

# REQUEST FOR PROPOSALS

## Verra Scope 3 Standard Program Methodology Adaptation and Piloting

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### 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 reducing greenhouse gas emissions, improving livelihoods, and protecting natural resources by working with the private and public sectors. We support climate action and sustainable development with standards programs and tools that credibly, transparently, and robustly assess environmental and social impacts and enable funding for sustaining and scaling up projects that verifiably deliver these benefits.

Verra is seeking proposals to revise Verified Carbon Standard (VCS) Program methodologies for use in its nascent Scope 3 Standard (S3S) Program and to pilot a preliminary version of the S3S Program. Using a supply chain intervention already in operation, successful applicants will be expected to aid the development of the S3S Program by performing the following responsibilities:

- Adapting a VCS methodology for the S3S Program
- Piloting a preliminary draft version of the S3S Program with a supply chain intervention already in progress
- Providing constructive feedback on the S3S Program and methodology adaptation

Revision of methodologies and piloting is anticipated to run from Q2 2024 to Q2 2025.

The vision of the S3S Program is as follows:

- To unlock immediate and large-scale investment in supply chain climate action
- To drive progress toward science-based targets by de-risking investments in Scope 3 interventions and creating a practical and robust certification pathway for Scope 3 interventions

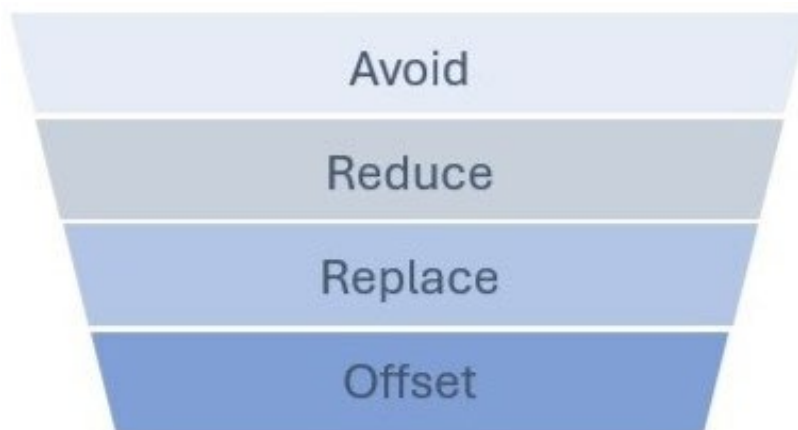
## METHODOLOGY ADAPTATION AND PILOTING OBJECTIVES

- To adapt a set of VCS Program methodologies for the S3S Program so they are ready for use when the Scope 3 Program is launched – draft guidance on methodology adaptation will become available toward the end of Q1 2024
- To refine the S3S Program’s design by testing a preliminary version of the S3S Program with real projects, so it can achieve its stated vision and objectives

## CONTEXT AND BACKGROUND ON THE SCOPE 3 PROGRAM

To limit global warming to 1.5°C and avoid the catastrophic impacts of climate change, companies must reduce their emissions in alignment with science. For most sectors, this means directly abating their Scope 1, 2, and 3 emissions by approximately 80 to 90 percent by 2050. Claims organizations such as the Science Based Target Initiative (SBTi) require companies to prioritize emissions abatement according to the “mitigation hierarchy” (see figure 1) and are expected to increase corporate interest in Scope 3 interventions significantly.

As interest in Scope 3 emission reductions grows, demand for greater guidance, infrastructure, and standardization is increasing. In response, Verra engaged with over 100 stakeholders through the Scope 3 Initiative and launched the development of the S3S Program to advance certification, assurance, and standardization for accounting Scope 3 interventions. As the world’s leading standards setter for certifying carbon credit projects, Verra is uniquely positioned to standardize the implementation, quantification, and accounting of Scope 3 interventions through the Verra S3S Program.



**Figure 1. GHG Mitigation Hierarchy.<sup>1</sup>**

<sup>1</sup> Adapted from Institute of Environmental Management and Assessment (IEMA), “GHG Management Hierarchy updated for net-zero,” 2020, <https://www.iema.net/articles/ghg-management-hierarchy-updated-for-net-zero>.

