

Workplan for developing financial institution methods and guidance to set science-based targets

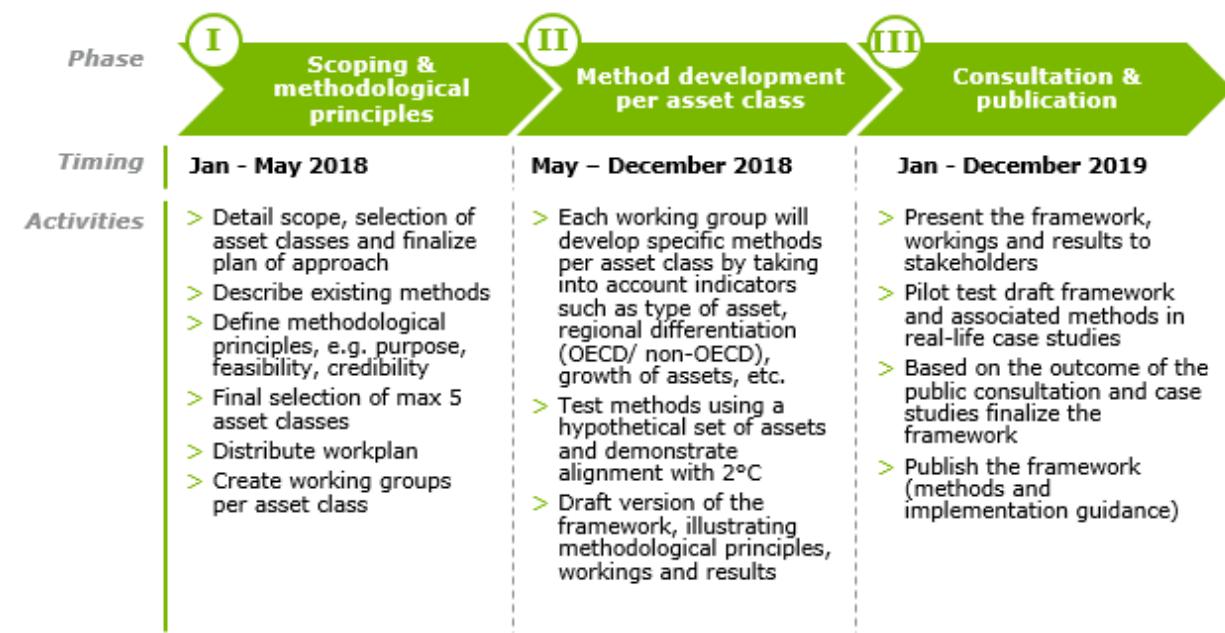
May 2018

Summary

Extensive investments are needed to support transformation to a low-carbon society, but financial institutions are uncertain about how best to align their portfolios with climate goals. The World Resources Institute (WRI) is coordinating with the 2 Degrees Investing Initiative (2DII), Ecofys, and Science Based Targets initiative (SBTi) partners to develop methods and guidance for financial institutions to set science-based targets. This workplan describes the key processes and deliverables for producing this framework by the end of 2019.

