International Civil Aviation Organization (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)

Application Form for Emissions Units Programs

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SECTION I: ABOUT THIS ASSESSMENT

Background

Following the agreement at the 39th Assembly of the International Civil Aviation Organization (ICAO), governments and the aviation industry are getting ready to implement the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). Together with other mitigation measures, CORSIA will help achieve international aviation's aspirational goal of carbon neutral growth from year 2020.

Aeroplane Operators will meet their offsetting requirements under CORSIA by purchasing and cancelling CORSIA eligible emissions units, which will be determined by the ICAO Council upon recommendations by its Technical Advisory Body (TAB), according to paragraph 20 d) of ICAO Assembly Resolution A39-3.

As an initial step, in November 2017, the ICAO Council provisionally approved CORSIA Emissions Unit Eligibility Criteria (EUC). Application of the EUC will serve as the basis for the Council's decisions on CORSIA-eligible emissions units.

To make further progress on the application of the EUC, the ICAO Council requested its Committee on Aviation Environmental Protection (CAEP) to informally test emissions unit programs against the EUC. The results and recommendations of the informal testing were provided to the Council, including the recommendation for the EUC to be used by the TAB in this assessment process.

Subsequently, in March 2019, the ICAO Council unanimously approved the EUC for use by the TAB in undertaking its tasks. At the same time, the ICAO Council also approved the 19 members of the TAB and its Terms of Reference (TOR).

ICAO has invited emissions unit programs to apply for the assessment, which will involve collecting information from each program through this program application form.

Through this assessment, the TAB will develop recommendations on the list of eligible emissions unit programs (and potentially project types) for use under the CORSIA, which will then be considered by the ICAO Council to make its decision on CORSIA eligible emissions units.

This form is accompanied by Appendix A "*Supplementary Information for Assessment of Emissions Unit Programs*", containing the EUC and *Guidelines for Criteria Interpretation*. These EUC and Guidelines are provided to inform programs' completion of this application form, in which they are cross-referenced **by paragraph number**.

Program responses to this application form will serve as the primary basis for the assessment. Such assessment may involve e.g. clarification questions, an in-person interview, and a completeness check of the application, as further requested. Programs which are invited for an in-person interview will receive advance notice of the time and date of the interview.

The working language of the assessment process is English. If the program documents and information are not published in English, the program should fully describe in English (rather than summarize) this information in the fields provided in this form, and in response to any additional questions. Translation services are not available for this process. Those programs that need to translate documents prior to submission may contact the ICAO Secretariat regarding accommodation.

Disclaimer: The information contained in the application, and any supporting evidence or clarification provided by the applicant including information designated as "business confidential" by the applicant, will be provided to the members of the TAB to properly assess the Program and make recommendations to the ICAO Council. The application and such other evidence or clarification will be made publicly available on the ICAO CORSIA website for the public to provide comments, except for information which the applicant designates as "business confidential". The applicant shall bear all expenses related to the collection of information for the preparation of the application, preparation and submission of the application to the ICAO Secretariat and provision of any subsequent clarification sought by the Secretariat and/or the members of the TAB. Under no circumstances shall ICAO be responsible for the reimbursement of such or any other expenses borne by the applicant in this regard, or any loss or damages that the applicant may incur in relation to the assessment and outcome of this process.

SECTION II: INSTRUCTIONS

Submission and contacts

A Program is invited to complete and submit the form, and any accompanying evidence, through the ICAO CORSIA website no later than close of business on **12 July 2019**. Within seven business days of receiving this form, the Secretariat will notify the Program that its form was received.

If the Program has questions regarding the completion of this form, please contact ICAO Secretariat via email: officeenv@icao.int. Programs will be informed, in a timely manner, of clarifications provided by ICAO to any other program.

Form basis and cross-references

Questions in this form are derived from the criteria and guidelines introduced in Section I (above). To help inform the Program's completion of this form, each question includes the paragraph number for its corresponding criterion or guideline that can be found in Appendix A "*Supplementary Information for Assessment of Emissions Unit Programs*".

Form completeness

The Program is strongly encouraged to respond to all questions in this application form. If any question(s) in this form does not apply to the Program, please briefly explain the exception.

Where "evidence" is requested, programs are encouraged to substantiate their responses in any one of these ways (in order of preference):

- web-links to supporting documentation included along with the written summary response; with instructions for finding the relevant information within the linked source, if necessary;

- copying/pasting information directly into this form (no character limits) along with the written summary response;

- attaching supporting documentation to this form at the time of submission, with instructions for finding the relevant information within the attached document(s);

Please note that written summary responses are encouraged—supporting documentation should not be considered as an alternative.

To help manage file size, the Programs should limit supporting documentation to that which directly substantiates the Program's statements in this form.

Form scope

The Program may elect to submit for analysis all or only a portion of the activities supported by the Program.

In the template provided by Appendix B "Program Scope Information Request", the Program should clearly identify and submit along with this form information on the following:

a) activities that the Program submits for analysis by describing them in this form;

b) activities that the Program does not wish to submit for analysis, and so are not described in this form;

c) identification details (e.g., methodology date, version) for activities described in this form.

Information provided under "c" should allow for the unambiguous identification of all methodologies/protocols that the Program has approved for use as of the date of submission of this form.

Program revision

Where the Program has any immediate plans to revise the Program (e.g., its policies, procedures, measures) to enhance consistency with a given criterion or guideline, provide the following information in response to the relevant form question(s):

- Proposed revision(s);

- Process and proposed timeline to develop and implement the proposed revision(s);

- Process and timeline for external communication and implementation of the revision(s).

"Linked" certification schemes

This application form should be completed and submitted exclusively on behalf of the Program that was invited to participate in the assessment.

Some programs may supplement their standards by collaborating with other schemes that certify, e.g., the social or ecological "co-benefits" of mitigation. The Program can reflect a linked scheme's procedures in responses to this form, where this is seen as enhancing—i.e. going "above and beyond"—the Program's own procedures.

For example, the Program may describe how a linked scheme audits sustainable development outcomes; but is not expected to report the linked scheme's board members or staff persons.

Programs should clearly identify any information provided in this form that pertains to a linked certification scheme and/or only applies when a linked certification scheme is used.

Disclosure of program application forms

Applications and other information submitted by emissions unit programs will be publicly available on the ICAO CORSIA website, except for materials which the applicants designate as business confidential.

The public will be invited to submit comments on the programs applications including regarding their consistency with the emissions units criteria (EUC), through the ICAO CORSIA website, for consideration by the TAB following its initial assessment of program applications.

