

## **Request for Proposals**

**Title:** Blue carbon feasibility study – Spain

**RFP No:** 03032023

**Date of Issuance:** March 3, 2023

**Clarifications Posted:** March 23, 2023

### **Blue Carbon Feasibility Studies – Clarifications for Bidders**

1. Is there an expected date or duration for the site visit in Spain?
  - a. I would expect one day of travel on either end and 3 days on location, the dates will be determined with the contractor once selected. We would hope to go as soon as possible, but note the Easter holiday may delay the trip.
2. How much time will be required to travel through the project area and visit the blue carbon sites to be identified?
  - a. I would expect that we would have a half day with the team to align, 1.5 days to travel around the location, and 1 day to have meetings with key partners and stakeholders
3. As we understand from the request for proposals, the consultant is asked to assess the viability of existing plans for a salt marsh restoration project. However, Attachment 2 lists 'To define project design' as a part of the feasibility study. Then, the activities and deliverables in the same attachment only ask for a review of sites, filled in POP-template, site assessment and proposed next steps. Do we understand it correctly that (a) the consultant is asked to do a 'due diligence' study, based on already existing plans and designs? And that (b) this work excludes any detailed design of measures for salt marsh restoration (other than recommendations and suggestions for further improvement of the existing plans)? and that (c) deliverables are limited to the final list of 4 deliverables at the bottom of attachment 2?
  - a. Yes, apologies for the confusion. The consultant is not responsible for coming up with the restoration plan but to complete the 4 deliverables listed. In situ measurements are not needed at this time and literature should be used to estimate carbon stocks.
4. Could you please provide a map of the proposed sites/locations for the proposed restoration projects?
  - a. A map can be provided during as soon as a contract is signed (the map and location data is coming from our partner and it is their map so would need permission to share at this stage) but we are looking at an area of saltmarsh that is about 600 ha in phase 1 for immediate restoration with a scaling opportunity to 2,000 in phase 2, and finally 38,000 ha of potential area overall. We would be seeking assessment at, for the phase 1 and 2 areas, and a high-level assessment of overall potential of the 38,000.
5. The financial analysis and calculation of the carbon budget are part of the goals but are not included in the list of activities and deliverables. Can we assume that a financial analysis is outside the scope of the consultant's assignment? The same holds for the calculation of carbon credits: is the consultant expected to make a calculation, review a calculation or none of those?
  - a. The consultant is expected to set a baseline and project credit accrual for 30 years according to Verra standards, and pair that with current and projected carbon

- market prices to understand potential revenues. The hiring team will use that information in an existing financial model that includes costs and other factors.
6. The consultant is asked to draft the blue carbon feasibility report following CI’s project opportunity profile (POP) template. Can the template be shared in this phase?
    - a. Yes, the template can be shared (Alexa how do you want to do this – I can email you a copy)
  7. Are intended project activities at an advanced stage of development and if so can you provide a summary of each or do you require consultants to advise on those as part of the feasibility study?
    - a. We ask the consultant to advise on those as part of the feasibility study
  8. Can you confirm whether the historically degraded project areas have been subsequently inhabited by invasive species that may require removal as part of their restoration?
    - a. To my knowledge, invasive species removal is not required
  9. In attachment 2, under activities and deliverables you make reference to CI’s project opportunity profile template – please provide a copy of that template?
    - a. See answer to #6

Application Deadline:	7 April 2023
Languages Required:	Written and spoken English
Proposed Starting Date:	21 April 2023
Proposed End Date:	30 June 2023
Location:	Blue Carbon feasibility assessment in Spain
Contract Manager:	Jennifer Howard (NCS)

## 1. Background

As a founding and coordinating member of the International Partnership for Blue Carbon (IPBC), the Blue Carbon Initiative, and the Global Mangrove Alliance, CI has been working to improve conservation and protection of vital blue carbon ecosystems around the world. These coastal habitats provide critically important ecosystem services for communities, including sequestering and storing large quantities of blue carbon, up to five times the carbon stored in terrestrial forests. When these ecosystems are lost or degraded, their carbon stores can be released, turning efficient carbon sinks into significant sources of greenhouse gases and accelerating climate change.

CI developed the first VCS-certified Blue Carbon conservation crediting project in Colombia. We are interested in partnering to expand this work globally and demonstrate how carbon finance can be used to conserve, protect, restore, and fund blue carbon ecosystems, while providing for livelihood and development opportunities for local people. Nearly all blue carbon projects developed to date have been for mangrove conservation or restoration. Other blue carbon ecosystems, including salt marshes, also have the potential for a significant climate change mitigation benefit.

CI and partners are piloting a saltmarsh agro-ecology project in Andalucía, Spain in which historically degraded wetlands are being restored in order to promote climate resilience and create local bio-economies. The project seeks to spearhead new and holistic approaches to

wetland restoration that has little precedent globally yet is highly scalable across global geographies in which saltmarsh wetlands are found. The prevalence of degraded saltmarshes around the world, along with the need to transition salt-affected farmland towards regenerative approaches makes these set of solutions highly scalable. CI is investigating three restoration projects in the initial phase, totaling 400-700 hectares with a phase 2 that could expand the project to over 2,000 ha. Together with the re-wetting of former saltmarshes, regenerative saltmarsh agricultures and aquacultures will be established in nature-based designs that have been tested in a number of other countries over the last 25 years. The project is supported by the European Union, the Government of Andalucía, local landowners, and research institutions.