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## Key Features of the S3S Program

The key features of the S3S Program are as follows.

- **Certification of Scope 3 interventions** and associated emission reduction and removal impacts. The S3S Program will not directly verify or provide assurance of company Scope 3 emissions inventories or reports, but will aim to improve inventory transparency, accuracy, and verifiability through certification of Scope 3 interventions and accounting guidance.
- **Enhanced flexibility in certification options.** While the S3S Program will be distinct and separate from the VCS Program, the programs will be linked to help prevent double counting, enable interoperability across platforms, and provide the flexibility to issue Verified Carbon Units or Scope 3 Intervention Units from a single project (though not for the same emission reductions and removals).
- **Limited transferability of emissions claims** to reduce free rider and double counting risks and increase flexibility and credibility in accounting and investment opportunities.
- **Tracking certified Scope 3 interventions and associated right-to-report** via a Scope 3 Registry.
- **Implementation of additional safeguards and tools** to reduce double counting and free rider risks, mitigate the risk of negative environmental and social outcomes, and improve the ability of companies to credibly account for supply chain interventions and demonstrate progress on Scope 3 emissions targets.
- **Broad application** across sectors, geographies, and intervention types.

## S3S Program Development Decision-Making Criteria and Principles

The following criteria and principles will guide Verra in making decisions about the S3S Program's design, including methodology adaptation and development.

Decision-making criteria:<sup>2</sup>

- Align with the latest climate science and global climate goals
- Support immediate and ambitious climate action
- Feasible to implement within the bounds of existing knowledge and resources: cost-effective, scalable, and simple

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<sup>2</sup> Adapted from Greenhouse Gas Protocol (GHGP), "Governance process for developing standards and guidance," 2022, [https://ghgprotocol.org/sites/default/files/GHG%20Protocol\\_Governance%20and%20Decision-making%20Process.pdf](https://ghgprotocol.org/sites/default/files/GHG%20Protocol_Governance%20and%20Decision-making%20Process.pdf).

Principles, drawn from the VCS Program, Greenhouse Gas Protocol (GHGP), and International Standards Organization (ISO):

- Relevance
- Completeness
- Consistency
- Transparency
- Accuracy
- Conservativeness
- Permanence

### S3S Program Development Timeline

The S3S Program will be released in two phases:

**Version 1.0 – Certification of Intervention Units:** Version 1.0 will focus on the quantification, ownership, and certification of Intervention Units (IUs) within the S3S Program. IUs will be designed to quantify emission impacts of interventions for integration into corporate emissions reports. Version 1.0 will accomplish the following:

- a) Define the role of the project proponent.
- b) Establish procedures for registration of interventions.
- c) Create procedures for assurance and issuance of IUs on an annual basis.
- d) Develop VCS Methodology Adaptation Guidance and process for the adaptation of VCS methodologies to the S3S Program (see Scope of Work: Workstream A).
- e) Adapt up to four VCS methodologies for the S3S Program (see Scope of Work: Workstream A).
- f) Build and test a prototype Scope 3 Registry to track IUs, including automatic checks and layers of transparency to help prevent double counting and free rider risks.
- g) Issue integration accounting guidance to guide how IUs may be integrated into corporate emissions inventories.
- h) Define additional impacted product guidance that is specific to supply chain interventions and the forthcoming right-to-report framework to be developed in version 2.0 of the S3S Program.
- i) Begin building version 2.0 of the S3S Program.

Scope 3 Standard Program Version 1.0 Milestone	Estimated Timeline
Scope 3 Standard Program: methodologies public consultation	Q2 2025
Scope 3 Standard Program: methodologies VVB review	Q3 2025
Scope 3 Standard Program: methodologies final Verra review and approval	Q4 2025
Scope 3 Standard Program: pilot projects	Q3 2024–Q3 2025
Scope 3 Standard, v1.0: public consultation period 1	Q4 2024
Scope 3 Standard, v1.0: public consultation period 2	Q2 2025
Scope 3 Standard, v1.0: Verra internal review and approval	Q3 2025
Scope 3 Standard, v1.0: release of standard	Q4 2025

