



REQUEST FOR PROPOSALS

DEVELOPMENT OF GREENHOUSE GAS ACCOUNTING METHODOLOGIES FOR SUSTAINABLE FOOD SYSTEMS

November 16, 2023

1 INTRODUCTION

Verra is a global leader helping to tackle the world's most intractable environmental and social challenges. As a mission-driven nonprofit organization, Verra is committed to helping reduce greenhouse gas emissions, improve livelihoods, and protect natural resources across the private and public sectors. We support climate action and sustainable development with standards programs that credibly, transparently, and robustly assess environmental and social impacts and that also enable funding for sustaining and scaling up projects that verifiably deliver these benefits. We work in any arena where we see a need for clear standards, a role for market-based mechanisms, and an opportunity to generate significant environmental and social value.

2 PROJECT BACKGROUND AND OBJECTIVE

The food system is responsible for ~26 percent of global anthropogenic greenhouse gas (GHG) emissions, 90 percent of deforestation worldwide, 1 and the majority of the world's biodiversity loss. Approximately one-third of all food produced for human consumption is lost or wasted, yet over 800 million people are hungry or malnourished. 2 Changes to our global food system are critical to reaching the UN Sustainable Development and Paris Agreement goals. 3

The sixth assessment of the IPCC states with high confidence that decreased downstream food demand can reduce ecosystem conversion, decrease GHG emissions, and free up land for

¹ Anne Branthomme et al., How Much Do Large-Scale and Small-Scale Farming Contribute to Global Deforestation? (Rome: FAO, 2023), https://doi.org/10.4060/cc5723en.

² Tim Searchinger et al., "Creating a Sustainable Food Future" (World Resources Institute, July 2019), https://www.wri.org/research/creating-sustainable-food-future.

³ IPCC, "Summary for Policymakers," in *Climate Change 2023: Synthesis Report*, eds. Hoesung Lee and José Romero (Geneva: IPCC, 2023).





reforestation and ecosystem restoration.⁴ Shifting to planetary healthy diets⁵ and reducing food loss and waste (FLW) are priority GHG mitigation solutions⁶ with co-benefits for nutrition, health, biodiversity, and more.

To realize these compelling climate, environmental, and social benefits, Verra seeks to develop two GHG accounting methodologies for sustainable food system activities, which we will refer to throughout this RFP as "sustainable food systems methodologies." The first sustainable food systems methodology will be under Verra's flagship Verified Carbon Standard (VCS) Program7 and it will quantify upstream emission reductions from food systems interventions, including (1) shifting to planetary healthy diets and (2) reducing FLW. This methodology must also incorporate the recently released VM00046 Methodology for Reducing Food Loss and Waste, which quantifies downstream emission reductions from reducing FLW.

The second methodology will be an adaptation of the VCS sustainable food systems methodology for Verra's nascent Scope 3 Standard Program. Verra's Scope 3 Standard Program will include rules, requirements, and processes for the development of new methodologies and the adaptation of methodologies already approved for use in the VCS Program. As this program is currently under development, this work will require collaboration with Verra's Scope 3 Team to determine what changes are needed to adapt the methodology for the Scope 3 Standard Program.

Verra invites proposals from qualified consultants or consulting teams to develop these two methodologies digitally⁸ as part of Verra's digitalization initiative. Verra will fund, manage, and closely collaborate with the selected consultant(s) in the development and assessment process.9

⁴ Ibid.

⁵ The term "Planetary Healthy Diets" is advanced by the EAT-Lancet Commission (2019), highlighting the critical role diets play in linking health and environmental sustainability. The large body of work produced in the last decade on the environmental impact of diets mostly concludes that changes in diets to increase the consumption of plant-rich foods and decrease the consumption of animal sources can improve human health and sustainability while leading to lower-emission food production. Verra aims to incentivize context-based solutions that drive climate-positive changes along the food supply chain.

⁶ Project Drawdown, "Table of Solutions," <u>https://drawdown.org/solutions/table-of-solutions</u>.

⁷ The Verified Carbon Standard (VCS) Program is the world's largest carbon crediting program and accounts for about two-thirds of all voluntary carbon market transaction volume (see State and Trends of Carbon Pricing 2020).

⁸ This will involve coordination with Verra's digital team to translate and test the methodology for a digital format under Verra's Project Hub interface.