## 2. Project Overview

Conservation International (CI) is working with partners to assess the viability of a first-of-its-kind blue carbon crediting project for salt marsh restoration that is integrated into a landscape approach including agro-ecology in the Andalucía region of Spain. The objective of this consultancy is to produce a feasibility report assessing the technical considerations and enabling conditions of developing a blue carbon project for salt marsh conservation including carbon, policy, stakeholder, environmental, community, legal and financial characteristics. Specifically, the feasibility study will estimate baselines, threat assessments and mitigating activities, assess ownership issues, and develop financial models for resulting blue carbon projects within specific project areas.

## 3. Terms of Reference, Deliverables and Deliverables Schedule

See Attachment 2.

## 4. Submission Details

- a. **Deadline.** Proposals must be received no later than 24 March 2023 at 5:00pm EST. Late submissions will not be accepted. Proposals must be submitted via email to **Alexa Mehos (amehos@conservation.org)**. All proposals are to be submitted following the guidelines listed in this RFP.
- b. **Validity of bid.** 120 days from the submission deadline
- c. **Clarifications.** Questions may be submitted to **Alexa Mehos (amehos@conservation.org)** by the specified date and time in the timeline below. The subject of the email must contain the RFP number and title of the RFP. CI will respond in writing to submitted clarifications by the date specified in the timeline below. Responses to questions that may be of common interest to all bidders will be posted to the CI website and/or communicated via email.
- d. **Amendments.** At any time prior to the deadline for submission of proposals, CI may, for any reason, modify the RFP documents by amendment which will be posted to the CI website and/or communicated via email.

**5. Minimum Requirements**

- a. Proven track record of performing blue carbon feasibility studies
- b. Proven track record of performing REDD+ feasibility studies and/or with REDD+ PD development under the VCS and CCB Standards
- c. Familiarity with the VCS tidal wetlands methodologies (VM0007 and VM0033) and the planned updates to VCS REDD+ methodologies
- d. Ability to proactively engage with a range of relevant stakeholders to ensure inclusion of all necessary partners
- e. Solid understanding and experience with salt marsh ecosystems
- f. Availability to meet deliverable due dates as stated in this RFP
- g. Fluency in English and Spanish

**6. Proposal Documents to Include**

- a. Signed cover page on bidder’s letterhead with the bidder’s contact information.
- b. Signed Representation of Transparency, Integrity, Environmental and Social Responsibility (Attachment 1)
- c. Technical Proposal.
  - i. Corporate Capabilities, Experience, Past Performance, and 3 client references. Please include descriptions of similar projects or assignments and at least three client references.
  - ii. Qualifications of Key Personnel. Please attach CVs that demonstrate how the team proposed meets the minimum requirements listed in section 5 (Minimum Requirements).
  - iii. Technical Approach, Methodology and Detailed Work Plan. The Technical Proposal should describe in detail how the bidder intends to carry out the requirements described in the Terms of Reference (see Attachment 2).
- d. Financial Proposal. Offerors shall use the cost proposal template (Attachment 3).

**7. Evaluation Criteria** In evaluating proposals, CI will seek the best value for money considering the merits of the technical and costs proposals. Proposals will be evaluated using the following criteria:

<b>Evaluation Criteria</b>	<b>Score (out of 100)</b>
Proposal and timeline: Is the proposed approach and sequence of activities appropriate to the assignment? Does the proposed timeline fit with the estimated for the completion of this work?	50 points
Prior experience: Does the bidder’s past performance demonstrate recent proven experience doing similar work?	20 points
Expertise: Does the bidder and the proposed personnel have the specific technical expertise for the assignment?	20 points
Cost: Costs proposed are reasonable and realistic, reflect a solid understanding of the assignment.	10 points

**8. Proposal Timeline**

RFP Issued	03 March 2023
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Clarifications submitted to CI	20 March 2023
Clarifications provided to known bidders	23 March 2023
Complete proposals due to CI	07 April 2023
Final selection	15 April 2023

- 9. Resulting Award** CI anticipates entering into an agreement with the selected bidder by 21 April 2023 Any resulting agreement will be subject to the terms and conditions of CI’s Services Agreement. A model form of agreement can be provided upon request.

This RFP does not obligate CI to execute a contract, nor does it commit CI to pay any costs incurred in the preparation or submission of the proposals. Furthermore, CI reserves the right to reject any and all offers, if such action is considered to be in the best interest of CI. CI will, in its sole discretion, select the winning proposal and is not obligated to share individual evaluation results.

- 10. Confidentiality** All proprietary information provided by the bidder shall be treated as confidential and will not be shared with potential or actual applicants during the solicitation process. This includes but is not limited to price quotations, cost proposals and technical proposals. CI may, but is not obliged to, post procurement awards on its public website after the solicitation process has concluded, and the contract has been awarded. CI’s evaluation results are confidential and applicant scoring will not be shared among bidders.

- 11. Code of Ethics** All Offerors are expected to exercise the highest standards of conduct in preparing, submitting and if selected, eventually carrying out the specified work in accordance with CI’s Code of Ethics. Conservation International’s reputation derives from our commitment to our values: Integrity, Respect, Courage, Optimism, Passion and Teamwork. CI’s Code of Ethics (the “Code”) provides guidance to CI employees, service providers, experts, interns, and volunteers in living CI’s core values, and outlines minimum standards for ethical conduct which all parties must adhere to. Any violation of the Code of Ethics, as well as concerns regarding the integrity of the procurement process and documents should be reported to CI via its Ethics Hotline at [www.ci.ethicspoint.com](http://www.ci.ethicspoint.com).