**Version 2.0 – Right-to-Report Scope 3 Intervention Units (S3IUs):** Version 2.0 will build on version 1.0 to develop an assurance framework for companies to demonstrate right-to-report IUs, based on the assessment of a supply chain connection to the intervention. Version 2.0 will include the following objectives:

- a) Build a framework to establish a supply chain connection between the claiming company and the intervention.
- b) Create systems to prevent double claiming within supply chain tiers.
- c) Write rules and procedures to limit claims based on the amount of impacted product within the claimant’s supply chain (upstream or downstream)
- d) Develop rules and procedures to define allocation methods through the supply chain to prevent double claiming.
- e) Establish procedures for assurance and issuance of S3IUs on an annual basis based on assurance of the right-to-report IUs.

- f) Develop the Scope 3 Registry to track S3IUs, including layers of visibility that will enable potential investors to search for interventions that may lie within their Scope 3 inventory, and help prevent double claiming and free rider risks.
- g) Develop S3S Methodology Development and Review Process and S3S Methodology Requirements for the development of new methodologies for the S3S Program.

## SCOPE OF WORK

To fast-track the launch of version 1.0 of the S3S Program in 2025, Verra is seeking applications from organizations and groups that can both adapt a VCS methodology that is relevant to a supply chain intervention activity they are implementing and pilot a preliminary version of the S3S Program.

The scope of work is split into two concurrent workstreams:

- A. Adapting an existing VCS methodology for the S3S Program
- B. Piloting a preliminary version of the S3S Program and providing feedback on its design

### Workstream A: Methodology Adaptation

As is the case in the VCS Program, the S3S Program will require proponents to demonstrate compliance with approved methodologies before Intervention Units can be issued. To ensure the S3S Program is launched with approved methodologies that are ready to use, and to learn how to develop methodologies for the S3S Program, the first S3S Program methodologies will be developed by adapting existing methodologies in the VCS Program (see priority and excluded methodologies in the appendix).

Depending on the applications received, Verra anticipates adapting two to four VCS methodologies for launch with the S3S Program. Verra will set up working groups consisting of one to three pilot projects that are implementing the same intervention activity and want to adapt the same VCS methodology. Where there are two to three pilot projects applying the same VCS methodology, pilots will be expected to work collaboratively toward a draft Scope 3 methodology for subsequent public consultation and VVB assessment prior to approval and launch with the S3S Program (similar to Steps 3 through 6 in the [VCS Methodology Development and Review Process, v4.3](#)). The working groups will provide a forum for exchanging ideas, perspectives, and expertise for methodology adaptation. Each working group and methodology adaptation will be supported by a dedicated member of Verra's Scope 3 Team.

Verra has developed draft guidance on adapting VCS methodologies to the S3S Program. Please see [Draft Guidance: Adaptation of VCS Methodologies to the S3S Program](#). The draft guidance identifies sections of VCS methodologies that will likely remain unchanged, sections that will likely need to be adapted to the S3S Program context, and open questions to be answered during the piloting process. Pilots will apply the draft guidance to adapt the VCS methodology they are

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using, and they may provide feedback to refine the guidance to adapt further VCS methodologies in future.

### Workstream B: Piloting

A preliminary version of the Scope 3 Standard (S3S) Program, v1.0 will be piloted. It will include preliminary versions of the Scope 3 Standard (the Standard), other program documents (including templates and forms), processes, and a prototype Scope 3 Registry. The Standard and other program documents will consist of descriptions of the intents, concepts, processes, and rationale for the program components.

Feedback from the piloting process will inform the development of rules and requirements for subsequent public consultation. S3S Program pilots will apply the preliminary version of the S3S Program (intentions, concepts, processes, and templates) to supply chain interventions already underway. Pilots will provide feedback (see below) on whether the preliminary S3S Program aligns with the decision-making criteria and principles, and how it might be improved.