SECTION III: APPLICATION FORM

PART 1: General information

A. Program Information

Program name:	Verified Carbon Standard (VCS) Program
Official mailing address:	Verra One Thomas Circle NW, Suite 1050 Washington, DC 20005 USA
Telephone #:	+1 202.470.2282
Official web address:	www.verra.org https://verra.org/project/vcs-program/

B. Program *Administrator* Information

Full name and title:	Sam Hoffer, Director, Verra Programs
Employer / Company (*if not Program*):	Verra
E-mail address:	shoffer@verra.org
Telephone #:	+1 202.470.5667

C. Program *Representative* Information *(if different from Program Administrator)*

Full name and title:	David Antonioli, Chief Executive Officer
Employer / Company (*if not Program*):	Verra
E-mail address:	dantonioli@verra.org
Telephone #:	+1 202.470.5660

D. Program Senior Staff / Leadership (*e.g., President / CEO, board members*)

List the names and titles of Program's senior staff / leadership, including board members:

Senior Staff

David Antonioli, Chief Executive Officer

Julie Baroody, Director, Standards Development

William Ferretti, Chief Operating & Financial Officer

Sam Hoffer, Director, Verra Programs

Toby Janson-Smith, Chief Innovation Officer

Naomi Swickard, Chief Market Development Officer

Board of Directors

Kenneth J. Markowitz, Chair (President, EarthPace LLC and senior consultant to Akin Gump Strauss Hauer and Feld)

Yun Tao, Vice Chair (CEO, ZBX Environmental Software Co.)

Jim Cannon (CEO, Sustainable Fisheries Partnership)

John Drexhage (Independent consultant)

Dirk Forrister (CEO, International Emissions Trading Association)

Andrea Guerrero Garcia (Co-Director, Transforma)

Mark Kenber (Independent consultant)

Kelley Kizzier (Associate Vice President of International Climate Change, EDF)

Ken Newcombe (CEO, C-Quest Capital)

Mandy Marilyn Rambharos (Head of Climate Change and Sustainable Development, Eskom)

Charlotte Streck (Director, Climate Focus)

Marc Stuart (Founding Managing Director, Allotrope Partners)

Anne-Marie Warris (Independent consultant)

PART 2: Program summary

Provide a summary description of your program

About Verra

Verra was founded in 2005 by environmental and business leaders who saw the need for greater quality assurance in voluntary carbon markets. We now serve as the secretariat for the various standards we develop and programs we manage, as well as an incubator of new standards and programs that can generate meaningful environmental and social value at scale. The strategic direction of Verra is set by both staff and the Verra Board of Directors. Our headquarters are in Washington, DC, and we have staff working remotely in various parts of the world. Verra is a registered 501(c)(3) not-for-profit organization under the laws of the United States of America.

Verra is committed to helping reduce 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 enable financing for sustaining and scaling up 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 achieve environmental and social good.

The VCS Program

Our flagship program, the Verified Carbon Standard (VCS) Program, allows vetted projects and programs to turn their greenhouse gas (GHG) emission reductions and removals into tradable carbon credits. Since its launch in 2006, the VCS Program has registered nearly 1,500 carbon reduction projects in 70 countries that have collectively reduced or removed more than 350 million tonnes of CO_2 equivalent from the atmosphere. VCS projects include dozens of technologies and measures which result in GHG emission reductions and removals, including renewable energy, forest and wetland conservation and restoration, transport efficiency improvements, and many others. The VCS Program has become the most widely used standard in the voluntary carbon market.

The VCS Program has also been approved by a number of compliance mechanisms. Specifically, credits issued by the VCS Program (Verified Carbon Units, or VCUs) can be used by entities subject to national carbon taxes in Colombia and South Africa as an alternative means of complying with those taxes. Verra also supports the government of California in the implementation of its cap-and-trade program by providing an official Offset Project Registry (OPR) that project developers can use to register their projects and issue credits that are then used for compliance.

The VCS Program provides the standard and framework for independent validation of projects and programs and verification of GHG emission reductions and removals, based on the ISO 14064-2:2006 and ISO 14064-3:2006 standards. The VCS Program sets out rigorous rules and requirements for quantifying GHG emission reductions and removals to ensure that all emission reductions and removals verified under the program and issued as VCUs are real, measurable, additional, permanent, conservatively estimated, independently verified, uniquely numbered and transparently listed in a central registry.

At the core of the VCS Program is the *VCS Standard* - a detailed, rigorous and time-tested set of requirements that was initially developed by a 19-member expert committee with inputs from approximately 1000 stakeholders, and has been continually updated over time to reflect scientific advances and best practices. The *VCS Standard* provides the requirements for developing

projects, programs and methodologies as well as the requirements for validation, monitoring and verification of projects, programs, and their GHG emission reductions and removals. All projects and programs registered and all credits issued under the VCS Program must meet all the requirements set out in the *VCS Standard* and its accompanying program documents.

In addition to the development of a robust framework for projects, programs and GHG credits, Verra has been at the global forefront of developing innovative approaches for crediting GHG emission reductions and removals. For example, Verra led a multi-stakeholder effort to develop comprehensive requirements for the development of standardized approaches to baselines and additionality in order to increase transparency and streamline project approval and credit issuance. Verra has also led the development of frameworks to unlock the carbon reduction potential of forest and land use activities. For example, Verra developed the Agriculture, Forest and Other Land Use (AFOLU[1]) requirements which led to the development of the world's first methodologies and projects seeking to reduce emissions from deforestation and avoided degradation (REDD), as well as in wetlands, and which also served as a precursor to Verra's accounting and verification framework for jurisdictional REDD+ programs and nested projects (as further described below). These innovations are incorporated through regular updates to the *VCS Standard* and its accompanying program documents.

Updates to the VCS Program (VCS Version 4)

Each of the sections below provides fuller descriptions of how the VCS Program operates in respect of the specific items requested in this application. It is also worth noting that we are currently in the process of developing the next version of the VCS Program (VCS Version 4) as part of our ongoing process to enhance the integrity of the program. A full catalogue of the proposed changes to the VCS Program can be found here, although where those updates relate to the specific items requested in this application, we provide the details in the relevant section.

As with all changes to program requirements, we have followed a deliberate process of developing proposed changes with input from all stakeholders. We have engaged experts to first develop the proposed changes, and we have then undertaken public consultations to gather additional feedback. Specifically, the development of VCS Version 4 started formally with a 60-day public consultation that was held from May - July 2018. We reviewed the comments received during the first public consultation and updated the proposed revisions accordingly. A second 60-day public consultation was held from April - June 2019. We will review the comments received during the second public consultation and incorporate them into the content of VCS Version 4 accordingly and submit the entire package for final approval by the Verra Board of Directors who are responsible for approving major changes to Verra's programs. We plan to publish VCS Version 4 by the beginning of October 2019. Throughout this development and implementation process, we have announced and will continue to announce (through our website and stakeholder contact lists) each stage of development and implementation. Further details regarding the proposed updates for VCS Version 4 can be accessed at the links provided above and are also addressed in the relevant sections below.