**12. Attachments:**

Attachment 1: Representation of Transparency, Integrity, Environmental and Social Responsibility  
Attachment 2: Terms of Reference  
Attachment 3: Cost Proposal Template  
Attachment 4: POP Template

## Attachment 1: Representation of Transparency, Integrity, Environmental and Social Responsibility

RFP No. **03032023**

UEI Number (if applicable): [XXX-XXX-XXX](#)

All Offerors are expected to exercise the highest standards of conduct in preparing, submitting and if selected, eventually carrying out the specified work in accordance with CI's Code of Ethics. CI's Code of Ethics provides guidance to CI employees, service providers, experts, interns, and volunteers in living CI's core values, and outlines minimum standards for ethical conduct which all parties must adhere to. Any violations of the Code of Ethics should be reported to CI via its Ethics Hotline at [www.ci.ethicspoint.com](http://www.ci.ethicspoint.com).

CI relies on the personal integrity, good judgment and common sense of all third parties acting on behalf, or providing services to the organization, to deal with issues not expressly addressed by the Code or as noted below.

**I. With respect to CI's Code of Ethics, we certify:**

- a. We understand and accept that CI, its contractual partners, grantees and other parties with whom we work are expected to commit to the highest standards of Transparency, Fairness, and Integrity in procurement.

**II. With respect to social and environmental standards, we certify:**

- a. We are committed to high standards of ethics and integrity and compliance with all applicable laws across our operations, including prohibition of actions that facilitate trafficking in persons, child labor, forced labor, sexual abuse, exploitation or harassment. We respect internationally proclaimed human rights and take no action that contributes to the infringement of human rights. We protect those who are most vulnerable to infringements of their rights and the ecosystems that sustain them.
- b. We fully respect and enforce the environmental and social standards recognized by the international community, including the fundamental conventions of International Labour Organization (ILO) and international conventions for the protection of the environment, in line with the laws and regulations applicable to the country where the contract is to be performed.

**III. With respect to our eligibility and professional conduct, we certify:**

- a. We are not and none of our affiliates [members, employees, contractors, subcontractors, and consultants] are in a state of bankruptcy, liquidation, legal settlement, termination of activity, or guilty of grave professional misconduct as determined by a regulatory body responsible for licensing and/or regulating the offeror's business
- b. We have not and will not engage in criminal or fraudulent acts. By a final judgment, we were not convicted in the last five years for offenses such as fraud or corruption, money laundering or professional misconduct.
- c. We are/were not involved in writing or recommending the terms of reference for this solicitation document.

- d. We have not engaged in any collusion or price fixing with other offerors.
- e. We have not made promises, offers, or grants, directly or indirectly to any CI employees involved in this procurement, or to any government official in relation to the contract to be performed, with the intention of unduly influencing a decision or receiving an improper advantage.
- f. We have taken no action nor will we take any action to limit or restrict access of other companies, organizations or individuals to participate in the competitive bidding process launched by CI.
- g. We have fulfilled our obligations relating to the payment of social security contributions or taxes in accordance with the legal provisions of the country where the contract is to be performed.
- h. We have not provided, and will take all reasonable steps to ensure that we do not and will not knowingly provide, material support or resources to any individual or entity that commits, attempts to commit, advocates, facilitates, or participates in terrorist acts, or has committed, attempted to commit, facilitate, or participated in terrorist acts, and we are compliant with all applicable Counter-Terrorist Financing and Anti-Money Laundering laws (including USA Patriot Act and U.S. Executive Order 13224).
- i. We certify that neither we nor our directors, officers, key employees or beneficial owners are included in any list of financial or economic sanctions, debarment or suspension adopted by the United States, United Nations, the European Union, the World Bank, or General Services Administration's List of Parties Excluded from Federal Procurement or Non-procurement programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension".

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Attachment 2: Terms of Reference

CI is proposing to contract with a suitably qualified and experienced consultant to provide technical support in producing a report assessing the blue carbon potential (emission reductions and removals) of ~2,000 ha of salt marsh restoration over three sites (Estero de Trebujena, Estero de Barbate, and Estero de Cadiz) in Andalucía, Spain including a desk-based analysis of the characteristics of potential sites and a field visit to refine the assumptions and allow for meetings with partners.

### Specific objectives and outcomes of the feasibility study include:

- 1) To demonstrate whether potential project sites would meet the requirements under the VCS Program or another GHG program:
  - a) Describe and justify how the project is eligible under the scope of the GHG program
  - b) Selection of the most suitable methodology (e.g., VM0007 or VM0033 under the VCS Program)
  - c) Definition of project boundaries (project area, crediting period, etc.)
  - d) Additionality, permanence, and leakage requirements
- 2) To define project design
  - a) Description of project activities (wetland conservation, restoration, etc.), including a theory of change identifying threats/barriers and explaining why the proposed activities will mitigate/address them
  - b) Stakeholder analysis (partners and roles, project proponent)
  - c) Project risk registry and alignment with relevant non-permanence risk requirements (e.g., the VCS AFOLU Non-Permanence Risk Tool if using the VCS Program)
- 3) To confirm legal and policy alignment
  - a) Land tenure and carbon rights
  - b) Alignment with national policies such as NDCs
- 4) GHG estimations wetland conservation and restoration
  - a) Assess drivers and agents of salt marsh loss and degradation
  - b) Revise salt marsh low rates rates and classify areas according to land use change risks
  - c) Emission factors (needs for sampling)
  - d) Carbon credit estimation potential (emission reductions and removals)
- 5) Financial analysis
  - a) Develop a detailed budget for implementation of project activities over the 30-year lifetime of the project (include staff time and community engagement work)
  - b) Estimate carbon revenues based on expert opinion on carbon market prices
  - c) Identify any funding gaps and a strategy to fill those gaps
  - d) Assess large multinationals with operations in the region
  - e) Assess local economy/sectors impacted by the carbon project, including size, structure/concentration, stage of development and regulation
  - f) Assess the level of government debt and foreign investment frameworks