## DELIVERABLES

Workstream A, B, or Both	Deliverable Details	Date	Minimum Estimated Time Commitment
Both	<ol style="list-style-type: none"> <li>Attend pilot launch webinar               <ul style="list-style-type: none"> <li>Intro to pilot process</li> <li>Intro to S3S Program</li> <li>Clarification of roles, expectations, deliverables</li> </ul> </li> </ol>	May 2024	2 hours
Both	<ol style="list-style-type: none"> <li>Attend two capacity building webinars               <ul style="list-style-type: none"> <li>Deeper dive into S3S Program design, concepts, intent</li> <li>Overview of technical questions to be answered during piloting</li> </ul> </li> </ol>	May 2024	4 hours (2 hours each)
Both	<ol style="list-style-type: none"> <li>1:1 meetings between Verra and the pilot participants               <ul style="list-style-type: none"> <li>Pilot participants share pilot-specific challenges and learnings, as well as propose solutions, on adapting methodologies and piloting the S3S Program</li> </ul> </li> </ol>	Once per quarter	1–2 hours per meeting, plus preparation



Both	<p>4. Group meetings with other pilots using the same methodology (if applicable)</p> <ul style="list-style-type: none"> <li>• Share challenges, learnings, and solutions relevant to the intervention activity, sector/supply chain, and methodology</li> <li>• Collaborate on methodology adaptation</li> </ul>	Once per quarter	2 hours per meeting, plus preparation
Both	<p>5. Group meetings with all S3S Program pilots</p> <ul style="list-style-type: none"> <li>• Verra shares general feedback from pilots and provides updates on the S3S Program and draft methodology adaptation guidance</li> <li>• Optional ad hoc follow-up surveys to collect further feedback, as necessary</li> </ul>	Once per quarter	2 hours per meeting, plus optional ad hoc follow-up surveys
Both	<p>6. Final report on pilot findings – template to be provided</p> <ul style="list-style-type: none"> <li>• Major findings, challenges, feedback, and suggestions from the piloting process</li> </ul>	May 2025	~6 hours
A	<p>7. First draft of adapted methodology</p> <ul style="list-style-type: none"> <li>• Bespoke methodology template to be provided</li> <li>• Pilot projects to draft new sections, which are to be adapted based on forthcoming draft VCS methodology adaptation guidance</li> <li>• Opportunity to collaborate and share work with other pilots</li> </ul>	Sept. 2024	Dependent on methodology complexity

A	<p>8. Draft methodology for public consultation</p> <ul style="list-style-type: none"> <li>• Build from first draft methodology to incorporate feedback and updated draft VCS methodology adaptation guidance</li> </ul>	Apr. 2025	Dependent on methodology complexity and quality of first draft
A	<p>9. Response to comments from public consultation</p> <ul style="list-style-type: none"> <li>• Responses to individual comments</li> <li>• Summary of comments and responses</li> </ul>	July 2025	<p>Dependent on public comments received</p> <p>Estimated: 3 weeks if &lt;200 comments, 5 weeks if &gt;200 comments</p>
A	<p>10. Revised methodology for VVB review</p>	Sept. 2025	<p>Dependent on revisions that may be required</p> <p>Estimated: 3–5 weeks</p>
A	<p>11. VVB review</p> <ul style="list-style-type: none"> <li>• VVB selection and payment</li> <li>• Methodology revisions, if warranted by VVB review</li> <li>• VVB report (drafted by VVB)</li> </ul>	Nov. 2025	<p>Dependent on VVB findings</p> <p>Updated drafts required within 3 weeks for each round of review.</p> <p>VVB costs expected ~\$20,000–40,000 (Note: Verra may be able to cover some of the VVB costs on a case-by-case basis – TBD.)</p>

## BENEFITS FOR SUCCESSFUL APPLICANTS

- Pilot projects will have the opportunity for significant input into the design of the S3S Program and the design of the first methodologies to be launched with it.
- One goal of the piloting process is to have projects ready to use the S3S Program when it is launched. Pilot projects can expect to learn from the pilot process and test their projects with the preliminary version of the S3S Program, aiding preparedness for registration in the S3S Program once it is launched.
- Through the working groups, meetings, and access to preliminary versions of program documents, participants will have the opportunity to learn from other pilot projects and about the latest proposals and ideas put forward by Verra's Scope 3 Team and other stakeholders.
- Pilot projects will have the option to be listed on Verra's website to recognize the leadership and contributions in the development of Verra's S3S Program.
- There will be no methodology review fees applied to methodologies adapted as part of the pilot process (estimated value of \$15,000).