[1] AFOLU project activities include Afforestation, Reforestation and Revegetation (ARR), Agricultural Land Management (ALM), Improved Forest Management (IFM), Reduced Emissions from Deforestation and Degradation (REDD), Avoided Conversion of Grasslands and Shrublands (ACoGS), and Wetlands Restoration and Conservation (WRC).

Jurisdictional and Nested REDD+

We would like to highlight that one of the primary innovations of the VCS Program is the Jurisdictional and Nested REDD+[2] (JNR) framework, which supports the design, implementation and integration of REDD+ programs and projects that enhance and protect forests at national and sub-national levels. JNR aligns with the UNFCCC Warsaw REDD+ Framework and aims to go beyond that to meet the needs of emerging demand and finance through opportunities such as the CORSIA, Internationally Transferred Mitigation Outcomes (ITMOs) and domestic markets. One of the defining features of JNR is the pathway it provides for projects to "nest" within national and sub-national accounting frameworks, bringing much-needed private finance and know-how to address deforestation and forest degradation at scale, while supporting national strategies.

JNR provides requirements for REDD+ jurisdictional programs and nested projects, and includes Reduced Emissions from Deforestation and Forest Degradation (REDD), Improved Forest Management (IFM) and Afforestation, Reforestation and Revegetation (ARR) activities[3]. Specifically, the *JNR Requirements* include rules for jurisdictional boundaries, crediting periods, eligible activities, GHG sources and carbon pools, baseline determination, leakage calculations, permanence, GHG emission reductions and removals calculations, uncertainty estimations, ownership, safeguards and approvals. It is intended to assist governments, private entities, civil society organizations, local stakeholders and validation/verification bodies (VVBs) in developing and auditing market-ready jurisdictional programs and nested projects.

The development of the *JNR Requirements* was overseen by an advisory committee and technical expert groups, comprising representatives from national and sub-national governments, leading experts in REDD+ and representatives from NGOs and the private sector. The *JNR Requirements* also went through extensive public consultation.

In addition to the requirements set out in JNR, jurisdictional programs and nested REDD+ projects are required to follow all applicable VCS requirements and rules set out in VCS Program documents, such as the *VCS Standard* and *AFOLU Requirements*. Note that nested REDD+ projects should follow their applied VCS methodology, except where rules in the *JNR Requirements* take precedence, for example, in the application of jurisdictional data, parameters and methods to project baseline setting and monitoring. VCS Program requirements stated in the document below (i.e., the Emissions Unit Program Application Form) apply across all activities credited under the Program, including JNR programs and nested REDD+ projects, *mutatis mutandis*, unless otherwise stated.

Both jurisdictional REDD+ programs and nested REDD+ projects (i.e., REDD, IFM or ARR) that meet the definitions laid out below are included in this application because these activities address the risk of material leakage. In other words, any decrease in carbon stocks or increase in GHG emissions as a result of leakage outside project areas (but within the larger jurisdiction)

[2] Under the VCS Program, REDD+ refers to reducing emissions from deforestation and forest degradation, and the role of sustainable management of forests and enhancement of forest carbon stocks.

[3] It is worth noting that national and sub-national programs generally have not yet developed reference levels or jurisdiction-wide monitoring systems for various non-REDD+ AFOLU activities (i.e., Wetland Restoration and Conservation (WRC), Agricultural Land Management (ALM), and Avoided Conversion of Grasslands and Shrublands (ACoGS)). As a result, it is not possible to develop jurisdictional programs around these activities, and project-level activities cannot nest within such jurisdictional programs. As these reference levels and monitoring systems are developed over time, Verra will revise the VCS rules to enable jurisdictional and nested project crediting of a broader set of AFOLU activity types in the future.

would be monitored, reported, verified and accounted for by projects and as part of a jurisdictional program with national or sub-national implementation. Either of these REDD+ pathways under the VCS Program would fully meet CORSIA's EUC and similar high-quality criteria for other market-based mechanisms. Specifically, project activities that are typically included in a jurisdictional Forest Reference Emission Level (FREL) (i.e., REDD and IFM) are only included for consideration in this application where they meet the definition of a "nested REDD+ project" below.

For the purpose of this application, JNR programs and nested REDD+ projects are defined as follows:

- **JNR program**: A national or sub-national jurisdictional government program that applies VCS JNR to enable accounting and crediting of its REDD+ (i.e., REDD, IFM and/or ARR) policies and measures, implemented as GHG mitigation activities. A JNR program may or may not include nested REDD+ projects at the discretion of the jurisdiction.
- **Nested REDD+ project**: A VCS REDD+ (i.e., REDD, IFM orARR) project located within any jurisdictional REDD+ program (i.e., the program does not have to be a VCS JNR registered program), where the project:
    - Is part of a nationally implemented (or, as an interim measure, sub-nationally implemented) jurisdictional REDD+ program with a third-party assessed (e.g., by FCPF Technical Advisory Panel (TAP), UNFCCC Roster of Experts, and/or VCS VVB with JNR expert panel) jurisdictional baseline (or reference level). Such baselines should recognize and incorporate relevant project activities, and include sufficiently robust data for use by projects for nesting.
    - Has adequately aligned its baseline and monitoring approach with those of the jurisdiction, such that project-level baselines in aggregate cannot exceed, and represent a justifiable share of, the national (or sub-national) baseline under which projects are nested.
    - Meets any leakage or other requirements set out by the jurisdiction (e.g., such as those relating to safeguards, reversals and/or underperformance), and is located within a jurisdiction-wide GHG monitoring system, so that any project leakage is accounted for within the jurisdiction and therefore the EUC leakage criterion is met.
    - Has undertaken a full and transparent uncertainty assessment (including an uncertainty deduction, where relevant) for all relevant data, parameters and methods following IPCC guidelines and the *VCS Standard*.
    - Has secured any required approvals from the appropriate government entity, including, at a minimum, a commitment to ensure that any potential double counting with any relevant NDC is addressed (e.g., via a corresponding adjustment).

The VCS Program and the complementary JNR framework offer jurisdictional REDD+ programs and nested REDD+ projects the opportunity to generate market-quality, tradable GHG emission reductions and removals. In particular, the VCS Program and the JNR framework meet CORSIA's EUC through a variety of requirements and program elements, including:

- Development of credible and conservative jurisdictional and project baselines that result in high-quality credits,
- The ability to issue, retire, trade and track unique units through a transparent and robust registry platform,
- Leakage prevention, monitoring and deduction requirements,

- Risk assessment, mitigation and monitoring provisions and reversal liability. requirements to address non-permanence through use of risk tools and pooled buffer accounts,
- Robust third-party validation and verification,
- Clear rules to avoid double counting and double claiming, and
- Alignment with UNFCCC REDD+ environmental and social safeguard requirements.

