

Guidance Document

Microsoft Carbon Dioxide Removal Procurement Cycle

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Introduction

Procurement cycle overview

In January 2020, Microsoft committed to be carbon negative by 2030, which requires that we reduce our total carbon emissions by over half and remove the rest. The **carbon dioxide removal (CDR)** program is one of two prongs of our effort to meet this commitment and has two primary objectives:

1. Procure high-quality CDR tonnage (covered by this procurement process)
2. Invest in CDR technologies through the [Climate Innovation Fund](#) (not covered by this procurement process)

Microsoft has the opportunity to drive demand for high-quality carbon removal through publishing [quality criteria](#), procuring from projects, and driving market innovations. We are committed to supporting solutions that contribute maximum positive impact, transparency, and collective market intelligence to address the global climate crisis at this critical time. We place strong emphasis on measuring and verifying net-negative emissions to a high degree of scientific confidence, through both officially certified credits and alternative modes of verification.

This Guidance Document introduces participants to our carbon removal goals, provides general instructions on the procurement cycle process and provides context on our request and expectations. It includes our desired outcomes, details of desired project types, prerequisites, review approach, timeframes, and information we plan to share publicly.

In addition to this Guidance Document, the procurement cycle package includes the following:

Procurement Cycle Supporting Documentation	
Application Portal	Access our CDR application form. Link provided through the Microsoft Carbon Removal Website .
Criteria for High-Quality Carbon Removal	Narrative outlining ideal project criteria by project type available on the Microsoft Carbon Removal Website . Link to criteria .
Frequently Asked Questions (FAQs)	Clarifying questions to consult prior to submittal provided through the Microsoft Carbon Removal Website . The FAQs will be updated from time to time as Microsoft receives questions from Participants. Link to FAQ .
CDR insights	Learn about emerging insights and strategies driving progress in carbon removal through the CDR insights section of the Microsoft Carbon Removal Website .
Buyers' Guide for Sustainable Biomass Sourcing	Guidance for biomass sourcing in CDR contracts to reduce the risk of adverse outcomes. Link to buyers' guide . Note – this document applies only to CDR proposals that make use of biomass feedstock (for example, biochar, BECCS, etc.)
Buyers' Principles for Responsible Enhanced Rock Weathering (ERW)	Four principles that can help safeguard ERW credit quality. Link to buyers' principles . Note – this document applies only to enhanced rock weathering projects.

Key considerations for applicants

In the first four years of our carbon removal program, we've learned some key lessons. Please keep the following in mind when completing your proposal:

3. Given the scale and urgency of climate change, we prioritize projects that can deliver large volumes (especially in our 2030 milestone goal year) over multiple years. We are still interested in supporting small pioneering projects that have the potential to scale into meaningful CDR pathways as a secondary priority.
4. We need expensive, higher durability solutions to become more affordable. Multiyear demand commitments, direct investment, and supportive policies are all critical to driving costs down so they can be affordable for a larger set of buyers.
5. Forestry and soil carbon removal face challenges in quality (e.g., with carbon quantification) but offer short-term climate value and co-benefits beyond carbon removal. Challenges with nature-based solutions underline the fact that removal is not a uniform commodity that can be compared easily across project types. However, we believe that corporate support for nature-based carbon removal remains essential.
6. If your proposal relies heavily on modeled carbon outcomes (e.g., as is prevalent in soil carbon sequestration, enhanced rock weathering, and ocean alkalinity enhancement), make sure to articulate your uncertainties and your plans to develop modeling and robust monitoring, reporting, and verification.
7. One of the most important tensions we face in scaling CDR quickly is the need to center thoughtful community engagement in our approach. On one hand, the Intergovernmental Panel on Climate Change suggests the world must very rapidly ramp up carbon removal capacity. On the other hand, insufficient attention to local effects and to community and environmental justice concerns will slow projects, harm communities, or both—and sufficient attention takes time. We expect participants to articulate how they will incorporate community considerations as part of prudent project development and operation.

Along the way, we also developed detailed guidance that informs our assessment of [biomass-based](#) and [enhanced rock weathering](#) project submissions. Looking forward, we'll continue to periodically share emerging insights and strategies driving progress in carbon removal. For more details, see the CDR insights section of the [Microsoft Carbon Removal Website](#).

Our desired outcomes in issuing this procurement effort are to:

1. Procure high-quality CDR tonnage in the volumes needed to meet our carbon negative by 2030 goal and initiate multi-year contracts to fulfill our future needs.