### Activities and deliverables include:

- 1) **Proposed approach:** inception report outlining the assessment design, methods and approach, a detailed work plan, and proposed schedule for completion of other deliverables
- 2) **Desk review of blue carbon potential:** preliminary report reviewing and prioritizing possible blue carbon project sites, key findings and any identified information gaps or challenges, including:
  - a) Legal and policy analysis
  - b) Draft of the blue carbon feasibility report following CI's project opportunity profile (POP) template

**3) Site visit and summary report:**

- a) Site visit to Spain to meet with partners, and assess potential blue carbon project sites on the ground
- b) Short summary of places visited, interviews held, key findings and any remaining information gaps or challenges identified during the site visit

**4) Final feasibility report:** final report containing desk-based and field-based findings, including recommendation and prioritization of sites for blue carbon project development, and proposed next steps for further development of blue carbon projects in the areas of interest in Spain.

**Attachment 3: Cost Proposal Template**

The cost proposal must be all-inclusive of profit, fees or taxes. Additional costs cannot be included after award, and revisions to proposed costs may not be made after submission unless expressly requested by CI should the offerors proposal be accepted. Nevertheless, for the purpose of the proposal, Offerors must provide a detailed budget showing major expense line items. Offers must show unit prices, quantities, and total price. All items, services, etc. must be clearly labeled and included in the total offered price. All cost information must be expressed in USD.

If selected, Offeror shall use its best efforts to minimize the financing of any taxes on goods and services, or the importation, manufacture, procurement or supply thereof. If Offeror is eligible to apply for refunds on taxes paid, Offeror shall do so. Any tax savings should be reflected in the total cost.

Cost Breakdown by Deliverable

<b>Deliverable</b>	<b>Price (Lump Sum, All Inclusive)</b>
Inception report	
Desk review and preliminary report	
Site visit and short summary report	
Final feasibility report	

Cost Breakdown by Cost Component [\(example only\)](#)

<b>Description</b>	<b>Unit of measure (day, month etc)</b>	<b>Total period of engagement</b>	<b>Unit cost/rate</b>	<b>Total Cost for the Period</b>
Consultant 1				
Consultant 2				
Sub-total Personnel				
Travel Costs (if applicable)				
Other related Costs (please specify)				
<b>Total Cost of Financial Proposal</b>				

**Attachment 4: POP Template**

## **Natural Climate Solutions Project Opportunity Profile**

Version 2.4: January 2023

The objective of the Project Opportunity Profile is to gather precise and accurate information about the NCS carbon crediting opportunity to evaluate under what circumstances the project would be feasible for further development.

The estimated length of this document is about 30 pages including figures and tables. Text in light grey provides explanatory guidance and text in light blue provides explanatory guidance specific to blue carbon projects. Light grey and light blue text should be deleted once the section is complete. Reference materials or supplementary analysis and reports should be included as Annexes.

The text in orange highlights how that section supports meeting the relevant Verified Carbon Standard and Climate, Community and Biodiversity Standards requirements, where appropriate ensure that the requirement is met. Text in blue, highlights specifics regarding blue carbon projects.

For more information contact Leon Theron [ltheron@conservation.org](mailto:ltheron@conservation.org)

**Project Name:**

**Prepared By:** [Provide Project - CFD Carbon Finance contact – Blue Carbon team contact]

**Date:**

## EXECUTIVE SUMMARY

Briefly summarize the key aspects of the project in a bullet point layout (max two pages). See suggestions below:

- Main objective of the project
- Project location and key biodiversity/social/cultural values
- National Policy and Legal context (summarize land and carbon rights)
- Drivers of deforestation/degradation and/or barriers to restoration, and mitigation strategies
  - the approaches/measures to be implemented by the project
  - explanation of how the project is expected to generate GHG emission reductions or removals.
- Key stakeholder, partnership, and governance structure (include project proponent)
- GHG Quantification:
  - Project start date, project crediting period, deforestation rates, potential emission reductions/removals, major assumptions, and caveats
- Financial model, including overview of costs and major assumptions
- Key project risks
- Recommendations and proposed next steps (are the project feasible or not, gaps, challenges, opportunities)

## **1. PROJECT CONTEXT**

### **1.1. Project objectives**

Describe general and specific project objectives. Confirm if the objectives have already been approved by project stakeholders.

### **1.2. Project Location**

Where is the project located (country, region, department etc.) and what is the project area's size and geographic boundaries? This should include the area covering the site where the + intervention will take place, and if applicable should also include the broader reference or jurisdictional area. Include a relevant map of the area and any coordinates. Describe any relevant biodiversity, conservation, or other cultural and ecological values that the project area/region has. Also briefly describe the main economic activities conducted in the project area.

### **1.3. Sectoral Scope and Project Type**

Indicate the sectoral scope(s) applicable to the project, the AFOLU project category and activity type (if applicable), and whether the project is a grouped project.

### **1.4. Project Eligibility**

Describe and justify how the project is eligible under the scope of the VCS Program (if applicable).

### **1.5. Project Design**

Indicate whether the project has been designed to include a single installation of an activity, multiple project activity instances, or as a grouped project.

### **1.6. Eligibility Criteria**

For grouped projects, provide additional information relevant to the design of the grouped project (e.g., the eligibility criteria for the inclusion of new project activity instances).

### **1.7. Project Ownership**

Provide evidence of project ownership, in accordance with VCS specifications on project ownership.

### **1.8. Biophysical Characteristics of the Project Area**

Provide information on the main biophysical characteristics of the project and surrounding area: elevation, slope, climate, vegetation types, biological resources etc. Please align with forest strata used to define carbon stocks and/or emission factors, if relevant.