⁹ While this approach is different from the usual VCS methodology approval process, it is important to note that Section 2.1.2 of the VCS Methodology Development and Review Process, v4.2 states that Verra may apply alternative processes for developing methodologies where such approaches are deemed more efficient and equally robust.





3 SCOPE OF WORK

To develop the sustainable food systems methodologies for the VCS Program and upcoming Scope 3 Standard Program, the consultant (or team of consultants) should complete the tasks and responsibilities described below.

3.1 INFORMATION REVIEW TO INFORM PROPOSED APPROACH FOR VCS AND SCOPE 3 METHODOLOGY DEVELOPMENT

Both methodologies must be based on the latest science and aligned with global efforts influencing food systems' transformation. A thorough literature review and stakeholder consultation shall inform the proposed approach for both methodologies' components.

Applicants should analyze resources that include the following:

- 3.1.1 Sustainable food systems literature, to inform applicability conditions and eligible project activities in the methodologies:
 - a) Review within-planetary-boundary science-based dietary recommendations that include, but are not limited to, the <u>EAT-Lancet</u> report and WWF's <u>Bending the Curve: The Restorative Power of Planet-Based Diets</u>.
- 3.1.2 <u>VM0046 Methodology for Reducing Food Loss and Waste</u>, to inform the proposed design of the methodologies:
 - a) Review the recently released VCS methodology that quantifies downstream emission reductions from FLW interventions and determine how the sustainable food systems methodologies will incorporate VM0046.
- 3.1.3 Context-based approaches (placing cultural, social, and ecological context at the forefront of intervention design), to inform applicability conditions and eligible project activities in the methodology:
 - a) Review the classificatory tools and frameworks for types of food systems such as, but not limited to, WWF's <u>Solving the Great Food Puzzle</u>: <u>20 Levers to Scale</u> <u>National Action</u> and WWF's <u>Solving the Great Food Puzzle</u>: <u>Right Innovation</u>, <u>Right Impact</u>, <u>Right Place</u>.
 - b) Review global reports on agrobiodiversity, such as FAO's <u>Biodiversity for Food and Agriculture</u> report and selected key representative <u>Country Nutrition Profiles</u>.
 - c) Review approaches, theories, and case studies to inform how to integrate behavioral science into the methodology. Behavioral interventions can significantly increase the success of, for example, changes in menus.





- 3.1.4 Upstream displacement and rebound effects, to inform the quantification of impact (including possible leakage) and mitigate uncertainty:
 - a) Review peer-reviewed resources and global reports on the impact of downstream interventions (e.g., reduced waste and diet shifts) on upstream food production.
 - b) Review peer-reviewed resources on relevant rebound effects or the Jevons paradox.
- 3.1.5 Data sources, to inform quantification approaches (modeled and/or monitored):
 - a) Review and assess available region-specific emission factor databases and initiatives for developing/managing relevant databases, such as <u>Eaternity</u>.
 - b) Review and assess quality and availability of data from interviews with potential project proponents.¹⁰

3.1.6 Stakeholder and expert consultation

It is essential to assess the practicality of the methodological approaches considered. Thus, Verra will convene a consultative group of experts and food service industry stakeholders to discuss and provide input on the proposed methodological approaches.

- Engage with the consultative group's participant stakeholders to get their views on the scope, advantages, and challenges of different ways of framing the methodology (e.g., addressing upstream displacement).¹¹
- b) Following the <u>VCS Methodology Requirements</u>, <u>v4.4</u>, Section 2.3.10(3), organize and execute an expert consultation on the proposed performance benchmark¹² for shifting planetary healthy diets, already advanced by Verra and partners.

3.1.7 Proposed approach for VCS and Scope 3 Methodologies

Based on the information gathered from the sources above (and any others deemed appropriate), the consultant will propose a recommended approach for the sustainable food systems methodologies. The proposed approach should consider following a modular format to integrate upstream and downstream emission sources, and address the following methodological components:

¹⁰ Verra will support connecting the consultant to potential project proponents (PPs). Those selected for interviews can include PPs piloting the Scope 3 methodology (see Section 2.3.3 below).

¹¹ This consultative group's process will be led by Verra. The consultant (or group of consultants) will accompany this process by supporting its development, attending meetings, and, if needed, further deliberating with participating stakeholders.

