REQUEST FOR PROPOSALS

DEVELOPMENT OF A VCS TROPICAL PEATLANDS METHODOLOGY

August 17, 2023

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 (GHG) 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 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.

1 PROJECT BACKGROUND AND OBJECTIVE

Peatlands are carbon-rich terrestrial wetlands characterized by the accumulation of peat. Peatlands are critical for mitigating the impacts of climate change, among other ecosystem services, such as biodiversity conservation, reduced flood risk, and provision of clean drinking water. Peatlands hold over one quarter of all soil carbon, even though they comprise only 3% of global land area.[1]

Despite the importance of peatlands, they are generally undervalued and degraded in all parts of the world. Peatlands are drained for agriculture and forestry, mined for fuel and horticulture, and eroded due to overgrazing by livestock. These substantial carbon stores are released into the atmosphere when peat is drained. Degraded peatlands contribute close to 4% of anthropogenic emissions annually.[2] Additionally, drained peatlands face a high risk of fires, leading to potentially significant GHG emissions.

[1] Turetsky, Merritt R., Brian Benscoter, Susan Page, Guillermo Rein, Guido R. van der Werf, and Adam Watts. 2014. "Global Vulnerability of Peatlands to Fire and Carbon Loss." *Nature Geoscience* 8 (1): 11–14. https://doi.org/10.1038/ngeo2325.
[2] United Nations Environment Programme. 2022. *Global Peatlands Assessment: The State of the World's Peatlands*. https://www.unep.org/resources/global-peatlands-assessment-2022.

Tropical peatlands are found in equatorial lowlands and high-elevation landscapes across Asia, Africa, and Central and South America and characterized by high temperatures and precipitation.[3]

Tropical peatlands tend to be forested, and research indicates that these areas contain the largest amount of irrecoverable carbon of all global ecosystems.[4]

Currently, tropical peatland conservation and restoration activities are included in the following Verified Carbon Standard (VCS) methodologies: *VM0004 Methodology for Avoided Planned Land Use Conversion in Peat Swamp Forests, v2.0*, *VM0007 REDD+ Methodology Framework, v1.6*, and *VM0027 Methodology for Rewetting Drained Tropical Peatlands, v1.0*. However, *VM0004* and *VM0027* are limited geographically to a handful of countries. Further, as Verra works towards releasing a new consolidated REDD methodology, the wetland modules contained in the *VM0007* methodology will be extracted to create standalone methodologies for wetland activities. Upon the release of the proposed tropical peatlands methodology, projects using VM0007 will have a grace period to transition over to the new methodology.

Considering the climate mitigation potential of these systems, Verra seeks a qualified consultant to develop a standalone methodology for tropical peatlands. The consultant will be expected to adapt existing modules for tropical peatland conservation and restoration activities from *VM0007 REDD+ Methodology Framework, v1.6*, and must reflect the latest scientific understanding of GHG dynamics in tropical peatland systems. The work will also require a review of Verra's full set of tropical peatland methodologies to identify opportunities for consolidation and a gap analysis to highlight opportunities for tropical peatland activities not covered by the VCS. The IPCC 2013 Wetlands Supplement provides national-level inventory methodological guidance on wetlands, including adding inland organic soils.[5] Finally, the proposed methodology for tropical peatlands must be compatible with Verra's soon-to-be-released consolidated REDD methodology.

2 SCOPE OF WORK

Throughout the methodology development process, the consultant(s) will be expected to participate in regular calls with Verra staff to discuss technical challenges and provide updates on draft products. Principal tasks and responsibilities will include, at a minimum, the following:

[3] Page, Susan, Shailendra Mishra, Fahmuddin Agus, Gusti Anshari, Greta Dargie, Stephanie Evers, Jyrki Jauhiainen, et al. 2022. "Anthropogenic Impacts on Lowland Tropical Peatland Biogeochemistry." *Nature Reviews Earth & Environment* 3 (7): 426–43. https://doi.org/10.1038/s43017-022-00289-6.
[4] Goldstein, Allie, Will R. Turner, Seth A. Spawn, Kristina J. Anderson-Teixeira, Susan Cook-Patton, Joseph Fargione, Holly K. Gibbs, et al. 2020. "Protecting Irrecoverable Carbon in Earth's Ecosystems." *Nature Climate Change* 10 (4): 287–95. https://doi.org/10.1038/s41558-020-0738-8.
[5] Intergovernmental Panel on Climate Change. 2014. *2013 Supplement to the 2006 IPCC Guidelines for National Greenhouse Gas Inventories: Wetlands*. Edited by Takahiko Hiraishi, Thelma Krug, Kiyoto Tanabe, Nalin Srivastava, Baasansuren Jamsranjav, Maya Fukuda, and Tiffany Troxler. Switzerland: Intergovernmental Panel on Climate Change. https://www.ipcc.ch/site/assets/uploads/2018/03/Wetlands_Supplement_Entire_Report.pdf.