Process

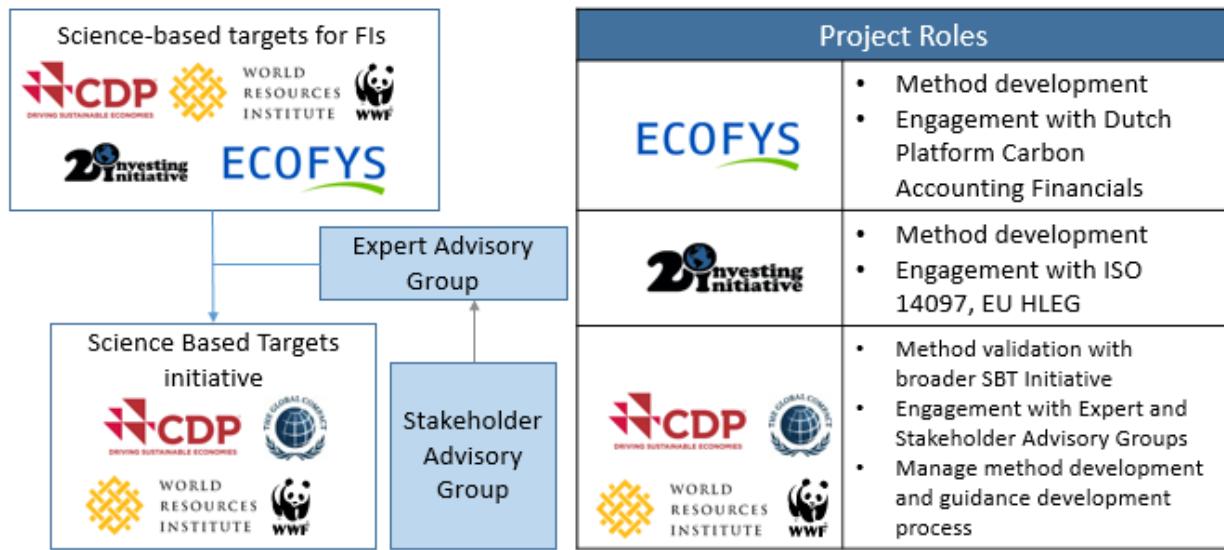
A set of target-setting methods by asset class and implementation guidance will be developed through an open participatory stakeholder process to ensure validity and applicability for financial institutions. The combined methods and implementation guidance are referred to here as the framework. The total process is expected to unfold over the three phases described below.



Partners and Roles

The Science Based Targets initiative is partnering with 2DII and Ecofys to complete the framework for financial institutions to set science-based targets. WRI is leading the SBTi contribution by overseeing the stakeholder engagement and guidance publication process.

The figure below summarizes core project partner roles and governance structure.



Beyond the core partners, the methods and guidance development process will be informed by an Expert Advisory Group (EAG) with representatives from financial institutions, consultants, NGOs, industry associations, and governments. A Stakeholder Advisory Group (SAG) will also be formed to include a broader group of stakeholders to provide input at key milestones in the framework development process.

Management of the project will be led by WRI and its SBTi partners (CDP, the United Nations Global Compact, and the World Wide Fund for Nature). Ecofys and the 2DII will provide key support by developing methods and leading asset-class-specific working groups. The framework development process will be inclusive and transparent, and all draft and final products will be freely available on the SBTi website at <http://www.sciencebasedtargets.org>.

Deliverables

The three process phases described above will include the deliverables listed below:

1. Scoping: workplan; overview of existing approaches and methodological principles; agreed list and description of a maximum 5 asset classes; defined working group (membership and responsibilities) per asset class
2. Method development: draft framework report describing specific target-setting methods per asset class
3. Pilot testing and publication: consultation and case study results; final framework report and guidance reviewed and published by WRI and SBTi

The table below further summarizes the schedule of project deliverables.