Given developments relating to project nesting in both JNR and non-JNR jurisdictional REDD+ programs, as well as the advancement of jurisdictional REDD+ programs generally, Verra is working with a group of experts to update the VCS Program rules. Such updates will facilitate REDD+ project nesting in both JNR and non-JNR jurisdictional REDD+ programs and will cover a variety of nesting issues, including but not limited to, baseline alignment, government approvals, monitoring, leakage, uncertainty estimations and addressing potential performance differences across scales. While existing VCS rules and requirements ensure JNR programs and nested REDD+ projects (as defined above) fully meet CORSIA's EUC, these updates will improve clarity on REDD+ nesting procedures and make it easier for jurisdictions and projects to understand how to ensure their eligibility for international compliance trading. In the interim, Verra has published a high-level guidance document for VCS REDD+ projects, which provides additional guidance on nesting into existing and emerging national (or sub-national) REDD+ programs. Relevant updates to the *JNR Requirements* and *AFOLU Requirements*, and more detailed guidance for both governments and projects, are anticipated to be released for public consultation in late 2019 and published in early 2020. Verra will also establish procedures by which REDD+ projects can be clearly designated as nested (e.g., including meeting international compliance requirements, such as for use under CORSIA) in the Verra Project Database.

AFOLU Stand-Alone Projects

Some AFOLU project-level activities do not pose a risk of material leakage, which can be demonstrated using VCS methodologies and tools (see Section 4.6.2 of the *AFOLU Requirements*). Accordingly, AFOLU project activities that are typically not included in a jurisdiction's Forest Reference Emission Level (FREL) (i.e., ARR, WRC, ALM, and ACoGS) are submitted for consideration in this application as stand-alone projects (i.e., non-nested projects operating outside of or apart from any jurisdictional REDD+ program) where they are able to demonstrate no material leakage risk. For example, stand-alone forest restoration projects on degraded land do not pose a risk of leakage because they are not displacing any emission-causing activities.

For the purpose of this application, ARR projects are considered nested where they meet the definition of a "nested REDD+ project" laid out in Section 2 above. Where ARR projects do not meet such definition, and where they can demonstrate no material risk of leakage, these projects are considered 'stand-alone'.

Table 1 below summarizes the activities that are being proposed as part of this application, as reflected above and in Appendix B.

Level of Implementation	Activity Type					
	REDD	**IFM**	**ARR**	**WRC**	**ALM**	**ACoGS**
Jurisdictional	Yes	Yes	Yes	No	No	No
Nested REDD+ projects and programs of activities	Yes	Yes	Yes	No	No	No
Stand-alone projects and programs of activities	No	No	Yes*	Yes*	Yes*	Yes*

*These project activities are only included as stand-alone projects where they are able to demonstrate no material leakage risk.

The Verra Project Database can readily identify project types and as such, Verra can clearly exclude any project types that are deemed to not meet the EUC.

Verra is very pleased to submit this application, and we look forward to the development of the CORSIA market mechanism to mitigate the climate impacts associated with the future growth of civil aviation.

PART 3: Emissions Unit Program Design Elements

Note—where "evidence" is requested in *Part 3* and *Part 4*, the Program should provide web links to documentation. If that is not possible, then the program may provide responses in the text boxes provided and/or attached supporting documentation, as recommended in "SECTION II: INSTRUCTIONS—*Form Completeness*".

Note—"*Paragraph X.X*" in this form refers to corresponding paragraph(s) in Appendix A "*Supplementary Information for Assessment of Emissions Unit Programs*".

Note—Where the Program has any immediate plans to revise the Program (e.g., its policies, procedures, measures) to enhance consistency with a given criterion or guideline, provide the following information in response to the relevant form question(s):

- Proposed revision(s);
- Process and proposed timeline to develop and implement the proposed revision(s);
- Process and timeline for external communication and implementation of the revision(s).

3.1. Clear methodologies and protocols, and their development process

Summarize the Program's processes for developing and approving methodologies, including the timing and process for revision of existing methodologies:

The VCS *Methodology Approval Process* sets out the processes and procedures that must be followed in order to develop and approve new methodology elements (i.e., methodologies, modules and tools) and revisions to existing methodology elements under the VCS Program.

New methodology elements and revisions to existing methodology elements are developed by outside entities (i.e., methodology developers) and are not developed by Verra directly, although Verra staff have, over time, become an increasingly critical part of the process. Specifically, Verra sets the requirements that methodologies must meet in order to be approved under the VCS Program, and methodology developers must draft their methodologies in accordance with those requirements. The full set of VCS methodology requirements are set out in Section 4 of the *VCS Standard*, Section 4 of the *AFOLU Requirements*, and Section 3 of the *ODS Requirements*.

There are two processes by which new methodology elements and methodology element revisions can be approved under the VCS Program: the methodology approval process and the streamlined methodology approval process. The methodology approval process is applicable to new methodology elements and substantive methodology element revisions; the streamlined methodology approval process is applicable to minor methodology elements/revisions. These two approval processes are further described below:

Methodology Approval Process

The methodology approval process includes the evaluation and approval of a methodology concept by Verra, a 30-day public comment period for the full draft methodology element, two independent assessments by properly accredited validation/verification bodies (VVBs), and final review and approval of the methodology by Verra. Note that Verra also reviews the methodology documentation prior to the public comment period, and reviews the updated methodology documentation and assessment reports at the end of each VVB assessment.

Specific procedures are set out in the sections of the *Methodology Approval Process* identified below:

- The procedures and criteria by which Verra evaluates methodology concepts are set out in Section 3 of the *Methodology Approval Process*.
- The process by which methodologies are developed, submitted to Verra, and posted for a 30-day public comment period are set out in Sections 4.2 - 4.3 of the *Methodology Approval Process*.
- The process for the first and second assessments of the methodology by independent VVBs is set out in Sections 4.4 - 4.5 of the *Methodology Approval Process*. Note that the VVBs must meet the eligibility criteria set out in Section 5 of the *Methodology Approval Process* in order to conduct a methodology assessment.
- The process by which Verra conducts a final review of the methodology and assessment reports, and approves a methodology under the VCS Program, is set out in Section 4.6 of the *Methodology Approval Process*.

Streamlined Methodology Approval Process

Minor methodology element revisions and certain new modules and tools may be approved through a streamlined methodology approval process, whereby the approval process is the same as the full methodology approval process, with the exception that only one VVB assesses the methodology, as set out in Section 2.2 of the *Methodology Approval Process*. Verra determines on a case-by-case basis whether the streamlined approval process is appropriate, based on whether a second VVB assessment would add material value. Specific procedures for the streamlined methodology approval process are set out in Section 7.1.2 of the *Methodology Approval Process*.

