a more thorough understanding of the complete carbon footprint associated with the sector and foster a proactive commitment to SBTi.
3. Evaluate GHG accounting with potential fossil	By end of March 2024	This step involves a meticulous exploration of various pathways that could reshape the landscape of fossil

<p>fuels business transformation pathways</p>		<p>fuel-related activities. By scrutinizing GHG accounting in the context of potential business transformations, the standard aims to identify and assess the comprehensive coverage of various pathways, such as shifts in energy sources and operational practices, with GHG accounting developed in previous steps. By aligning GHG accounting with potential business transformations, the standard enhances its analytical depth.</p>
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REQUIRED QUALIFICATIONS

SBTi will consider all qualified candidates, including independent contractors and consultancy firms. The contractor delivering this work should be able to demonstrate the following experience and qualifications:

- In-depth understanding of corporate target-setting, SBT methods, GHG emissions accounting, and the global energy and fossil fuel system.
- Previous experience working with the fossil fuel sector with demonstrable credentials.
- Excellent project management skills.
- Excellent analytical drafting skills.
- Desirable: to have a validated SBT.

RECRUITMENT PROCESS

The supplier should send the documents listed below to OGSector@sciencebasedtargets.org. The subject line should be titled: *Proposal – Fossil Fuels sector SBT GHG accounting guidance*. Clarification questions should be sent to the same email address.

- Previous experience of similar engagements;
- Resourcing plan for the execution of the work;
- Scope of work to deliver the outputs described above; and
- Statement of any potential real or perceived conflicts of interest (COIs), and a description of how COIs will be prevented.

DEADLINE FOR SUBMISSION: 19th January 2024

The SBTi is seeking to evaluate proposals and award the contract shortly after the deadline.

AVAILABLE BUDGET AND INVOICING SCHEDULE

The SBTi's guideline budget for this project is EUR80K including tax. The proposed invoicing schedule will be determined during the contracting phase.

Proposals will be evaluated entirely on quality.

ABOUT THE SBTi

The Science Based Targets initiative (SBTi) drives ambitious corporate climate action by enabling businesses and financial institutions globally to set science-based greenhouse gas emissions reduction targets.

It was formed as a collaboration between CDP, the United Nations Global Compact, World Resources Institute (WRI), the World Wide Fund for Nature (WWF) and the We Mean Business Coalition. The SBTi's goal is to enable companies worldwide to do what climate science requires of the global economy: to halve emissions by 2030 and achieve net-zero before 2050.

We develop criteria and provide tools and guidance to enable businesses and financial institutions to set GHG emissions reduction targets in line with what science tells us is needed to keep global heating below 1.5°C.