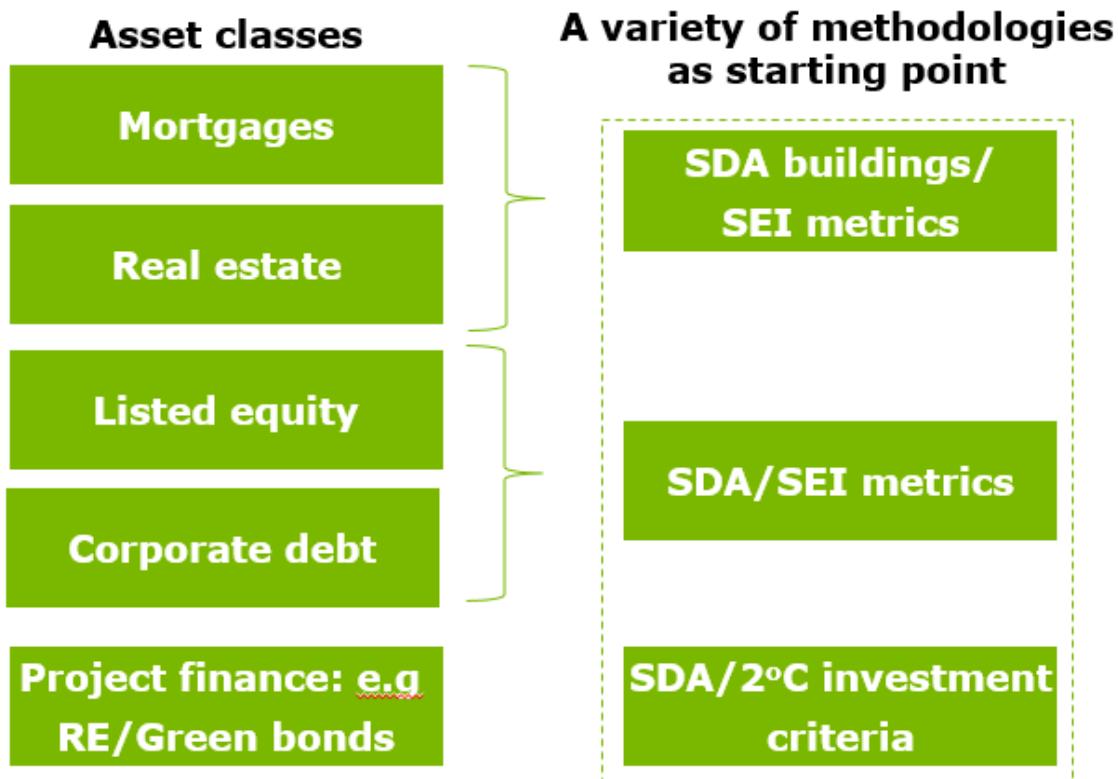
Table 1: Schedule of project activities and deliverables

| Activity | Deliverable | Completion date |
|--|---|--------------------|
| Scoping phase | Webinar to launch scoping phase of framework development process | February 2018 |
| | Complete workplan and guidance outline | April 2018 |
| Development of framework (methods & guidance) | Develop outline of draft methodological approaches and form Expert and Stakeholder Advisory Groups | April-May 2018 |
| | Host webinars to seek input from EAG and SAG stakeholders | May-June 2018 |
| | Finalize asset class selection; compile methodological approaches (5); create asset class working groups | Summer 2018 |
| | Advance method development | |
| | Release draft SBT methods covering five asset classes for review by stakeholders | Winter 2018 |
| | Review feedback and integrate into second draft of methods, and begin drafting implementation guidance | Spring 2019 |
| Publication | Road test each method with 3 or more FIs per asset class and seek feedback on draft implementation guidance | Summer 2019 |
| | Revise and finalize SBT methods and implementation guidance | Autumn 2019 |
| | Launch events, blog, and social media campaign to publicize the framework | December 2019 |

Asset Class Selection and Scope

This project uses an asset class approach to link investments and climate pathways. The five asset classes selected here do not cover every financial instrument or investment vehicle. The choice of asset classes will be finalized through a participatory stakeholder process that began with a public survey initially presented during the launch webinar in February 2018. Supporting partners Ecofys and 2DII will each lead working groups to develop methods per asset class. Prior to this project, Ecofys led the development of the [sector decarbonization approach \(SDA\)](#) and 2DII led the development of the [sustainable energy investment \(SEI\) metrics](#).

The figure below summarizes the initial linkages of proposed asset classes and methods.



To join the SBTi/FI Stakeholder Advisory Group, please contact Yelena Akopian (Yakopian@wri.org).

For additional information, please contact Nate Aden (Naden@wri.org) or Cynthia Cummis (CCummis@wri.org).