In order to ensure all methodologies approved under the VCS Program continue to reflect best practice and scientific consensus, Verra may review any methodology at any time as set out in Section 9 of the *Methodology Approval Process*. The results of a review may determine that no further action is necessary, limited modifications are necessary, substantive revisions are required, or the methodology is fundamentally flawed. Where limited modifications or substantive revisions are required, Verra will contact the methodology developer to update the methodology. Where it is determined the methodology is fundamentally flawed, the methodology will be withdrawn.

PROPOSED REVISION: Streamlining the Methodology Approval Process

Verra has been exploring how to streamline the methodology approval process for the last few years, in large part because we have determined that: (a) a second VVB assessment does not add material value to the process; and (b) greater Verra staff involvement leads to better and more consistent methodologies. Coupled with the public consultation process required for all new methodologies, we have found that increased involvement by Verra staff early in the methodology assessment process results in better and more robust methodologies.

As a result, Verra is proposing to update the VCS methodology approval process such that only one VVB assessment, not two, will be required in all cases. This update will enhance the integrity of the VCS Program and thus not impact whether it meets the EUC.

This proposed revision to the VCS methodology approval process is part of a broader update to the VCS rules and requirements that Verra is currently working on, and which will form the next version of the VCS Program: VCS Version 4. The process, timeline and communications with external parties related to the development and implementation of the proposed revision are described in detail above in Part 2: Program Summary.

Provide *evidence*[4] *of the public availability* of a) the Program's current processes for developing methodologies and protocols and b) the methodologies / protocols themselves: (*Paragraph 2.1*)

a. The VCS Program's current processes for developing methodologies are available publicly on the Verra website in the VCS *Methodology Approval Process* document.

b. All methodologies, modules and tools approved under the VCS Program are available publicly on the Verra website on the methodologies page. Additionally, note that a direct link to each methodology and module has been included within Appendix B: Programme Scope Information Request, submitted as a supplementary document to this application.

3.2. Scope considerations

SECTION II: Application Form Scope includes questions related to this criterion.
No additional information is requested here.

3.3. Offset credit issuance and retirement procedures

Are procedures in place… (*Paragraph 2.3*)

a) for unit issuance and retirement / cancellation?	X YES
b) related to the duration and renewal of crediting periods?	X YES
c) for unit discounting (*if any*)?	X NO

Provide evidence of the relevant policies and procedures related to a) through c) (*if any*, in the case of "c"), including their availability to the public:

All of the relevant policies and procedures described below are publicly available.

a) Procedures for unit issuance and retirement/cancellation

The VCS *Registration and Issuance Process* document sets out the procedures for unit issuance and retirement/cancellation under the VCS Program. Units issued under the VCS Program are referred to as Verified Carbon Units (VCUs). The procedures for issuance and retirement/cancellation of VCUs are described below:

- **Issuance**: The project proponent (of a VCS project, including nested REDD+ projects, typically a private project developer) or jurisdictional proponent (of a JNR program, expected to be a relevant government agency) must provide the required issuance documentation to the VCS registry administrator (see Section 3.4 of this application for

[4] For this and subsequent "evidence" requests, evidence should be provided in the text box (e.g., web links to documentation), and/or in attachments, as recommended in "SECTION II: INSTRUCTIONS—*Form Completeness*".

further specification on how the VCS registry system operates, and the specific role of "VCS registry administrators") in order to initiate the unit issuance process. Issuance documentation includes, at a minimum, a monitoring report prepared by the proponent, a verification report produced by an accredited VVB, and representations signed by the proponent and the VVB representing, among other things, full and exclusive right to the emission reductions or removals by the proponent and the accuracy of information in the project or JNR program documents. Additional documentation may be required based on the project's or JNR program's specific circumstances.

Issuance documentation is reviewed for completeness by Verra staff and the VCS registry administrator. Verra staff perform a more thorough technical "accuracy review" of the issuance documentation subsequent to the completeness reviews. Pending the positive conclusion of all relevant reviews of the issuance documentation and the proponent's payment of the relevant program fees, VCUs are issued into the registry account of the entity indicated by the proponent.

VCU issuance procedures under the VCS Program are set out in Sections 4.2, 4.3, 4.4, 4.5, and 5 of the VCS *Registration and Issuance Process*. VCU issuance procedures specific to JNR programs are laid out in Sections 4.3 and 4.4 of the *JNR Registration and Issuance Process*.

- **Retirement/Cancellation**: VCUs may be "retired" or "cancelled", each of which has a specific meaning under the VCS Program. Whereas a retirement represents the final use of a VCU as an offset against an emission of a tonne of CO_2 equivalent, a cancellation represents the removal of a VCU from circulation for purposes other than an offset, such as for the creation of an alternate unit under a different GHG crediting program. The VCS *Program Definitions* document sets out further details on the definitions of these terms. The procedures for the retirement or cancellation of VCUs are set out in Section 4.6 of the *Registration and Issuance Process*.

b) Procedures related to the duration and renewal of crediting periods

The procedures related to the duration and renewal of crediting periods (defined in the VCS *Program Definitions*) for projects are set out in Section 3.8 of the *VCS Standard*. Under the VCS Program, non-AFOLU projects have 10-year crediting periods which can be renewed twice. AFOLU projects have crediting periods that can range between 20 and 100 years. In both instances (i.e., AFOLU and non-AFOLU), renewal of a project's crediting period requires a reassessment of the project's baseline scenario, demonstration of regulatory surplus and validation against the current version of the VCS Program.

A JNR program's crediting period is a maximum of ten years, which may be renewed at most twice. Note that while the crediting period for a JNR program is at most 30 years, permanence is addressed, in part, by assessing the capacity of the program design to protect the permanence of carbon stocks in the long term (See Section 4.5 below for more details). Similar to the project-level, renewal of a program's crediting period requires a reassessment of the program's baseline and validation against the current version of the *JNR Requirements*. Nested REDD+ projects must update and validate all project-based baseline components that are dependent on jurisdictional baseline components within a grace period of 18 months after the relevant jurisdictional baseline is updated (see Section 3.11.21(2) of the *JNR Requirements*).

PROPOSED REVISION: Modifying Duration of Crediting Periods

Verra is proposing to update the VCS rules such that non-AFOLU projects will select either a seven-year twice-renewable crediting period (for a maximum of 21 years) or a one ten-year fixed crediting period. This would represent a shortening of existing non-AFOLU crediting periods, which currently stand at 10-years, twice renewable.

The rationale for this proposed update is that shorter crediting periods will ensure a more frequent (and conservative) timeframe whereby project baselines will be reevaluated and that projects demonstrate that they continue to go beyond what is required by regulation. This update would apply only to new projects, and would not affect the crediting periods of existing VCS projects. This update will enhance the integrity of the VCS Program and thus not impact whether it meets the EUC.