LEARN MORE

For more insight into our lessons learned, review the following briefing papers from past years:

- [FY21 briefing paper](#)
- [FY22 briefing paper](#)
- [FY23 briefing paper](#)

2. Establish and communicate best practices for high-quality projects.
3. Support projects that use emerging innovative technologies with higher durability and significant potential for scale.
4. Discover and share insights on market dynamics of high-quality CDR.
5. Understand how Microsoft can encourage a diverse, equitable, and inclusive CDR supply chain and partner ecosystem.

Application overview

Participants

Microsoft will consider proposals from brokers and project developers, including for-profit organizations, and non-governmental organizations. In alignment with [Microsoft's Supplier Diversity Program](#), we seek to include diverse suppliers in the bidding process.

Project types

We will consider CDR proposals from the project types listed below:

- Biochar
- Biomass conversion with carbon removal and storage (BiCRS) (including BECCS)
- Carbon dioxide utilization (using strictly biogenic sources of carbon dioxide)
- Carbon dioxide mineralization (excluding enhanced weathering and ocean alkalinity enhancement)
- Coastal blue carbon (removal only)
- Direct air capture and storage
- Enhanced rock weathering
- Forestry (removal only)
 - Afforestation and/or Reforestation
 - Agroforestry
 - Improved forest management
 - Silvopasture
- Ocean alkalinity enhancement
- Soil carbon
- Other project types that meet our prerequisites

This list is not exhaustive; we invite other approaches not listed here that meet our specifications, especially CDR pathways that have the potential to generate at least 1 million metric tons (mt) per year in carbon removal by 2030.

Incurred costs

Microsoft is not responsible for any participant's cost or expense associated with the submittal to this procurement effort. This includes the following:

- Submitting the proposal to Microsoft
- Making presentations to Microsoft
- Negotiating with Microsoft on any matter related to the proposal
- Any other expenses incurred by the participant prior to the execution of an agreement between the selected participant and Microsoft that specifies any such remuneration

Transparency

Microsoft is committed to advancing carbon removal market development by maximizing positive impact and transparency. By submitting a response to this procurement effort, participants agree to the public disclosure of certain information that is contained in their submittal. Participants accept these terms and waive any privacy rights to submitted information, with exceptions noted below. For more information, please see the Microsoft privacy statement, which can be found at this link: privacy.microsoft.com/en-us/privacystatement.

Microsoft is aware that certain information may be sensitive or confidential to your organization. With that in mind, we will **not** share the following information publicly unless we obtain written authorization from the participant:

- All information submitted on the application questionnaire unless explicitly noted otherwise
- All responses to follow-up due diligence questions (provided by email following the review of the project application)
- All attachments other than the Project Design Document

Through this procurement cycle, Microsoft will collect market intelligence to share broadly to help accelerate the development of a robust CDR market. This includes information from projects that are not selected for the carbon removal procurement cycle. **We will not share attachment files.**

Microsoft will not make specific project-level pricing data public. We may use aggregate proposal pricing information, with no reference to source, in median, average, and other anonymized analyses. We may also share the aggregated datasets broadly with the public.

Participants agree to disclose the direct or indirect participation of any Microsoft employee in proposal preparation or submission. Participants should make this disclosure in the project summary section of the proposal.

By submitting a proposal, the participant understands and consents that Microsoft may make the above disclosures. Participants should be deliberate about the information they include in proposals. We are unable to address requests to subsequently change language or remove

answers within the application portal. You may update answers submitted by emailing mscdr@microsoft.com.

Confidentiality and nondisclosure agreements

No participant may release any information related to this procurement cycle to the public, including informational pamphlets, notices, press releases, research reports, or similar public notices, without obtaining prior written authorization from Microsoft. If Microsoft selects your project for further review, you will be required to sign a nondisclosure agreement with Microsoft if one is not already in place.

Data protection

The Microsoft Supplier Security and Privacy Assurance (SSPA) Program delivers Microsoft data processing instructions through the Microsoft Supplier Data Protection Requirements to suppliers working with personal data or Microsoft confidential data. Participation in and compliance with the requirements of the SSPA Program is required for any accepted and awarded proposals that involve processing of personal data or Microsoft confidential data.

Microsoft does not anticipate proposal submissions under this procurement effort to be in scope for the SSPA Program.

Proposal validity

Participants agree that submitted proposals will remain open and firm for 180 business days after submission, including through contract negotiations. Proposals will form the basis for a legally binding contract with all terms (prices and conditions) fixed.

Communications

All communications between the participant and Microsoft should be in writing either through the application portal or via email (mscdr@microsoft.com). Any information received through any other means will not be considered as part of the procurement cycle. Participants should direct all follow-up communication to the email above.