### **1.9. Drivers and Agents of Land Use Change in the Area/ Barriers to Carry out Restoration or Improved Management**

This does not have to be based on a remote sensing analysis of the historical deforestation, but rather a qualitative discussion on the proximate drivers and underlying causes of (past or future) deforestation or land-use change, including agents, in the project area. In the case of restoration and/or improved and/or community-based forest management projects, describe the barriers and underlying causes that has hindered the restoration/ carbon enhancement efforts in the past and identify if there are ongoing barriers to restoration (e.g., hydrology). The analysis in this section should be aligned with the project's intervention approach described in Section 4. A theory of change approach can be applied.

## **2. STAKEHOLDERS AND IMPLEMENTATION PARTNERS**

### **2.1. Communities and Land and Resource Use in the Project Area**

- Provide information on the communities living in and/or around the project area: e.g., number of families/individuals and important socio-economic data, such as poverty and income levels, education, and

sanitation information, including main livelihood and economic activities, aligned with what was already described in 1.2.

- **As per VCS/CCB CM1.1:** Description of Communities at Project Start (a short summary)
  - Describe the communities at the start of the project and any significant community changes in the past. Include the following:
    - Well-being information: people’s experience of the quality of their lives; this may include environmental, social, economic, psychological, spiritual and or cultural, and medical dimensions.
    - Community characteristics: these include shared language, mythology, history, culture, livelihood systems, traditional authority structures, institutions, practices, values, relationships with specific sites of historical, cultural, or spiritual significance, relationships with natural resources, or the customary institutions and rules governing the use of resources and sites.
    - Diversity within the community: social, economic, and cultural diversity, including at least wealth, gender, age, and ethnicity.
- What are the main types of land use in the project area associated with these livelihood activities? Describe how communities use the resources from the project area. **Blue carbon projects: include information about marine resource use (e.g., fisheries, mangrove wood, tourism).**
- Provide relevant maps if available (e.g., land use maps, settlements etc.)

## 2.2. Stakeholders Involved in the Project and their Respective Roles

- This section should carry out a preliminary stakeholder mapping and provide an assessment of the local stakeholders and an appropriate engagement plan.
- Identify the key stakeholders that have influence on and are/will be affected by the project and, if pertinent, validate the project approach with them.
- **As per VCS/CCB:** List all communities, community groups, and other stakeholders, including a description of how each stakeholder was identified and their relevance to project activities (table in Annex 1 be used to complete this list).
- This section also should answer the following questions:
  - Who is developing the project? If not CI, describe the relationship between CI and the partner
  - What would be CI’s desired role in the project?
- Add as an Annex a summary of any relevant stakeholder meetings held, and agreements signed between project stakeholders.
- Stakeholder mapping, engagement, and analysis resources have been compiled in a “Stakeholder Toolkit” available on the Carbon Finance Portal SharePoint site.

## 2.3. Capacity for Implementation (partners/communities)

- Implementing an AFOLU project is a long-term commitment of time and resources. This section should provide a scoping analysis of the available partners in the region and their capacities to implement and commit to such a project.
- This section also should answer the following questions:
  - In the short-term, who would be the central project partner overseeing the entire project development phase (2-4 years), and who would manage implementation in the long-term (30+ years)?

- What are capacities of the potential partners including: project coordination and administration, technical implementation skills, government liaison, and stakeholder engagement?
- What are the relative strengths and weaknesses of each one in undertaking their roles in the project?
- **As per VCS/CCBS G4.2:** Document the management team’s expertise and prior experience implementing land management and carbon projects at the scale of this project.
- The Table in
- **Annex 1** can be used to complete this in conjunction with the stakeholders list.

## 2.4. Stakeholder consultation plans

- Describe the elements to consider for the development of a stakeholder consultation plan. This section should refer mostly to local communities, users of the land and rights holders.
  - Determine the objectives and scope of stakeholder engagement during project design and implementation phase.
  - Identify the roles, actions, timelines, and resources needed to ensure effective participation of stakeholders and agreement with rights holders throughout the design and implementation of the carbon project.
- A draft plan for Free, Prior, and Informed Consent can be presented if already known, if not a description or a list of considerations for future FPIC plans should be provided.
- Ensure that the budget to cover a full consultation plan is considered in the project cost.
- **As per VCS/CCBS G3.5:** [If applicable], demonstrate that all consultations and participatory processes have been undertaken directly with communities and other stakeholders or through their legitimate representatives. Provide justification that adequate levels of information sharing have occurred.

## 3. NATIONAL CONTEXT AND GOVERNANCE SUPPORT

### 3.1. National Policy, Institutional arrangements, and Legal Context

- This section should demonstrate how the project is aligned with current national policies and to what extent the government is supportive of the project when national arrangements require any kind of government authorization.
- The section should include how countries' National Determined Contribution consider relevant AFOLU actions to meet climate goals and a description of the REDD+ initiatives undertaken by the government at the national level.
- **Blue carbon projects:**
  - For blue carbon projects in mangroves, describe whether mangrove forests have been included in REDD+ initiatives undertaken by the government.
  - For blue carbon projects in non-forest ecosystems, describe if the relevant ecosystem(s) (e.g., seagrasses, salt marshes) are part of government initiatives (e.g., marine protected areas).
- This section needs to answer the following questions:

- Does the national policy and legal framework allow projects or initiatives to generate and receive finance for carbon credits used for voluntary climate commitments? Does the project need approval from government entities?
  - If not, what is the status? Is there legislation which allows for secured long-term forest/land management for this opportunity (whether government, indigenous, private, other)?
  - Is there flexibility regarding credit usage (in which markets can the credits be used - voluntary/compliance/CORSIA/...)?
  - Are there nesting arrangements from NCS projects into sectoral baselines, where relevant (e.g., REDD)?
  - What important national policies have been or are planning to be put in place that are relevant for REDD+ (e.g., Socio-Bosque in Ecuador)?
  - Are there any other REDD+ site-level activities in the country that the government is actively supporting?
- Consult [CI's Climate Policy Tracker](#), a climate report of the host country of the project may have already been developed and can be used to complete this section.
  - CI's Conservation Finance Division can also provide a screening template for this purpose and a template for terms of references when a legal consultant is needed to carry out this analysis.
  - **As per VCS/CCBS G5.6:** Submit a list of all national, regional, and local laws, statutes and regulatory frameworks in the host country that are relevant to the project activities.