- **Propose an outline for the full methodology**
    - Conduct a review of the relevant tropical peatland modules from VM0007 to inform the development of the proposed methodology, specifically:
        - *REDD+ MF*
        - *VMD0006 (BL-PL)*
        - *VMD0007 (BL-UP)*
        - *VMD0009 (LK-ASP)*
        - *VMD0010 (LK-ASU)*
        - *VMD0013 (E-BPB)*
        - *VMD0015 (M-REDD)*
        - *VMD0016 (X-STR)*
        - *VMD0042 (BL-PEAT)*
        - *VMD0044 (LK-ECO)*
        - *VMD0046 (M-PEAT)*
    - Review Verra's other tropical peatland methodologies (*VM0004*, *VM0027*) and relevant background materials (*VCS Standard v4.4*, *VCS Methodology Development and Review Process, v4.2*, and *VCS Methodology Requirements, v4.3*) for additional information to determine a development pathway.
    - Consider key methodological and program elements, including baseline setting, additionality, applicability conditions, leakage, GHG quantification, monitoring, and the VCS Wetlands Restoration and Conservation (WRC) requirements. Further, consider how these elements might differ across the current set of peatland activity categories (Conservation of Intact Wetlands [CIW], including Avoiding Unplanned Wetland Degradation [AUWD] and Avoiding Planned Wetland Degradation [APWD], and Restoration of Wetland Ecosystems [RWE]). Finally, the review should assess the suitability of the approaches included in Verra's consolidated REDD methodology for tropical peatland projects (e.g., using jurisdictional data to determine a baseline).
    - Determine whether the tropical peatlands methodology should be expanded to cover additional tropical peatland types not included under the VCS (e.g., high altitude montane peat habitat, like the Andean páramo). This gap analysis should consider (1) the additional climate impact and (2) the pipeline of potential projects that expansion might enable.
    - Consider the 2013 Supplement to the 2006 IPCC Guidance for National Greenhouse Gas Inventories: Wetlands (IPCC, 2014) for alignment and additional information to determine a development pathway.

- Ensure the resulting methodology proposal allows projects to apply the tropical peatlands and consolidated REDD methodologies simultaneously and effectively.

- **Develop a full draft methodology**
  - Submit a full methodology document to Verra staff. The document must follow the VCS Methodology Template, v4.2. Verra staff will assess the methodology against the VCS rules and requirements and provide feedback in a methodology review report. The consultant must iterate with Verra staff until all findings are closed.
- **Review and respond to feedback received from a 30-day public consultation**
  - Per the VCS Methodology Development and Review Process, all methodologies must undergo a 30-day public consultation. Verra will coordinate the consultation and collect comments from external stakeholders to be reviewed by the consultant(s). The consultant(s) must address each finding and revise the methodology as appropriate.
- **Manage the progression of the methodology through Validation/Verification Body (VVB) assessment**
  - Verra will contract a VVB to assess the methodology document after the public consultation. The consultant must respond to the findings raised by the VVB and update the methodology document accordingly.
- **Manage the final Verra review and approval**
  - Verra will conduct a final methodology review and prepare a review report. The consultants must address any findings and update the methodology until a final version is approved.

3 DELIVERABLES

The main deliverables resulting from this assignment are as follows:

1) Presentation to Verra on proposed approach for the methodology
2) Full methodology draft using the VCS Methodology Template, v4.2
3) Responses to comments received during 30-day public consultation
4) Updated draft of methodology document that incorporates public consultation feedback
5) Updated draft of methodology document that addresses all findings raised in the VVB assessment
6) Final methodology document

4 CRITERIA FOR EVALUATION

Verra will use the following criteria for evaluating proposals:

- Strong scientific understanding of tropical peatland systems, including their biogeochemistry and GHG dynamics
- Experience in developing GHG accounting methodologies and/or voluntary carbon market projects
- Familiarity with the VCS Program, including: *VCS Standard v4.4*, *VCS Methodology Development and Review Process, v4.2*, and *VCS Methodology Requirements, v4.3*
- Degree of innovative thinking in proposing solutions
- Cost, including ensuring that the proposed level of effort is consistent with the outcomes

5 RESPONSES TO THE RFP

Proposals should not exceed five pages and should include the following:

- A high-level initial proposal for the tropical peatlands methodology that addresses the requirements described above
- A description of how the consultant proposes to achieve the overall objective, including a timeline for major deliverables
- Examples of similar projects and outcomes achieved, if possible
- A cost proposal, not to exceed $80,000, including rationale for main budget items[6]
- Resumes/CVs of the consultant's team, if applicable (not to exceed two pages each)

Verra strongly encourages group submissions from consultants with diverse and complementary backgrounds (academics, project developers, methodology developers, etc.).

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

All documents must be submitted to Liz Guinessey (eguinessey@verra.org) by close of business September 13, 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 September 27, 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 nor proceed with the RFP. Verra reserves the right to amend the requirements at any time.

[6] Please note that Verra will cover the costs associated with the VVB assessment of the proposed methodology.