Application requirements

In the sections below, you'll find the requirements and requests for each application. **We expect that every participant has reviewed all the materials in this document and on the [Microsoft Carbon Removal Website](#).**

Criteria for high-quality carbon dioxide removal

In partnership with Carbon Direct, Microsoft has developed [criteria for high quality carbon dioxide removal](#) for the most common carbon removal project types. These are drawn from our experience since focusing on carbon removal in 2020. Please note that not all project types are covered in the criteria, some project types are too nascent for common specifications. **Please review these criteria to understand whether your project is a good fit before submitting your proposal.**

Proposal format

Please be sure to review the full application and respond to each question. Additional conditional questions will appear based on the selected project type and other responses. All proposals must provide straightforward, concise responses to satisfy the requirements of this procurement cycle. Participants should prioritize completeness and clarity of content and provide sufficient detail to allow for accurate evaluation and comparative analysis. For projects in development, participants may not have final answers to some application questions. In such cases, please answer to the best of your ability and indicate any uncertainties as well as when you expect to have additional pieces of information if not available at the time of application. Please note the following guidelines before submitting your proposal:

- Submit your response electronically via the link to the application provided above. No email or hard copies will be accepted unless otherwise noted.

DOCUMENT UPLOAD LIST

Please include the following documents, as available, in your submission:

- Project Design Document (PDD)
- Monitoring, Measurement, Reporting, and Verification (MMRV) plan
- Community benefits plan and/or community engagement plan
- Financial models
- Project risk assessments or risk tools completed as part of validation by a carbon credit standards body
- Third-party life cycle assessment or completed Lifecycle Emissions Intake Form (LEIF). To receive a copy of the LEIF, email mscdr@microsoft.com
- Project location GIS data (ideally a zipped KML/KMZ file, but it could also be a zipped shape file)
- Other supporting information that will assist our analysis of project quality

- Submit only one proposal for each project. There is no limit to how many proposals a participant can submit. Participants only need to answer the “Organization Questions” once.
- Attach the additional documentation listed in the DOCUMENT UPLOAD LIST.
- If you are unable to address a required question, provide an explanation in the appropriate section.

Pricing

Microsoft evaluates many CDR proposals; therefore, it is highly recommended that any proposal includes the most favorable terms possible. Participants should be prepared to accept their application, as submitted to Microsoft in response to this procurement effort, as the basis for a legally binding contract with Microsoft. Participants are expected to provide all pricing in US dollars as requested through the application.

Diversity and inclusion

Microsoft promotes inclusivity both internally and externally on a global scale. We want to create a more dynamic environment that embraces a wide variety of perspectives and skill sets. It is expected that our partners will also reflect this effort. Please outline how your company demonstrates inclusive behavior and describe any initiatives it has taken to create a workforce from a range of backgrounds and perspectives.

For additional information, please go to www.microsoft.com/en-us/diversity/default.aspx.

Accessibility

Suppliers are required to meet Microsoft accessibility standards. Any devices, products, website, web-based application, or online content, developed for or provided to Microsoft must comply with accessibility requirements by law or as provided by Microsoft. If the participant develops, provides or maintains any website, web-based application, or online content, they agree that such websites, applications, or content will comply with Web Content Accessibility Guidelines (WCAG) 2.0 Level A and AA Success Criteria (WCAG 2.0 AA). WCAG 2.0, also codified by the International Organization for Standardization and International Electrotechnical Commission as ISO/IEC 40500:2012, is available at www.w3.org/TR/WCAG20/; an overview of WCAG is available at www.w3.org/WAI/intro/wcag.

Application submission

Due dates

Organizations are welcome to submit proposals throughout the year, and we fill our portfolio on a rolling basis.

How to submit your procurement proposal

There are two ways to submit your procurement proposal:

1. Select “Apply now” through our [Microsoft Carbon Removal Website](#).
2. Go directly to the [Microsoft Carbon Removal Website Application Link](#).

Note that we are receiving an increasing number of CDR proposals, which is extending our review process. Please ensure that your submission includes all required information, including the items in the document upload list, to ensure a timely response.

Rules of engagement

Applicants should note the following rules of engagement:

- All information, instructions for submittal, and answers to participant questions prior to receiving confirmation of the intent to negotiate will be provided to all participants equally.
- No inquiries or responses will be accepted except via the application links listed above.
- Applicants may correct any errors in submittals through an amended submission to the procurement proposal sent to mscdr@microsoft.com. Microsoft may consider such corrections at its discretion and if in accordance with procurement cycle timelines.
- Incomplete proposals may not be considered.
- Any responses to your proposal that are deemed untruthful may be disqualified.