This proposed revision to the VCS project crediting period requirements is part of a broader update to the VCS rules and requirements that Verra is currently working on, and which will form the next version of the VCS Program: VCS Version 4. The process, timeline and communications with external parties related to the development and implementation of the proposed revision are described in detail above in Part 2: Program Summary.

c) Procedures related to unit discounting

VCUs are not subject to any discounting with respect to their fungibility. VCU owners, programs, or other climate change efforts that accept VCUs may apply a discount at their own discretion. This is explicitly stated in Section 4.4.5(6) of the *Registration and Issuance Process*.

3.4 Identification and Tracking

Does the Program utilize an electronic registry or registries? (*Paragraph 2.4.2*) X YES

Provide web link(s) to the Program registry(ies) and indicate whether the registry is administered by the Program or outsourced to a third party (*Paragraph 2.4 (e)*):

Yes, the VCS Program utilizes an electronic registry system.

Specifically, the VCS Registry System is a multi-registry system that has at its core the Verra Project Database, which is a publicly available database and clearinghouse for all project (including nested REDD+ projects) and JNR program information. The Verra Project Database is administered by Verra.

Linked to the Verra Project Database are two third-party registry administrators (APX and IHS Markit) which serve as the gateways to the VCS Registry System for project or JNR program stakeholders and through which proponents interact with the VCS Registry System. Specifically, proponents open their accounts through the registry administrators and submit project- or JNR program- information to them. Information from each of the VCS registry administrators is consolidated into the Verra Project Database via a secure communications protocol.

Links to the home pages and public views of each of the VCS registry administrators are provided below:

- Home page for the APX VCS registry
- APX VCS registry public view
- Home page for the IHS Markit VCS registry
- IHS Markit Environmental registry public view
- More information about the VCS Registry System can be found on Verra's Registry System webpage.

PROPOSED REVISION: Centralizing Administration of VCS Registry System

Verra is currently in the process of centralizing the administration of the VCS Registry System, whereby its current third-party registry administrators, APX and Markit, will no longer provide registry services. Instead, Verra staff will provide registry services directly to stakeholders using Verra's own electronic registry platform which has already been contracted and is in the process of being built.

Verra made the decision to develop a centralized "Verra Registry" in February 2018 to both provide registry services directly to stakeholders using any of Verra's programs and to streamline and simplify the project and JNR program registration and credit issuance process. Note that the Verra Registry will provide all of the same functionality currently provided by Verra's third-party registry administrators, and will comply with all EUC accordingly. The Verra registry is scheduled to go-live by mid-January 2020. Verra plans to make a public announcement about this in July 2019. Centralizing the administration of the VCS Registry System is an internal decision about how best to manage the Verra Registry and thus has not been subject to a public consultation process.

Do / does the Program registry / registries…:

a) have the capability to designate the ICAO eligibility status of particular units? (*Paragraph 2.4.3*)	X YES
b) identify and facilitate tracking and transfer of unit ownership/holding from issuance to cancellation/retirement? (*Paragraphs 2.4 (d) and 2.4.4*)	X YES
c) identify unit status, including retirement / cancellation, and issuance status? (*Paragraph 2.4.4*)	X YES
d) assign unique serial numbers to issued units? (*Paragraphs 2.4 (b) and 2.4.5*)	X YES
e) identify in serialization, or designate on a public platform, each unique unit's country and sector of origin, and vintage year? (*Paragraph 2.4.5*)	X YES

Summarize and provide evidence of the relevant policies and procedures related to a) through e), including their availability to the public:

a) Do the Program registries have the capability to designate the ICAO eligibility status of particular units?

Yes, the VCS Program has the capability to designate the ICAO eligibility status of particular units, and this can be done in one of two ways.

First, per Section 4.2.18 of the *Registration and Issuance Process*, VCUs can be labeled with "additional certifications" if they meet the requirements of participating standards or programs, as approved or designated by Verra. This functionality is already in practice and could be used to publicly indicate the ICAO eligibility status of particular VCUs. Examples of labeled VCUs can be found in the VCU section of the publicly available Verra Project Database. The column "Additional Certifications" indicates whether each VCU issuance is labeled with an additional certification (e.g., "Climate Community & Biodiversity Standards, or CCBS, Second Edition - Gold Level"). An ICAO (or CORSIA) label could be added to the registry system such that one could search for and isolate all ICAO/CORSIA eligible units.

Another option to designate ICAO eligibility status of particular units would be to add to the Verra Project Database a field that would enable users to select units eligible under CORSIA. This would be similar to the tick-boxes on the database that currently allow users to identify "Retired" and "Cancelled" VCUs, as indicated in the VCU section of the publicly available Verra Project Database.

b) Do the Program registries identify and facilitate tracking and transfer of unit ownership/holding from issuance to cancellation/retirement?

Yes, the VCS Registry System identifies and facilitates the tracking and transfer of unit ownership/holding from issuance to cancellation/retirement.

Specifically, VCS registry administrators (APX and IHS Markit) are governed by comprehensive contractual agreements with Verra to ensure that projects (including nested REDD+ projects) and JNR programs are registered and VCUs are issued in accordance with VCS Program rules. These contractual agreements include requirements that the registry administrators provide services for holding, transferring and retiring VCUs, provide custodial services for VCUs, and maintain records of VCU legal ownership. A boilerplate template of such contractual agreements is attached as **Attachment 1**. These requirements are set out publicly in Section 4.2 of the *VCS Program Guide*.

The VCS Registry System is also designed to conduct daily automated reconciliations of all issued (active, retired and cancelled) VCUs between APX, IHS Markit and the Verra Project Database. Additional publicly available information with respect to the tracking and transfer of unit ownership/holding from issuance to cancellation/retirement is available on the Verra Registry System and Verified Carbon Unit (VCU) webpages.

c) Do the Program registries identify unit status, including retirement / cancellation, and issuance status?

Yes, the VCS Program registries identify unit status, including retirement / cancellation, and issuance status.

Specifically, the VCS Registry System is a multi-registry system that has at its core the Verra Project Database, administered by Verra, as further explained on the Verra Registry System webpage. The registry platforms run by APX and IHS Markit connect to the Verra Project Database via a communications protocol, meaning that the status of all units in the Verra Project Database is reflected in the respective registry administrator's platform/interface. As set out in Section 4.6 of the *Registration and Issuance Process*, the Verra Project Database displays the status of every VCU issued under the VCS Program. VCUs may have a status of *active*, *retired* or *cancelled*.

The above is further supported by evidence that is publicly available in the Verra Project Database. Namely, the VCU section of the Verra Project Database contains a column titled "VCU Quantity Issued" with hyperlinked values of issuance and retirement / cancellation quantities. Selecting any of the hyperlinks will navigate the user to the records' respective "VCU Details Report", where the field "Status of VCUs" is publicly available.

d) Do the Program registries assign unique serial numbers to issued units?

Yes, the VCS Program registries assign unique serial numbers to issued units.