¹² A performance benchmark for demonstrating the additionality of meal offerings in the Western European context has been developed by Verra and collaborator Eaternity.





- Eligible project activities
- Project boundaries
- Applicability conditions
- Additionality (VCS)/Causality (Scope 3)
- GHG quantification
- Environmental integrity
- Uncertainty
- Data requirements

3.2 VCS METHODOLOGY DEVELOPMENT

The consultant(s) will take the following actions as they develop the VCS methodology.

- 3.2.1 Prepare and submit a full draft VCS methodology
 - a) Following the proposed approach developed under step 2.1.7 and taking into account Verra feedback, the consultant (or team of consultants) will develop and submit a full methodology using the <u>VCS Methodology</u>

 <u>Template, v4.3</u>. The consultant must iterate with Verra throughout this step to refine the approach prior to formal submission. This includes sharing drafts of the VCS methodology and checking in with Verra on a regular basis.
- 3.2.2 Review and respond to public comments and produce an updated draft of the VCS methodology
 - a) Verra will coordinate a 30-day public consultation on the proposed VCS methodology. The consultant(s) should respond to each issue raised during the consultation period. They should use the input obtained from the public and expert consultations, as well as comments received from Verra, to produce a final draft of the VCS methodology.
- 3.2.3 Manage the progression of the VCS methodology through a validation/verification body (VVB) assessment





a) Following the public consultation, Verra will select and contract an independent VVB who will review the proposed VCS methodology and produce an assessment report with findings. The consultant will produce a revised version of the VCS methodology addressing all the findings in the assessment report. The VVB will review this version to ensure that the modifications made have not produced any non-conformances with the VCS rules. The consultant should revise the VCS methodology to address any further issues found by the VVB (limited to three rounds of revisions) and produce a final version for Verra review.

3.2.4 Review and respond to Verra internal review

a) Following the VVB assessment, the proposed VCS methodology will undergo final Verra review. The consultant(s) will produce a revised version of the methodology addressing all the findings and iterate with Verra to produce a final version for publication in the VCS Program.

3.3 SCOPE 3 METHODOLOGY DEVELOPMENT

The consultant(s) will take the following actions as they develop the methodology for the Scope 3 Standard Program.

3.3.1 Investigate how a Scope 3 methodology will differ from a VCS methodology
While many components of the Scope 3 methodology will be similar to the VCS methodology, the following components may need to be changed:

- a) Applicability conditions Determine which applicability conditions are/are not necessary or need to be adapted in a Scope 3 methodology. For example, applicability conditions that address additionality or help prevent leakage in the VCS methodology may not be necessary for supply chain interventions¹³ because the emission reductions and removals are not used to compensate for another source of emissions.
- b) **Project boundaries and leakage** Determine which emission sources, sinks, and reservoirs (SSRs) should be included in the methodology based on the GHG boundaries typically used to quantify food-related emissions in corporate inventory accounting and the emission sources impacted by project activities.

¹³ Supply chain interventions are defined as activities implemented after a company's Base Year or Base Period (as defined in the *GHG Protocol Corporate Accounting and Reporting Standard*, 2004) that cause emission reductions or removals compared to a without-intervention scenario.





- When determining the boundary, consider how to quantify potential leakage emissions caused by the project activity (if necessary).
- c) Without-intervention scenario Design a "without-intervention" scenario (similar to the baseline scenario in the VCS methodology) to align as closely as possible with the data, methods, and assumptions used in corporate GHG inventories (that do not include the project activities). This will involve investigating the underlying data, methods, and assumptions of emission factors commonly used for food supply chains in corporate GHG inventories. The without-intervention scenario must also ensure that the emission reduction and removal estimates are conservative.
- d) Project emissions Consider how to identify a change in sustainable food system activities from those represented in the without-intervention scenario. The quantification method for project emissions should be the same as the VCS methodology.
- e) **Default ownership, administration, and roles** ¹⁴ Propose rules to define which entity should be assigned as the default owner of the emission reductions or removals, based on their role in implementation of the project activities and ownership of the impacted product(s) (see below). Also, consider the ability of the default owner to either administer the project (i.e., act as the project's point of contact with Verra, and be responsible for ensuring the project attains the rules and requirements of the Scope 3 Standard Program) or to sign over ownership and administration of the project to another party via contract with free prior informed consent.
- f) Additionality To align with corporate inventory accounting methods, additionality in the VCS methodology will need to be redesigned. Most additionality rules and requirements will be removed; however, regulatory additionality may be included if this aligns with the data, methods, and assumptions used in corporate GHG inventories, and/or as a safeguard. The consultant will investigate these themes and present the advantages and disadvantages of including regulatory additionality from both GHG accounting and safeguarding perspectives.
- g) Attribution to impacted products Develop methodology-specific rules to define the product(s) and amount(s) directly impacted by the project activities to support attribution of the emission reductions and removals to those products in a corporate emissions inventory. This is analogous to defining a functional unit (e.g., x tCO₂e reduced per x tonnes of food). Consider how corporate GHG