## CRITERIA FOR EVALUATION

Verra will use the following criteria to evaluate proposals:

- Evidence of an existing supply chain intervention project or program underway that employs an activity relevant to a VCS methodology in the priority list
- Strength of the applicant's connection to the supply chain intervention project or program
- Demonstrated understanding and/or experience of applying and/or developing Scope 3 emissions accounting and intervention or project accounting
- Demonstrated resources to undertake the piloting process and methodology adaptation
- Experience in developing GHG accounting methods – preference will be given to those with experience developing carbon credit methodologies for voluntary or regulated carbon markets

Verra will select pilots using the following criteria:

- Diversity in team expertise and background, regions, scale, activity type, design of projects or programs, industry sector, and the type of supply chain affected

Verra is not seeking proposals for the following:

- Pilots that will not be in operation until after June 2024. If the pilot is not yet being implemented, applicants must demonstrate that it will be operational by June 2024.

- Pilots that include major revisions to parts of VCS methodologies identified as likely to remain unmodified in the forthcoming draft methodology adaptation guidance, unless the proposed revisions are justified in the context of the S3S Program. Proposals to revise VCS methodologies due to issues with the methodology itself should follow the process described in the [VCS Methodology Development and Review Process, v4.3](#).

Note that this opportunity is not funded by Verra. Applicants will be expected to fund their own work and engagement in the methodology adaptation and piloting process.

## IMPORTANT NOTICE

- **CONFLICTS OF INTEREST:** Applicants should declare all actual, potential, and perceived conflicts of interest in their application.
- This RFP is an invitation for proposals and Verra reserves the right to:
  - amend the requirements at any time, and
  - accept or decline any proposals in response to this RFP without prejudice to Verra.
- This RFP is neither a commitment nor a promise by Verra to proceed with the scope of work described herein.
- Verra will use the “Criteria for Evaluation” referenced above to ensure pilot selection is unbiased and based on the merits of the application only.
- Successful applicants will be required to sign a mutual non-disclosure agreement (mNDA) with Verra. The mNDA template is available upon request.

## APPLICATION PROCESS

- All proposals and documents submitted will be kept confidential.
- Proposals must be submitted to the Verra Scope 3 Team at [scope3@verra.org](mailto:scope3@verra.org) by close of business on the extended deadline of May 17, 2024. Top candidates will likely be asked to meet with the Scope 3 Team to answer clarifying questions and discuss their proposals more thoroughly prior to final selection. Verra plans to finalize the selection process by June 14, 2024.
- Proposals should include the resumes/CVs of the main members of the pilot project team (limited to a maximum of ten resumes/CVs).
- Proposals should be no longer than eight pages (excluding resumes/CVs).
- Proposals should include all the following information:

## 1. Applicant

Briefly describe the organizations involved in delivering the scope of work:

- a) List the entities that will be involved in the delivery of the scope of work, and their specific roles. (Note: hereafter, “applicant” refers to the organization submitting the application and any partners involved in delivering the scope of work.)
- b) Describe the applicant’s connection to the project.
- c) Describe the applicant’s experience developing GHG quantification and accounting methods.
- d) Describe how the applicant will fund, or intends to fund, this scope of work.
- e) List any other entities involved in the pilot as well as their role(s).

## 2. Pilot project

Briefly describe the pilot project being implemented, including the following:

- a) When the project began (if the project is not yet operational but is expected to begin before June 2024, describe its current stage of development and likelihood of becoming operational prior to June 2024)
- b) The technologies/measures being implemented (i.e., the project activities)
- c) The impacted product(s) (i.e., the goods and/or services whose Scope 1 emissions will be directly affected by the project activities)
- d) The scale of the project: an estimate of the amount of impacted product(s), volume of emission reductions or removals, number of instances
- e) The location(s) in which the project is being implemented (precise coordinates are not required)
- f) The supply chain in which the project is situated, including a brief description of the tier/level at which the project is being implemented, and a sense of the volatility, traceability, organization of the supply chain, and any supply chain certification schemes that may be relevant (e.g., Better Cotton Initiative, Fair Trade, Forest Stewardship Council, International Sustainability and Carbon Certification, Marine Stewardship Council, organic certification, Rainforest Alliance)
- g) If and how the emissions associated with the impacted products are currently being accounted (e.g., use of bespoke emission factors, emission factors from third party databases, quantification of impacts using project-based accounting, use of process models)
- h) A description of whether the current accounting approach enables the project activities to be accounted in a corporate inventory