Specifically, Section 4.1 of the *VCS Program Guide* and Section 1 of the *Registration and Issuance Process* state that VCU serial numbers are generated by the Verra Project Database, which ensures the uniqueness of VCUs issued under the VCS Program. The unique serial numbers generated by the Verra Project Database are subsequently reflected in the respective registry administrator platforms/interface via the communications protocol connecting the Verra Project Database to the APX and IHS Markit registry platforms (see below for further specification regarding operation of the VCS Registry System communications protocol).

e) Do the Program registries identify in serialization, or designate on a public platform, each unique unit's country and sector of origin, and vintage year?

Yes, the VCS Program sets out the serial number, country and sector of origin, and vintage year for every unit issued.

Specifically, the "VCU Details Report" pages of the Verra Project Database (administered by Verra and navigable as described in (c) above) identifies the serial number of every unit issued under the VCS Program. The VCS registry administrators also identify the serial number of every VCU issued under the VCS Program, as set out on their publicly available registry views, linked below:

- APX VCS Registry public view
- IHS Markit Environmental Registry public view

The VCU serial number format is publicly available on the Verra Project Database webpage via the VCU Serial Number Format document. The VCU serial number format includes the ISO 3166 country codes, numeric codes corresponding to the sectoral scope number (publicly available on the Verra webpage VCS Sectoral Scopes) and the vintage start and end dates of each VCU.

In addition to the units' country, sector of origin and vintage year being included in the serial number, this information is also separately listed alongside each issuance record on the Verra Project Database.

PROPOSED REVISION: Centralizing Administration of VCS Registry System

As mentioned in Section 3.4 (Identification and Tracking) above, Verra is currently in the process of centralizing the administration of the VCS Registry System whereby its current third-party registry administrators, APX and Markit, will no longer provide registry services, and Verra staff will instead provide registry services directly to stakeholders using the Verra Registry. Section 3.4 above sets out the details of this proposed change, including the timeline and communications with external stakeholders.

The Verra Registry will provide all of the same functionality currently provided by Verra's third-party registry administrators, and will therefore comply with all of the requirements set out in items (a), (b), (c), (d), and (e) above.

List any/all international data exchange standards to which the Program's registry(ies) conform: (*Paragraph 2.4 (f)*)

The VCS Registry System communications protocol is a set of software and data exchange protocols defined and created to automate communications between the Verra Project Database and the VCS registry administrators (APX and IHS Markit). The design of the communications protocol closely follows the architecture of the UNFCCC infrastructure in the sense of having a central communications hub that brokers traffic between different parts of the system using SOAP and JSON message formats to transport data between systems. The message structure, consisting of a clearly defined envelope encapsulating content of the message, is also compatible with the UNFCCC Data Exchange Standards specifications. In doing so, the communications protocol uses Transmission Control Protocol/Internet Protocol connections via encrypted messages over the internet. Other technical requirements include:

- Web service based model with real time transactions
- Necessity to implement time synchronization with use of network time protocols
- SSL encryption for data in transit

Per Schedule 10 of the Verra Registry Agreement, Verra registries adhere to UNFCCC Security Requirements as set out in Sections 9.2.1 to 9.2.4 of the Data Exchange Standards For Registry Systems Under the Kyoto Protocol. These standards include database and application backup specifications, a disaster recovery plan, security plans and application logging documentation.

PROPOSED REVISION: Centralizing Administration of VCS Registry System

As mentioned in Section 3.4 (Identification and Tracking) above, Verra is currently in the process of centralizing the administration of the VCS Registry System, whereby its current third-party registry administrators, APX and Markit, will no longer provide registry services, and Verra staff will instead provide registry services directly to stakeholders using the Verra Registry. Section 3.4 above sets out the details of this proposed change, including the timeline and communications with external stakeholders.

The Verra Registry will provide all of the same functionality currently provided by Verra's third-party registry administrators, including the ability to link with external registry systems using any necessary communications protocols.

Are policies in place to prevent the Program registry administrators from having financial, commercial or fiduciary conflicts of interest in the governance or provision of registry services? (*Paragraph 2.4.6*)	X YES
To address and isolate such conflicts, should they arise? (*Paragraph 2.4.6*)	X YES

Summarize and provide evidence of the relevant policies and procedures, including their availability to the public:

Yes, policies are in place to prevent the VCS Program registry administrators from having financial, commercial or fiduciary conflicts of interest in the governance or provision of registry services, and to address and isolate such conflicts, should they arise.

Specifically, VCS registry administrators must meet strict requirements for prevention of conflict of interest before they are approved to provide services under the VCS Program. This requirement is set out in Schedule 4, Clause 7 of the Boilerplate Verra Registry Agreement template submitted as **Attachment 1** to this application. As part of such contractually obligated requirements, VCS registry administrators shall not buy, sell or trade GHG units except for the purpose of offsetting their own emissions, develop any GHG units that are similar to VCUs, engage in any activities which may prejudice the interests of Verra or undertake activities which are inimical to the goal of decarbonization.

The VCS registry administrators are also contractually obligated to maintain internal policies for the management of potential conflicts of interests between registry accountholders, carbon market participants, other VCS registries, other standards or themselves, in addition to the above.

PROPOSED REVISION: Centralizing Administration of VCS Registry System

As mentioned in Section 3.4 (Identification and Tracking) above, Verra is currently in the process of centralizing the administration of the VCS Registry System, whereby its current third-party registry administrators, APX and Markit, will no longer provide registry services, and Verra staff will instead provide registry services directly to stakeholders using the Verra Registry. Section 3.4 above sets out the details of this proposed change, including the timeline and communications with external stakeholders.

Given that Verra will be managing the Verra Registry itself, Verra policies for the prevention of conflict of interest will apply, and thus policies will continue to be in place to prevent Verra staff from having financial, commercial or fiduciary conflicts of interest in the governance or provision of registry services, and to address and isolate such conflicts, should they arise.

Are provisions in place…

a) ensuring the screening of requests for registry accounts? (*Paragraph 2.4.7*)	X YES
b) restricting the Program registry (or registries) accounts to registered businesses and individuals? (*Paragraph 2.4.7*)	X YES
c) ensuring the periodic audit or evaluation of registry compliance with security provisions? (*Paragraph 2.4.8*)	X YES

Summarize registry security provisions, including related to a) through c); and provide evidence of the

relevant policies and procedures, including their availability to the public:

a) Are provisions in place ensuring the screening of requests for registry accounts?

Yes, registry accountholders must pass strict know-your-customer background checks performed by their registry administrator prior to opening an account. This is described on the Verified Carbon Unit (VCU) webpage of the Verra website.

b) Are provisions in place restricting the Program registries accounts to registered businesses and individuals?