If you have any questions, please refer to the [FAQ](#) for additional guidance.

Application review

We are committed to a thorough review of each proposal for all prerequisites and criteria.

Evaluation of proposals

Proposals will be evaluated on the responsiveness to all procurement cycle requirements. The evaluation of a participant’s ability to provide the required services will be based on the written proposal as submitted. Each proposal will be competitively evaluated on its strengths, weaknesses, and responsiveness to the procurement effort.

Prerequisites and considerations

We will only purchase projects that meet the minimum viable specifications detailed in our [criteria for high-quality carbon removal](#). We prioritize the following:

1. **Net-negativity.** Removing net atmospheric carbon dioxide on a life cycle basis, as demonstrated by robust carbon accounting.
2. **Scientific verification.** Verifying carbon removal claims to a high degree of confidence. All projects, regardless of certification status, will go through comprehensive independent review of project documents and underlying scientific studies to assess the extent to which they fulfill [our criteria](#).

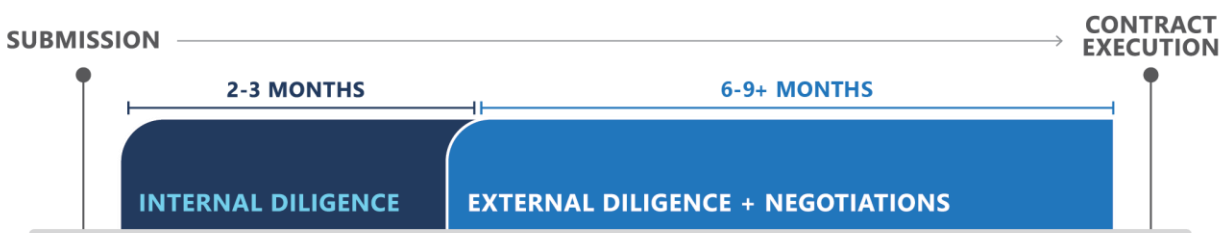
3. **Environmental justice.** Avoiding or minimizing economic, environmental, and social harm, including continued reliance on fossil fuel energy, deforestation, environmental impact due to mining of raw materials, water consumption, impacts to Indigenous/local rights, or violation of national sovereignty.

If projects do not meet the above prerequisites, they will not be qualified for further consideration. Of the projects that meet the above considerations and our quality [criteria](#), we will prioritize projects that fulfill one or more of the following additional criteria:

- **Global CDR potential:** represents a project type that contributes meaningfully to a global carbon removal portfolio, based on peer-reviewed science.
- **Affordability:** has a path to affordability at scale.
- **Technological innovation:** uses technology to improve carbon market outcomes (for example, reduces certification cost per mt of carbon dioxide, democratizes selling/buying opportunities, or overcomes other barriers to scale).
- **Co-benefits:** advances sustainable livelihoods and environmental justice, builds climate resilience, supports water conservation, and protects or enhances ecosystems and biodiversity.
- **Other sustainability dimensions:** proactively promotes other measurable sustainability objectives (such as water stewardship, waste reduction, and biodiversity protection and enhancement).

Review timeline

In general, given the novelty of the carbon removal space, the complexity of many removal pathways, and the lack of strong, common removal standards, **it takes two to three months to complete initial proposal reviews**. For proposals that are selected, the **diligence and negotiation process may take an additional six to nine months** or more, depending on specifics. We encourage applicants to submit a proposal with plenty of time ahead of any key deadlines.



Award of contract and contracting terms

All contracts for the purchase of CDR will be based on standard Microsoft contracting terms and conditions. Depending on the complexity and first-of-a-kind nature of the participant's CDR project, Microsoft may incorporate contractual terms that address the particularities of the project, including, but not limited to, the fact that the underlying CDR activities are expected to occur in the

future. Once Microsoft communicates the intent to award such business, we will indicate the ideal form of contract.

Microsoft requires all suppliers to be enrolled in our supplier system and to comply with the [Supplier Code of Conduct](#). This onboarding process requires Microsoft Procurement review of company financial history, and compliance documentation, including data privacy and security readiness. The full process usually takes one to three months. For more information, check out: [Doing Business with Microsoft Procurement](#).

Microsoft reserves the right to reject any and all proposals received without penalty or not issue a contract as a result of this procurement cycle if a participant is unable to meet Microsoft procurement and contract requirements or for any other reason Microsoft deems appropriate.

Nothing in this proposal process should be construed as an offer of future business by Microsoft. No terms, discussions, proposals, or other requirements of this procurement effort should be binding on either party prior to execution of a legally binding contract between the parties.