### 3.2. Nesting to National Reference Level Considerations

**Blue carbon projects:** this section is only relevant for mangrove conservation projects. Mangrove restoration and projects in non-mangrove coastal ecosystems may not need to include this section.

- This section should provide a discussion on the characteristics of the FRL regarding the carbon pools and sources, crediting period, historical reference emissions, forest type and activities (e.g., avoided deforestation, reforestation, forest management, etc.) and any potential difference with site-base project baseline characteristics.
- [CI's Climate Policy Tracker](#) and CI's Conservation Finance Division can also provide a screening template that provides a table that can be used to summarize FRL's characteristics.
- The discussion should include a description of the requirements of integrating site-based project baselines into the national reference level (FRL), (e.g., phasing approach and nesting rules) and how that would affect the ex-ante ERR estimations (next section).

### 3.3. Progress on Compliance with Laws, Statutes and Other Regulatory Frameworks

- Identify and demonstrate compliance of the project with all relevant local, regional, and national laws, statutes, and regulatory frameworks, as well as international guidance for emissions trading, if applicable.
- **As per VCS/CCBS G5.6:** Submit a list of all national, regional, and local laws, statutes and regulatory frameworks in the host country that are relevant to the project activities.

- **As per VCS/CCBS G5.7:** Document that the project has approval from appropriate authorities, including established formal and/or traditional authorities customarily required by the communities.
- If it is not possible to demonstrate some of the above criteria, please provide a description of what approvals have already been gained with national, local entities or traditional authorities.

### 3.4. Land Tenure and Use Rights/Management in the Project Area

- This section should describe the land tenure of the project area, basically answering the question: who owns the land in the project (and surrounding) area?
- Are there any legal titles to the land?
- Are there any customary rights attached to the lands in the project area?
- Are there conflicts between legal and customary/traditional land rights?
- Are there conflicts between landowners and occupants/tenants? Are there contested lands?
- Are there any official management plans/categories regulating land use in the project area, such as forest concessions, buffer zones, protected areas, or areas under management plans?
- Are management plans officially approved and fully implemented? To what extent?
- In addition, demonstrate land tenure rights: does the project implementor have the ability/right to manage the proposed area and implement the proposed activities as required?
- If possible, provide evidence such as plans, official land titles, etc.

### 3.5. Carbon Rights

- This section should provide an analysis of any existing or forthcoming legal framework with regards to carbon rights.
- What is the status of the legislation regarding carbon ownership in the country? Is there already a law, or is it under consideration?
- How could the project be affected?
- If applicable, demonstrate that the landowner of the project has or can be granted the carbon rights by the carbon rights owners. i.e., if the area is protected, please describe how the government can guarantee funds can be transferred to project implementation and direct community-led activities.
- Consult [CI's Climate Policy Tracker](#), a climate report of the host country of the project may have been developed and can be used to complete this section.
- CI's Conservation Finance Division can also provide a screening template for this purpose and a template for terms of references when a legal consultant is needed to carry out this analysis.

## 4. PROJECT SCENARIO AND SCOPE

### 4.1. Actions to Reduce Deforestation / Improve Restoration or Management

- Given the context provided in the previous sections, this section should provide a detailed and clear description of the project intervention strategy for reducing deforestation or increasing removals in the target area.
- How does the project address deforestation/land-use change drivers or restoration barriers and agents to achieve the anticipated reductions in deforestation/land-use change and/or enhance sequestration and related GHG removals? **Blue carbon projects: include whether any hydrological changes are needed.**
- What other project activities are specifically designed to overcome the barriers or create enabling conditions for the project to succeed?
- **As per VCS/CCBS G1.8:** Provide a summary description of each project activity (including the technologies or measures employed) and the expected output, outcomes and impacts using a theory of change to explain how the activities will achieve the project’s predicted climate, community, and biodiversity benefits. Appendix 2: Project Activities and Theory of Change Table

*This is an example of just one method of representing the theory of change. Results chains/flow diagrams are another effective way to represent the theory of change. Modify the table, if necessary, to suit the project activities, or delete if not used.*

*Refer to the Theory of Change tool (currently under development) to complete this section*

Activity description	Expected climate, community, and/or biodiversity			Relevance to project’s objectives
	Outputs (Short term)	Outcomes (Medium term)	Impacts (Long term)	

### 4.2. Social and Environmental Safeguards

- This section identifies preliminary potential risks (low, medium, high) to people and nature that may be present in the project and prepares to mitigate those risks during project implementation.
  - How does the project impact local communities (positive and negative)?
  - How does the project impact biodiversity/other ES (positive and negative)?
- **As per VCS/CCBS CM2.2, B2.3:** Describe measures needed and designed to mitigate any negative well-being impacts on community groups and biodiversity attributes related to community well-being. Explain how such measures are consistent with the precautionary principle.
- Any kind of approach can be applied to identify those risks and mitigation actions, but CI’s process to carry out a safeguards screening should be applied and a completed [Safeguard Full Screening Form](#) provided.