¹⁴ The roles, responsibilities, and identification of an "administrating entity" for the project are under development in the Scope 3 Standard Program and are yet to be determined.

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- inventories are developed and how the functional unit aligns with corporate inventories for integration of the emission reductions and removals into the inventory.
- h) **Other** Other methodology components may need to be revised, such as eligible project activities, and disaggregation of key emission SSRs to align with corporate inventory accounting structures and categories.

3.3.2 Draft Scope 3 methodology for piloting

a) The Verra Scope 3 Standard Program will begin to be piloted in 2024, including adapted methodologies. The consultant will draft a version of the Scope 3 sustainable food systems methodology for the Scope 3 Standard Program piloting. The draft Scope 3 methodology will blend the Scope 3-specific components described above with the applicable components of the VCS methodology (which may include applicability conditions, quantification methods and underlying science, monitoring data).

3.3.3 Pilot support

The consultant will provide assistance to Verra as needed to address any issues or gaps with the draft methodology identified through the pilots. The consultants' expected engagement in the pilot process will be limited to a maximum of 20 hours.

3.3.4 Prepare and submit a full draft Scope 3 methodology

- a) The piloting process will test the draft methodology and identify where improvements or refinement are needed. The consultant will use the feedback from the pilot process to develop and submit a full methodology using a Scope 3 methodology template (to be developed by Verra). The consultant must iterate with Verra throughout this step to refine the approach prior to formal submission. This includes sharing drafts of the Scope 3 methodology and checking in with Verra on a regular basis.
- 3.3.5 Review and respond to public comments and produce an updated draft of the Scope 3 methodology
 - a) Verra will coordinate a 30-day public consultation on the proposed Scope 3 methodology. The consultant(s) should respond to each issue raised during the consultation period. They should use the input obtained from the public and expert consultations, as well as comments received from Verra, to revise the Scope 3 methodology.





- 3.3.6 Manage the progression of the Scope 3 methodology through VVB assessment to final publication
 - a) Following the public consultation, an independent VVB selected and contracted by Verra will review the Scope 3 methodology and produce an assessment report. The consultant will revise the Scope 3 methodology to address all the findings in the assessment report. The VVB will review the revisions to ensure conformance with the Scope 3 Standard Program rules (to be developed). The consultant should revise the Scope 3 methodology to address any further issues found by the VVB (limited to three rounds of review).
- 3.3.7 Review and respond to Verra internal review for final publication
 - a) Following the VVB assessment, the proposed Scope 3 methodology will undergo final Verra review. The consultant(s) will produce a revised version of the methodology addressing all the findings and iterate with Verra to produce a final version for publication under the Verra Scope 3 Standard Program.

4 DELIVERABLES

The main deliverables resulting from this assignment are as follows:

VCS Methodology					
#	Deliverable	Description	Due Date		
1	Proposed approach	1) A presentation to Verra on the recommended approach to developing a sustainable food systems methodology that covers the outcomes of the information review (Section 2.1) and feedback from stakeholders 2) A short summary describing the outcomes from the expert consultation on the performance benchmark (already advanced by Verra)	January 31, 2024		





