

REQUEST FOR PROPOSALS

REVISION OF THE VCS METHODOLOGY VM0016 RECOVERY AND DESTRUCTION OF OZONE-DEPLETING SUBSTANCES (ODS) FROM PRODUCTS, v1.1

31 May 2022

INTRODUCTION

Verra is a global leader helping to tackle the world's most intractable environmental and social challenges. As a mission-driven non-profit 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, tools, and 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.

PROJECT BACKGROUND AND OBJECTIVE

Ozone-depleting substances (ODS) contribute to both ozone layer depletion and climate change. While the Montreal Protocol effectively controls the production and consumption, ODS in existing stockpiles and equipment remain at risk of venting or leaking. In jurisdictions without regulation targeting ODS at end of lifetime, carbon crediting mechanisms have proven to be a successful instrument to enable ODS destruction projects, resulting in significant climate mitigation.

The VCS methodology *Recovery and Destruction of Ozone-Depleting Substances from Products, v1.1* (VM0016) covers the recovery and destruction of certain ODS from products where a partial or total atmospheric release of ODS occurs in the baseline scenario.

VM0016 was revised in 2017 to account for the destruction of unused and stockpiled chlorofluorocarbons (CFCs). Currently, it is limited to countries that have implemented their production/consumption phase-outs under the Montreal Protocol.

Verra has received several requests to expand the methodology to include additional ODS, collection sources, and countries that are currently excluded from the methodology.

Therefore, Verra seeks proposals from a qualified consultant or consulting team to assess the proposed changes, assess the robustness of the current approach, suggest additional changes in accordance with market needs and develop the methodology revision.

Verra will fund and manage the development and assessment process for the methodology revision, including costs for the validation/verification body (VVB).

SCOPE OF WORK

In order to achieve the objective of developing a comprehensive ODS GHG accounting methodology through a revision of VM0016, the consultant will be expected to carry out the tasks described below, and follow the steps outlined in the [VCS Methodology Approval Process](#). The consultant will be expected to have regular calls with Verra to exchange views and discuss draft products, as necessary. Principal tasks and responsibilities will include the following:

- **TASK 1: Gather and review relevant information and prepare a concept note**

The information to be analyzed includes, at a minimum, the following:

- VCS methodology VM0016 (v1.1) and the related module VMD0048 (v1.1);¹
- VCS Program documents, including the *VCS Program Guide*, *VCS Standard* and *Methodology Requirements*.
- *U.S. ODS Protocol Version 2.0* and *Article 5 ODS Protocol Version 2.0* (Climate Action Reserve) and other relevant documents associated with these protocols;²
- Relevant sections of the Montreal Protocol related to production/consumption phase-out of Article 5 countries; and
- Inputs from relevant stakeholders (to be agreed between the consultant and Verra). This may also include bilateral meetings and previously submitted ideas from the stakeholders.

Based on the information gathered from the sources above, the consultant will assess the market's need and the feasibility of a methodology revision, including but not limited to the following potential options:

¹ <https://verra.org/methodology/vm0016-recovery-and-destruction-of-ozone-depleting-substances-ods-from-products-v1-1/>

² <https://www.climateactionreserve.org/how/protocols/ozone-depleting-substances/>

- Expansion to other ODS (e.g., sulfur hexafluoride SF₆) and/or substituting hydrofluorocarbons (HFCs);
- Hydrochlorofluorocarbons (HCFCs) and ODS mixes from stockpiles;
- Considering the interacting requirements of the VCS and Montreal Protocol (e.g., production/consumption phase-outs); and
- Additional activities beyond the collection and destruction of ODS, such as ODS recycling.

The potential changes will be assessed against the rules and requirements of the VCS Program. The consultant will propose a recommended scope for the revision of the methodology *VM0016* to create a unified and comprehensive ODS methodology.

The proposed revision will be outlined in a concept note, including key elements such as the project activities, project boundary, applicability conditions, GHG quantification, additionality and monitoring procedures and requirements in the concept note.³ Provisions such as applicability conditions and procedures to ensure environmental integrity and to avoid potential perverse incentives must be provided. An example of a perverse incentive would be the destruction of ODS that is enabled through the generation of carbon credits and subsequently replaced by new production, not leading to an overall net GHG emission reduction.

The concept note should also outline the required changes to the *VCS Standard* and how they can be integrated into the VCS rules and requirements in a sound and robust way to ensure environmental integrity of VCU.