### 4.3. Potential Environmental and Social Co-benefits

- This section describes the potential positive impact of the project on stakeholders, communities, and biodiversity.
- What ecosystem services & biodiversity benefits do we have to take into consideration that are relevant in the region (e.g., important watersheds, endemic/threatened species distribution etc.)?
- **As per VCS/CCBS CM2.3, GL1.4, B2.2, GL1.4:** Demonstrate that the anticipated net well-being and on biodiversity impacts of the project are predicted to be positive for all identified community groups compared with their anticipated well-being conditions under the without-project land use scenario.

### 4.4. Governance Structure

- Based on the information from the previous sections, illustrate in a diagram the project management as well as the carbon credits value chain, from its origination to the potential buyer in the voluntary market, and the disbursement of funds from the sale of carbon credits back to the project (e.g., for implementation of activities). See the hypothetical example below for illustrative purposes only. Indicate in the chain where formal agreement will be needed and the type of agreement.
- Include all the stakeholders that would be involved in the generation and transfer of credits, including local/rural communities. In addition, include the flow of funds or benefits from the buyer to local stakeholders.
- **As per VCS/CCBS G4.1:** Describe the project’s governance structures, and roles and responsibilities of all entities involved in project design and implementation.

### 4.5. Benefit Sharing

- Describe the initial proposal of how carbon and other project revenues may be distributed among various stakeholders, including government and local communities.

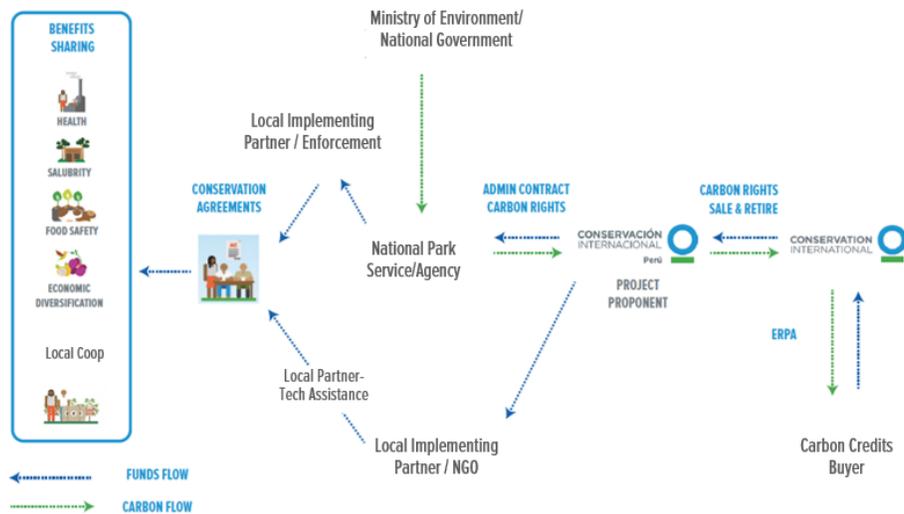


Figure 1- Diagram of carbon credits and benefit sharing flow

## 5. CARBON ANALYSIS

### 5.1. Proposed Boundaries and Methodological Approach

- This section should provide detailed data on the project boundaries, including the geographical boundaries (e.g., leakage belt, and the reference or jurisdictional area for the project, where applicable), and carbon pools (e.g., above ground and below ground biomass, litter, deadwood, and soil organic carbon). Include maps as appropriate to illustrate. **Blue carbon projects: include, at a minimum, if CH<sub>4</sub> and/or N<sub>2</sub>O emissions from soils will be included in the GHG boundary.**
- Where known, the project start date (year when the emissions reductions and/or removals are expected to happen), and the expected crediting period should be provided. If the project start date is not yet clearly known, an assessment of some of the considerations in determining this should be provided.
- Provide an overview of the crediting approach to be used (e.g., project type(s), carbon standard to be certified, potential methodology or protocol to be applied).
- CFD's Carbon Development Good Practice Guidelines are available as a supporting tool.

### 5.2. Additionality Considerations

- This section should provide a strong case for justifying the additionality of the proposed intervention. For example, the project is not financially viable without the carbon credits obtained; there is no law for the creation of the PA, or enforcement of such law is not common practice, or there is no funding (and no hope for future funding) for the ongoing effective management of the protected area, etc.
- The methodology selected will guide how to carry out additionality analysis, and the VCS tool (if applicable) for proving additionality could be used as a guidance.

### 5.3. Business as Usual Scenario (Baseline)

- For REDD and CIW projects, this section should provide a high-quality analysis of the historic rate of deforestation/ecosystem conversion in the jurisdiction or reference area as well as within the potential project site. If using VCS, the ideal product should look at 4-6 yearly rates of deforestation/change, generated using a standard methodology, or matched to the country's nesting rules. A risk mapping and allocation approach using the JNR methods should be applied for projects to be certified under VCS using the new avoided unplanned deforestation consolidated methodology. CFD has tools and workflows that are available for producing risk maps and estimating GHG emissions allocations.
- Preliminary analysis of future deforestation should be based on historical average rate of deforestation, unless otherwise required by the methodology or nesting rules).
- This section should also provide information on the average carbon stock/ha (in tons of CO<sub>2</sub>e) inside the project area for the different strata (e.g., among the different classes of forest/vegetation and/or levels of threat, elevation etc.) as well as for the post-deforestation/post-conversion land use. It should include: the source of the biomass data (default values from the IPCC or information from available regional studies).
- If the project will generate removals, describe the land use before the reforestation/ecosystem restoration occurred and the forest growth equations and/or soil carbon accumulation model to estimate the total removals, along with parameters, methods and assumptions used in the model CI's Conservation Finance

Division has a historical deforestation analysis, and an emission reduction and removals tool that can be used.  
**Blue carbon:** The Blue Carbon team has a global analysis of historical mangrove loss.

