

Support the review and finalization of science-based target setting methods and guidance for the Oil & Gas sector

Terms of Reference – Consultancy opportunity

February 2022

Overview

The Science Based Targets initiative (SBTi) is developing methods and guidance for companies in the Oil & Gas sector to set science-based targets (SBTs). The purpose of the project is to enable companies, investors, governments, and other civil society stakeholders to understand the alignment of Oil, Gas, and Integrated Energy company emissions reduction targets with the level of transformation required to meet the goals of the Paris Agreement. The project, first and foremost, addresses embedded emissions in fuel supplied. Operational emissions from methane, direct energy use, and electricity are also addressed.

The project goals include:

- Provide stakeholders with a method that shows how much companies need to reduce emissions in a 5-10 year timeframe to be aligned with the goals of the Paris Agreement;
- Align methods for both near-term and long-term target setting with SBTi's Net Zero Standard;
- Drive companies across the sector to maximize target impact by providing differentiated criteria and guidance for integrated, upstream, midstream, and downstream energy companies;
- Enable independent target validation through the SBTi.

Context

The SBTi is a multi-NGO partnership composed of CDP, WRI, WWF, and the UN Global Compact. SBTi sector development projects are often led by one of the SBTi partners. All sector development projects are required to undergo review and approval through an SBTi-administered process.

The Oil & Gas project was launched by CDP in November 2019 and was kicked off with the first meeting of its technical working group (O&G TWG). The O&G TWG, composed of approximately 20 members representing civil society organizations, Oil, Gas and Integrated Energy companies, investors, policymakers, academics, and other experts convened regularly until August 2020. A public consultation took place from August 10th to October 30th, 2020.

Following the public consultation, SBTi initiated a review of the project. Due to the complexity of the project, which entails highly technical and sometimes divisive sector-specific considerations, the review was not completed. The importance of the project and its review is underscored by the recent landmark court case against an oil & gas company that has been ordered to reduce its emissions by an amount deemed consistent with the Paris Agreement goals.

Objective

SBTi is seeking to hire a consultant that can produce supporting materials and facilitate a thorough review of the O&G methods and guidance. The consultant will work directly with the SBTi Oil & Gas project lead to (1) develop an interim project report summarizing progress-to-date based on existing internal materials for publication on SBTi's website and (2) facilitate expert panel review process of the O&G methods and guidance. In support of the second objective, the consultant will produce an evaluation rubric and a set of hypothetical O&G SBT case studies for reviewers, as well as a final report summarizing results of the expert panel review. It is anticipated that the draft methods and guidance will be revised to align with a 1.5°C level of ambition prior to, or concurrently with the evaluation. Additional revisions may also be made or brought before the expert panel for consideration, such as the inclusion of a qualitative target requirement related to the broader energy transition.

Outputs

Output	Format	Proposed Timeline	Description
1. Interim project report	10-20 page report	Within 1 month	The consultant will prepare an interim project report summarizing progress to-date, as well as next steps for review and finalization of the O&G methods and guidance, based on existing internal presentations and working documents. . The project report should include a clear overview of the public consultation results and initial feedback from the SBTi TWG. A version of the report will first be shared with the O&G TWG and then published externally by the SBTi.



Output	Format	Proposed Timeline	Description
2.1. Evaluation rubric for expert reviews	5-10 page unfilled rubric	Within 2 months	<p>The consultant will, based on their own oil & gas sector expertise and review of the draft O&G guidance, develop a detailed evaluation rubric and forms to be used by the expert panel.</p> <p>1-2 drafts of the assessment rubric should be circulated with the SBTi TWG for discussion and comment before a final rubric is delivered. The final rubric should also be shared with the O&G TWG.</p>
2.2. Hypothetical case studies	20-30 page study or equivalent in slides	Within 2 months	<p>The consultant will prepare a set of case studies that use the draft Oil & Gas guidance and methods to set SBTs for hypothetical upstream, midstream, and downstream O&G companies with realistic business models. Special attention should be paid to topics that are identified in the project assessment rubric and initial SBTi TWG feedback. Where possible, the case studies should identify where the draft guidance drives convergence or divergence with other Oil & Gas climate action frameworks.</p>
2.3 Expert review of O&G method and guidance	Expert panel engagement	Within 4 months	<p>The consultant will support the SBTi in defining eligibility and contacting candidates for expert panel members. A final roster of reviewers must be independent and represent diverse perspectives on the subject. Care must be taken to prevent conflicts of interest among the reviewers. The final panel of experts will be approved by the SBTi.</p> <p>The consultant will then structure and facilitate the expert review process of the Oil & Gas sector guidance and methods. This step should include one or more topic-focused discussions convening the SBTi TWG, O&G TWG, and the expert panel.</p>
2.4 Expert review evaluation report	15-20 page report	Within 4 months	<p>Based on the rubric and forms completed by reviewers, the consultant will prepare an evaluation report that summarizes the results of the expert panel review.</p>

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 system;
- Previous experience working with the Oil & Gas sector or leading NGO projects with a focus on the Oil & Gas sector, with demonstrable credentials;
- Excellent project management skills; and
- Excellent analytical skills.

Recruitment process

The supplier should send the documents listed below to michaeldanielson@sciencebasedtargets.org. The subject line should be titled: *Proposal – Oil & Gas SBT methods and guidance*. Clarification questions should be sent to the same email address.

- Curriculum vitae of the people responsible for delivering the work;
- Previous experience of similar engagements;
- Resourcing plan for execution of the work;
- Scope of work to deliver the outputs described above;
- Financial proposal detailing all costs including person(s) involved, operational costs and possible expenses e.g., travel; and
- Statement of any potential real or perceived conflicts of interest (COIs), and a description of how COIs will be prevented.

Deadline for submission: March 4, 2022

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

Available Budget and Invoicing Schedule

SBTi's maximum available budget for this project is \$50K. The proposed invoicing schedule will be determined during the contracting phase.

Proposals will be evaluated 100% on quality.



Partner organizations



About the SBTi

SBTi is a joint initiative between CDP, UN Global Compact, the World Resources Institute, and World Wildlife Fund, aiming to catalyse change towards a net-zero economy by driving the adoption of GHG emission reduction targets in the corporate sector that are consistent with the ambition required to keep temperature increase well-below 2°C. Over 1,000 of the world's largest and most influential companies have joined the Science Based Targets initiative to date. Please visit www.sciencebasedtargets.org to find out more.

February 2022