- i) Any other certification initiatives the project is participating in, or plans to participate in, including status of participation. Initiatives may include carbon credits, water credits, food safety, etc.

### 3. Methodology

Please include the following:

- a) The name and number of the VCS methodology to be adapted
- b) A brief description of the VCS methodology that applies to the project activities and that will be adapted in Workstream B. Include a brief description of why this methodology has been chosen, why it is applicable, and the extent to which the project meets the applicability conditions (note that if the project does not fully meet some applicability conditions, this does not necessarily mean it is ineligible for piloting under this RFP).
- c) A brief description of the applicant's experience using the VCS methodology that will be adapted
- d) A brief description of the "without-intervention" scenario (i.e., the assumed scenario if the project was not implemented)

If the proposal is to adapt a VCS-approved Clean Development Mechanism (CDM) methodology, please also include justification for why the methodology is applicable to the pilot project, why an approved VCS methodology cannot be used, and why the methodology is suitable for adapting into the S3S Program.

### 4. Conflict of Interest

Please declare all actual, potential, and perceived conflicts of interest.

## Appendix: Priority and Excluded Methodologies

### Priority Methodologies

The following VCS Methodologies will be prioritized for adaptation:

- [VM0022 Quantifying N2O Emissions Reductions in Agricultural Crops through Nitrogen Fertilizer Rate Reduction, v1.1](#)
- [VM0041 Methodology for the Reduction of Enteric Methane Emissions from Ruminants through the Use of Feed Ingredients, v2.0](#)
- [VM0042 Methodology for Improved Agricultural Land Management, v2.0](#)
- [VM0045 Methodology for Improved Forest Management Using Dynamic Matched Baselines from National Forest Inventories, v1.0](#)
- [VM0046 Methodology for Reducing Food Loss and Waste, v1.0](#)
- [VM0047 Afforestation, Reforestation, and Revegetation, v1.0](#)
- [CN0095 Methodology for Improved Efficiency of Fleet Vehicles and Combustion Engines](#)
- [CN0128 Revision to VM0043: Methodology for CO<sub>2</sub> Utilization in Concrete Production, v1.0](#)
- [M0191 Methodology for Alternative Low Carbon Fuels in Shipping](#)
- [M0222 Revision to VM0038: Methodology for Electric Vehicle Charging Systems, v1.0 and VMD0049: Activity Method for Determining Additionality of Electric Vehicle Charging Systems, v1.0](#)

Clean Development Mechanism (CDM) methodologies approved for use under the VCS Program may also be considered. Active approved CDM methodologies are listed on Verra's [Methodologies webpage](#) under "Active CDM and CAR Methodologies." Proposals to adapt a VCS-approved CDM methodology must justify why a proponent wants to use this CDM methodology instead of a VCS methodology, and how the methodology is suitable for S3S Program adaptation.

### Excluded Methodologies

All VCS methodologies covering avoided conversion project activities will be excluded from the initial round of adaptation and piloting:

- [VM0004 Methodology for Avoided Planned Land Use Conversion in Peat Swamp Forests, v2.0](#)
- [VM0010 Methodology for Improved Forest Management Conversion from Logged to Protected Forest, v1.3](#)
- [VM0011 Methodology for Calculating GHG Benefits from Preventing Planned Degradation, v1.0](#)

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All current REDD methodologies ([VM0006](#), [VM0007](#), [VM0015](#)) will be excluded from adaptation due to the transition to Verra's new REDD methodology, which will not be ready to implement for adaptation for the Scope 3 Standard Program in 2024.

**Note:** These methodologies will not necessarily be excluded from use in the Scope 3 Standard Program.