#### 5.4. Preliminary Leakage Estimation

- Describe the procedure for the quantification of leakage emissions in accordance with the applied methodology. Include all relevant equations and explain and justify all relevant methodological choices (e.g., with respect to selection of emission factors and default values).
  - Description of the activities to mitigate leakage
  - Assumptions or estimation of potential emissions from leakage

#### 5.5. Permanence

- Description of the measures to ensure permanence and mitigate the risks of reversals.
- Estimation of the non-permanence risk buffer/rate and justification of assumptions.
- Use the VCS AFOLU Non-Permanence Risk Tool to estimate a preliminary buffer value.
- To improve the analysis, integrate the results from the risk analysis included in section 7.1.

#### 5.6. Ex-ante Emission Reductions and Removals (ERRs) Assessment

- Based on the previous analysis, this section provides a preliminary estimation of the ex-ante emissions reductions or removals (in tCO<sub>2</sub>e) generated through the project activities throughout its lifetime.
- If the project intends to be verified under voluntary market standards, follow as much as possible the guidance from the standards to estimate the ERRs with medium to high-level or accuracy.
- Where possible include uncertainties of all carbon estimates.

### 6. FINANCIAL ANALYSIS

#### 6.1. Costs Overview

- This section should provide an estimation of the project costs, at least for the first 10 years of operation and reported in \$USD. Project costs should be divided into four main categories: establishment costs, implementation costs, program management costs at present and long-term and carbon accounting costs. CI's Conservation Finance Division & the Blue Carbon team have project costs tool that can be used.

#### 6.2. Carbon and any other Potential Revenue Streams

- Describe any other source of potential revenue that the project might generate that is not related to carbon credits, including revenue from other ecosystems services (e.g., tourism, fishing, sustainable agriculture, trash management), compensation mechanism for biodiversity loss, grants or philanthropic donations or profits from agricultural products or NFTP.
- In addition, outline historical funding received (e.g., grants, government investments or philanthropic donations) where a claim or commitment has been made on project outputs (such as carbon credits). This includes rights of first refusals on purchase of project outputs.
- This section might include fundraising and revenue strategies from broader landscape or regional strategies.

### 6.3. Preliminary Assessment of Project Financials

- This section should describe the financial analysis for the lifetime of the project, including an indicative upfront investment required and ongoing costs for implementation, indicative cost per verified emission units (breakeven price) and internal rate of return (if applicable), revenue overview.
- Assumptions, parameters, caveats, and alternative scenarios should be clearly described. Ideally a comparison with the opportunity cost of the most likely post-deforestation land use should be provided. CI’s Conservation Finance Division has a carbon financial analysis tool that can be used.

## 7. RISK ASSESSMENT

### 7.1. Risk Identification

- All carbon projects have some degree of risk, and a feasible project is not one which does not have risks but rather one for which risks are known.
- This section should highlight potential factors that might pose risks to the project and the mitigation strategy for the ones that pose a material risk. It should include political and legal, economic/financial, environmental, social, policy and compliance, reputational, health, safety, risk from sea level rise and security risks.
- It is recommended to use the Conservation Finance Division’s Risk Register and Assessment Tool to define project risks. **Blue carbon: CI’s Blue Carbon Program has also a tool to select areas according to risk categories you may use.**
- If relevant, also use information from the Social and Environmental Safeguards screening requested in section 4.2.
- CFD’s “Risk Register” tool for applying the bow-tie approach is available to help complete this assessment.
- Complete the table below to summarize the results

Identify Risk	Impact and likelihood scoring (low, medium, high)	Potential impact of risk on climate, community and/or biodiversity benefits	Actions needed to mitigate the risk

### 7.2. Opportunity Identification

- This section should describe any opportunity that would increase the impact of the project. Is there any opportunity to scale up the project? Or potential matching funding, grants, or any prospective financial support from another source? Is there any governmental program that could leverage the impact of the project?

## 8. PROJECT DESIGN SCHEDULE

### 8.1. Proposed Timeline for Development and Implementation

- Insert a draft workplan highlighting the key activities and strategies to be implemented as part of the project development (e.g., Project Design Document) and implementation (e.g., conservation agreements, biodiversity, and community monitoring plans).
- The workplan should cover at least 5 years, or if applicable at least 2 verification events.
- CI’s Conservation Finance Division has a project implementation timeline tool that can be used.

## 9. CONCLUSION AND NEXT STEPS TOWARDS PDD DEVELOPMENT

### 9.1. Critical Information Gaps

- If relevant, explain what critical information or analysis gaps exist. Can these be obtained? Were any assumptions made during this process that need to be revisited in the next phase?

### 9.2. Next steps for Project Design

- Based on the workplan above, describe the next steps, activities or actions that need to be carried out to start the next phase – the full design of the carbon project.
- It might include some of the enabling factors (e.g., completion of nesting process or to start proper consultation and FPIC processes) as well as activities required by the carbon standards (e.g., biomass inventory).
- Describe any work that CI or partners are already developing as conservation actions that will continue to be implemented as part of the carbon projects.

### 9.3. Conclusion and Recommendations

- Based on the analysis please provide conclusions and any recommendations on whether the project seems feasible from the technical, legal, social, and financial perspective, and explain why.

Annex 1 Stakeholder Identification Table

Stakeholder	Role	Rights, Interests and Overall Relevance to the Project	Strengths and weaknesses