2	First methodology draft	A first full draft VCS methodology using the <u>VCS Methodology Template</u> , <u>v4.3</u> . This full first draft must include a draft project description to ensure the methodology is workable.	March 27, 2024
3	Second methodology draft: incorporation of public consultation comments	Summary of the comments received during the VCS methodology consultation period and a description of how they were addressed by the consultant(s)	July 10, 2024
4	Third methodology draft: incorporation of VVB assessment findings	An improved draft of the VCS methodology addressing all VVB assessment findings	September 30, 2024
5	Final methodology draft	The final version of the proposed VCS methodology	November 30, 2024

Scope 3 Methodology					
#	Deliverable	Description	Due Date		
1	Proposed approach	Presentation to Verra's Scope 3 Team on the proposed approach to adapting the VCS methodology to a Scope 3 sustainable food systems methodology. This may be combined with deliverable #1 for the VCS methodology development.	January 31, 2024		
2	Draft for piloting	A draft of the Scope 3 methodology ready for piloting, based on an adapted version of the VCS Methodology Template, v4.3	April 20, 2024		
3	Pilot support	Assistance as Verra pilots the draft Scope 3 methodology with stakeholders in 2024	May December 2024		
4	First methodology draft: for submission to Verra's Scope 3 Standard Program	A first full draft of the Scope 3 methodology incorporating the findings from the pilot process, and using the Scope 3 methodology template (to be developed)	January 31, 2025		





5	Second methodology draft: response to and incorporation of public consultation comments	 Second draft Scope 3 methodology incorporating feedback from the public consultation Summary of the comments received during the public consultation and a description of how they were addressed by the consultant(s) 	April 15, 2025
6	Third methodology draft: incorporation of VVB assessment findings	Third draft of the Scope 3 methodology incorporating the findings from the VVB assessment and review	June 15, 2025
7	Final methodology draft	Final Scope 3 methodology for publication	September 1, 2025

5 CRITERIA FOR EVALUATION

Verra will use the following criteria for evaluating proposals:

- Depth of understanding of the problem and its solution
- Scientific understanding and, if possible, experience-based understanding of food systems
- Significant experience with the challenges and opportunities in data collection and standardization for food systems
- Demonstrated understanding of the complexity of selecting appropriate emission factors
- Degree of innovative thinking with respect to coming up with new solutions
- Cost, including making sure that the proposed level of effort is consistent with the outcomes
- Experience developing GHG accounting methodologies or voluntary carbon projects
- Demonstrated understanding of and expertise in corporate GHG inventory accounting
- Familiarity with the VCS Program, including the following documents: <u>VCS Standard, v4.5</u>, <u>VCS Methodology Development and Review Process, v4.2</u>, and <u>VCS Methodology</u> Requirements, v4.4.

To meet these diverse skills and qualifications, Verra encourages proposals that include multiple entities (i.e., from a team comprised of two or more consultants).

6 RESPONSES TO THE REP

Proposals should not exceed 5-7 pages and should include the following:





- High-level technical proposal for the scope of work and deliverables, including a work plan
 - Applicants are encouraged to describe any innovations/added value propositions
 that they feel would enhance the scope of work requirements. This may include the
 potential to bring projects to pilot the Scope 3 methodology.
 - The proposal must include a high-level answer on how the consultant plans to address a sustainable food systems approach from a Scope 3 lens.
 - Applicants are encouraged to propose innovative solutions to address issues with ensuring accurate and consistent emission factors across projects, including consideration of whether to limit the methodology to key commodities (e.g., beef, dairy).
- A description of the consultant's qualifications to undertake the described scope of work, including, if possible, examples of similar projects or clients the proponent has worked for, and outcomes achieved
- Cost proposal, not to exceed \$150,000, including rationale for main budget items.
 Applications that leverage additional funding to support the work are highly encouraged; higher proposals will be considered if budget details are properly justified
- Resumes/CVs of the consultant's team, if applicable, which may be attached (not to exceed two pages each)

All proposals and documents submitted to Verra will be kept confidential.

All documents must be submitted to Karina Bautista, Senior Program Officer for Nature-Based Innovation, at kbautista@verra.org by close of business December 1, 2023. The top candidates will likely be asked clarifying questions or invited for a deeper discussion about their proposal. Verra plans to finalize the selection of the consultant by December 15, 2023, with the work to begin as soon as possible after then.

Legal Nature of RFP

This RFP is an invitation for proposals and Verra is under no legal obligation to accept any proposal or proceed with the RFP. Verra reserves the right to amend the requirements at any time.