ACT Oil and Gas methodology: Company Road Test

Terms of Reference – Short Term Consultant

May 2020

Background and wider project description

The World Benchmarking Alliance (WBA), on behalf of the ACT initiative (a joint initiative by CDP and ADEME, the French agency for the ecological transition) is seeking to recruit a consultant to perform a “road test”, i.e., trial assessments of the climate performance of oil and gas companies, using a newly developed methodology.

ACT (Assessing low-Carbon Transition) was developed by ADEME and CDP to assess the climate strategies of companies, whatever their size or sector, and to show them the requirements of a low-carbon world. The WBA operationalises the ACT methodologies to produce public rankings of companies based on their ACT assessments.

Being part of the Global Climate Action Agenda of the UNFCCC (United Nations Framework Convention on Climate Change), the ACT® initiative provides methodologies to assess the alignment of a company’s strategy with a decarbonization pathway adapted to its activities and sector. The alignment is assessed through a three-criteria rating system: performance, overall coherence and trend. It takes the following form:

1. Performance: a number from 1 up to 20
2. Coherence: a letter between A and E
3. Trend: + (improving), - (worsening), = (stable)

The methodology consists of around 20 indicators divided into nine modules weighted in accordance with their relevance to the sector concerned: targets, material investments, intangible investments, management, sold product performance, supplier engagement, client engagement, policy engagement and business model. Independent third parties operate in full transparency to ensure complete neutrality of the assessment.

Based on a common measurement base, the approach has been adapted to the specific conditions of three sectors of activity: automobile manufacturing, electric utilities and retail. Around 20 international companies participated in the ACT pilot project (for more details, see the ACT report: https://actinitiative.network/resources-2/).

The ACT methodology has been fully extended in 2019/2020 to the following sectors: oil and gas, transport and cement. But before deploying the Oil and Gas methodology on a wide scale, ADEME is working with World Benchmarking Alliance (WBA) to carry out a road test with 10 – 15 volunteer companies in this sector.

This project is part of the European AENETA project co-funded by EIT Climate KIC, specifically its component linked to the implementation of the voluntary ACT programme in France.

Objectives

The main objective of this service is to test the ACT methodology (methodology and accompanying tools) for the Oil and Gas sector. The challenge is to ensure that methodology is relevant and robust for this sector. This road test will also be a critical and practical analysis for this methodology and the accompanying tools. The goal is to gain feedback from companies that will enable the improvement of methodology and tools where necessary.
The ACT methodology and accompanying tools for the Oil and Gas sector are not yet finalized at the time of writing and therefore cannot be provided. Applicants are however invited to consult the ACT methodological resources available on the initiative’s website, including the Framework document and existing sector methodologies: https://actinitiative.network/resources-2/. Guidelines for the development of ACT sector methodologies are also available on this page.

**Responsibilities and Deliverables of the Consultant**

1. **Recruitment of volunteer companies**

The companies involved in the ACT Oil and Gas technical working group (see Annex 1) and interested in the road test will be identified by ADEME and CDP and their contact details will be sent to the WBA.

The Consultant will support WBA to recruit volunteer companies who will be assessed as part of the road test and is responsible for ensuring that enough companies are recruited. Volunteer companies must be ‘keystone’ companies, i.e., large, dominant and influential national or multinational companies. The Consultant in cooperation with WBA must ensure that the volunteer companies constitute a representative sample, covering all sub-sectors. The minimum number of companies to be recruited is 10 and the maximum number is 15.

*Associated deliverable:* In cooperation with WBA, finalizing the list of companies selected for the road test.

2. **ACT methodologies road test**

The Consultant will carry out the ACT assessments with the selected volunteer companies using the available ACT products: the ACT Oil and Gas methodology and accompanying assessment tools. This action involves carrying out the following steps:

2.1 **Collecting the data needed for the assessment from the companies**

The Consultant in cooperation with WBA will need to schedule meetings (presumed to all be virtual) with each company in order to talk through the project, collect the data needed for the ACT assessment and gain feedback and insights.

2.2 **Calculation of the different ACT modules and indicators and establishment of the rating**

In compliance with the requirements of the ACT Oil and Gas methodology and using the accompanying assessment tools, the Consultant shall carry out a complete ACT assessment for each company, including an assessment of all the indicators of the methodology for obtaining the performance score (from 0 to 20), determining the narrative score (from E to A) and the trend score (-, = or +). The Consultant in cooperation with WBA will also set up a procedure to ensure the quality and consistency of ACT assessments for the companies recruited.

2.3 **Drafting of the analysis report for each company and individual feedback**

At the end of the analysis, the Consultant will draw up a report for each company in accordance with the format provided by ADEME. This is a summary report that includes the ACT rating, its three components, the main learnings from the analysis (strengths and areas for improvement for the company) and recommendations for improvement. This report will be used as a basis for feedback that the Consultant will organise with each company.