Verra will review the concept note and the consultant should further adapt it through an iterative process until it can proceed to the next stage.

Deliverable 1: A presentation to Verra describing the outcomes of the assessment and a concept note outlining the proposed methodology revision and required modifications of the *VCS Standard*, as needed. The concept note should include a discussion of how environmental integrity of VCUs is ensured based on the proposed provisions.

³ See Section 3 of the [Methodology Approval Process v4.0](#).

- **TASK 2: Prepare the draft methodology revision and manage the preliminary review process**

Following step 1 and taking on Verra’s feedback, the consultant will develop the revision of methodology VM0016 and submit to Verra. Verra will review and provide the relevant findings in a review report. The consultant should further refine the approach and adapt the methodology in an iterative process until all findings are closed.

Deliverable 2: Draft revised methodology that can be posted for public consultation.

- **TASK 3: Review and respond to public comments and produce an updated draft of the revised methodology.**

Verra will coordinate a 30-day public consultation on the proposed methodology revision. The consultant should respond to each substantive issue raised during the consultation period. They should use the inputs obtained from the public and expert consultations, as well as Verra’s comments, to produce a next draft of the methodology.

Deliverable 3a: Summary of the comments received during the consultation period and a description of how they were addressed in the methodology revision.

Deliverable 3b: An updated draft of the methodology.

- **TASK 4: Manage the progression of the methodology through a VVB assessment.**

Following the public consultation, Verra will select and contract an independent VVB to review the methodology. The VVB will produce an assessment report with findings. The consultant will respond to the findings and update the methodology until all findings are resolved.

Deliverable 4a: VVB assessment report (issued by the VVB).

Deliverable 4b: An updated methodology version.

- **TASK 5: Manage the final review process and produce the final methodology.**

Verra will conduct the final review and provide the relevant findings in a review report. The consultant should further address any findings in an iterative process with Verra and the VVB until all findings area closed.

Deliverable 5: The final version of the proposed methodology.

MILESTONES & TIMELINE

The duration of this consultancy will be about 12 months. An indicative timeline for meeting key milestones and deliverables follows:

TASK 1: Gather and review relevant information and prepare a concept note	2 months
TASK 2: Prepare the draft methodology revision and manage the preliminary review process	2 months
TASK 3: Review and respond to public comments and produce an updated draft of the methodology revision.	2 months
TASK 4: Manage the progression of the methodology through a VVB assessment.	5 months
TASK 5: Manage the final review process and produce the final methodology.	1 month

CRITERIA FOR EVALUATION

Verra will use the following criteria for evaluating proposals:

- Experience in developing new and revised GHG accounting methodologies;
- Understanding of VCS Program rules, such as overarching rules in the *VCS Standard*, *VCS Program Guide* and *VCS Methodology Requirements*;
- Depth of understanding of the ODS markets, refrigeration, air conditioning and foam (RAC & F) sectors, ODS collection process and destruction technologies, Montreal Protocol, and challenges of ensuring environmental integrity;
- Degree of analytical and innovative thinking when developing new solutions; and
- Cost, to ensure that the proposed level of effort is consistent with the outcomes.

RESPONSES TO THE RFP

Respondents are requested to submit the following as part of their proposals:

- High-level technical proposal (not to exceed four pages) for the scope of work and deliverables, including a work plan. Applicants are encouraged to describe any innovations/value-added propositions that they think would enhance the scope of work requirements.

- Cost proposal/budget not to exceed USD 40,000 including total estimated costs based on a daily or hourly rate. (Note: this does not include the cost of VVB review.)
- Description of how the consultant would avoid any potential conflict of interest in undertaking the scope of work.
- 1-page summary of qualifications of consultant or consulting team, and separately appended resumes/CVs (not to exceed two pages each).

All application materials submitted to Verra will be kept confidential and must be submitted by email with the subject “Proposal ODS methodology revision” by close of business on Friday, 24 June 2022 to: Matt Borden, Senior Program Officer, VCS Program Development, mborden@verra.org.

Respondents should feel free to submit clarifying questions to the same email address with the subject “Clarification ODS methodology revision” on any of the above information.

Verra will set up interviews of short-listed candidates and/or request clarifying information by 1 July 2022 with the aim of finalizing the selection by early to mid-July.

Legal Nature of RFP: This RFP is an invitation for proposals and Verra is under no legal obligation to accept any proposal nor proceed with the RFP. Verra reserves the right to amend the requirements at any time.