3. **Drafting of the Project Feedback report and company assessment reports**
At the end of the operation, the Consultant together with the WBA will draw up a Project Feedback Report which will include at least the following elements:

- Participating companies
- Sector average obtained
- The key learnings from this project and any suggestions for changes needed
- Insights into how best to operationalise the assessment to make it practical and insightful for companies
- Recommendations for the deployment of the ACT methodology within the sector

**Associated deliverables:**

- Individual company assessment reports
- One Project Feedback Report and presentation/discussion on findings
- One simplified report clearly summarising key findings from the road test, and related presentation materials

4. **Feedback and Recommendations**

Following the assessments carried out, the Consultant will collect the various pieces of feedback from the companies and assessors on the Oil and Gas methodology and collate them in a single document.

The Consultant together with WBA shall then propose any recommendations or changes to the methodology in response to the feedback gathered during the road test, which will be approved by ADEME and CDP. These changes will then be presented during the meeting of the Oil and Gas sector technical working group (see Annex 1), which may itself make recommendations for the evolution of the ACT methodology. The Consultant will ultimately make modifications to the ACT methodology based on the comments received and the approved follow-up proposals, while remaining consistent with the ACT Framework and ACT Guidelines documents (documents available here: [https://actinitiative.network/resources-2/](https://actinitiative.network/resources-2/)). They shall also modify the associated ACT assessment tool to be in line with the amended methodology.

Finally, the Consultant shall draw up a summary of methodological developments.

**Associated deliverables:**

- Comments table with suggested responses
- Amended ACT Oil and Gas methodology
- Amended assessment tools
- Summary of changes made

5. **Participation in the steering committee**

The Consultant and WBA will participate in the steering committee meetings (see Annex 1). The Consultant shall provide secretarial support. This function consists in carrying out the following tasks (in cooperation with WBA):

- Preparing agendas in advance of meetings
- Sending agendas
- Preparing presentation materials
- Summarising exchanges from meetings
- Writing meeting minutes
- Sending reports to group members.

WBA will present the progress of this work at the steering committee’s meetings.

6. **Technical working group coordination**

The Consultant will participate in the technical working group meetings and provide secretarial support (see **Annex 1**). The Consultant will be expected to prepare and send out the agenda, draft and transmit the record of decisions and circulate all contributions from working group members in cooperation with WBA. The Consultant will support WBA in leading the meetings.

**Associated deliverables:**

- Agenda and record of decisions of the technical working group meetings
- Presentation materials

**Description of expected reports**

The progress report will consist of the following deliverables:

- **List of invited companies and companies selected for the ACT road test**
- **Agendas, records of decisions from SteerCo meetings and associated presentation materials for the meetings that have taken place.**
- **Progress of the project (data collection, successes, difficulties and solutions envisaged to overcome them, timetable, etc.)**

The final report will consist of all deliverables (1. 6.) as described in section Responsibilities and Deliverables of the Consultant.

**Working Language**

The working language for all parts of this project is English.

**Duration of the Project**

The project is scheduled to last 5 months, plus 1 month for approval of final deliverables. The project will start in June 2020 and must be completed by mid-November 2020 at the latest (excluding approval of deliverables).

**Selection Criteria and Competencies**

Proven experience of:

1. Performing company data collection and assessments on topics including emissions, climate change, management, supply chain, consumer relations, strategy, and others;
2. Recruiting companies for such assessments being able to explain complex environmental metrics in simple terms of interested companies;
3. Working with companies to perform objective and efficient assessments and understanding the practicalities of companies gathering data and sharing it with third parties;
4. Delivering clear and robust reports, summarizing findings and presenting recommendations for methodology development/improvements;
5. Organising and leading multi-stakeholder working group meetings.
**How to respond**

Interested applicants should send the following to Vicky Sins at v.sins@worldbenchmarkingalliance.org with “Application for ACT Oil and Gas methodology – company road test” in the subject line before 29 May 2020:

- Two-page cover letter responding to these Terms of Reference and detailing how they meet the criteria
- CV/bio - for the Consultant and any team members - and company profile and experience where relevant
Annex 1: Governance

Steering Committee (SteerCo)

The steering committee (SteerCo) will be in charge of guiding the project and monitoring operations. It will also take the necessary decisions to ensure the smooth progress of operations. This committee will include at least the following organizations:

- ADEME
- CDP
- The Consultant selected

These meetings will be chaired and led by ADEME and CDP. The Consultant will provide secretarial services.

There should be 6 meetings of the steering committee. Regular telephone meetings to review the progress of the project will also be scheduled for each of the lots.

Technical Working Group (TWG)

The technical working group is in charge of developing the ACT methodology in consultation with stakeholders. It is part of ACT’s forward-looking governance which is as follows:

This technical working group will be composed of the following organizations:

- ADEME
- CDP
- The Consultant
- Members of the TWG
- Companies participating in the road test

There should be one technical working group meeting for each lot.