Yes, the VCS Registry System is limited to registered accountholders, which can be, incorporated businesses, non-profit organizations and other institutions that have applied for an account at one of the VCS registry administrators and have passed the Know-Your-Customer checks performed by their respective registry administrator during the application process. Individuals may not open their own VCS registry accounts as is described on the Verified Carbon Unit (VCU) webpage of the Verra website. The registry administrators have additional accountholder restrictions as set out in their own terms and conditions/operating procedures, which are provided below:

- IHS Markit account types and their restrictions are listed on pages 21 and 22 of the publicly available Markit Environmental Registry Terms and Conditions. Accounts in the name of individuals are not permitted in the IHS Markit registry (Page 22). With the exception of an Issuer Account (which may only register and issue credits), all account types must belong to a registered company or organization.
- APX account types and their restrictions are listed in Section 2.1 of the publicly available APX VCS Registry Operating Procedures.

c) Are provisions in place ensuring the periodic audit or evaluation of registry compliance with security provisions?

Yes, provisions are in place to ensure the periodic audit of registry administrator compliance with security provisions.

Specifically, the Verra registry agreements require certain security controls and processes that meet the requirements set out in the UNFCCC Security Requirements (see Schedule 10 of the Boilerplate Verra Registry Agreement submitted as **Attachment 1**). The UNFCCC Security Requirements themselves include audits of database and application backup plans. Under the Verra Registry Agreement, Verra has the right to review documentation pertaining to the registries' adherence to these security controls at any time (see Schedule 1, Clause 4.4.1)

Verra also directly audits the registries' activities and procedures in connection to the Verra registry agreements on a quarterly and annual basis to ensure that projects and JNR programs have been registered and VCUs have been issued in compliance with the VCS Rules (see Schedule 1, Clause 18.1.2).

PROPOSED REVISION: Centralizing Administration of VCS Registry System

As mentioned in Section 3.4 (Identification and Tracking) above, Verra is currently in the process of centralizing the administration of the VCS Registry System, which would mean that its current third-party registry administrators, APX and Markit, will no longer provide registry services, and Verra staff will instead provide registry services directly to stakeholders using the Verra Registry. Section 3.4 above sets out the details of this proposed change, including the timeline and communications with external stakeholders.

The Verra Registry will provide all of the same functionality currently provided by Verra's third-party registry administrators, and will therefore comply with all of the requirements set out in items (a), (b), and (c) above.

3.5 Legal nature and transfer of units

Does the Program define and ensure the underlying attributes and property aspects of a unit? (*Paragraph 2.5*) X YES

Summarize and provide evidence of the relevant policies and procedures, including their availability to the public:

Yes, the VCS Program defines and ensures the underlying attributes and property aspects of the units it issues.

Specifically, the underlying attributes of a VCU are defined by the principles in Section 3 of the *VCS Program Guide*, which states that each VCU be real, measurable, permanent, additional, independently audited, unique, transparent, and conservative. These principles are upheld through the VCS project and JNR program certification process.

With respect to property aspects, the publicly available VCS *Program Definitions* defines a Verified Carbon Unit (VCU) as "A unit issued by, and held in a VCS registry representing the right of an accountholder in whose account the unit is recorded to claim the achievement of a GHG emission reduction or removal in the amount of one (1) metric tonne of CO_2 equivalent that has been verified by a validation/verification body in accordance with the VCS rules." The definition goes on to state that "Recordation of a VCU in the account of the holder at a VCS registry is prima facie evidence of that holder's entitlement to that VCU".

3.6 Validation and verification procedures

Are standards and procedures in place for… (*Paragraph 2.6*)

a) validation and verification processes? X YES

b) validator and verifier accreditation? X YES

Provide evidence of the relevant policies and procedures related to a) and b), including their availability to the public:

a) Are standards and procedures in place for validation and verification processes?

Yes, the VCS Program has standards and procedures in place for validation and verification processes. Specifically, the VCS rules for validation and verification processes are set out in Section 5 of the *VCS Standard*. The rules for validation and verification processes for JNR programs are set out in the *JNR Validation and Verification Process* document.

These rules require all projects (including nested REDD+ projects) and JNR programs to undergo validation (i.e., an independent assessment by a VVB that determines whether the project or JNR program complies with the VCS rules) and verification (i.e., a periodic ex-post independent assessment by a VVB of the GHG emission reductions and removals that have occurred as a result of the project or JNR program during the monitoring period). Validation and verification

activities must be carried out in conformance with *ISO 14064-3* and *ISO 14065*. VVBs may only conduct validation/verification activities for project or JNR program activities for which they have demonstrated competency as determined during their accreditation process.

JNR programs must also be reviewed by a JNR expert panel at validation and where the jurisdictional baseline is updated at the time of verification, as set out in Section 2.5.2 of the *JNR Validation and Verification Process* document.

b) Are standards and procedures in place for validator and verifier accreditation?

Yes, the VCS Program has standards and procedures in place for validator and verifier accreditation. Specifically, the VCS rules for accreditation of validation/verification bodies are set out in Section 5 of the *VCS Program Guide*. In particular, VVBs must be accredited via one of two pathways:

1. Accredited under *ISO 14065* by an VCS-approved accreditation body that is a member of the International Accreditation Forum (IAF). Currently the two IAF members that offer accreditation for the VCS Program are the American National Standards Institute (ANSI) and the Standards Council of Canada (SCC).
2. Accredited under a VCS-approved GHG Program. Currently organizations approved as Designated Operational Entities (DOEs) under the UNFCCC's Clean Development Mechanism are eligible. DOEs are accredited using the CDM Accreditation Standard which is based on *ISO 14065*.

Once organizations have provided Verra with proof of accreditation to at least one sectoral scope for validation and/or verification from one of the accreditation bodies identified above, VVBs are invited to apply for approval with the VCS Program, which includes signing an agreement with Verra and payment of an annual fee as set out in the *VCS Program Fee Schedule*.

In addition to the above requirements, in order to be eligible to validate or verify a JNR program, a VVB must have completed at least five project validations under sectoral scope 14. Project validations can be under the VCS Program or an approved GHG program and projects shall be registered under the applicable program.

PROPOSED REVISION: Updating VVB Accreditation Requirements

Verra is proposing to update the VCS rules such that VVBs may only be accredited under ISO 14065 by a VCS-approved accreditation body that is a member of the International Accreditation Forum (IAF) (i.e., pathway 1, above). We are proposing to update the accreditation requirements to ensure a consistent basis for accreditation and performance oversight of VVBs operating under the VCS Program. This update will enhance the integrity of the VCS Program and thus not impact whether it meets the EUC.

This update will take effect two years after the release of VCS Version 4 to ensure a sensible transition period. However, where Verra determines that a sufficient number of IAF members offer VCS Program accreditation prior to this timeframe, Verra will implement this update sooner.

This proposed revision to the VCS VVB accreditation requirements is part of a broader update to the VCS rules and requirements that Verra is currently working on, and which will form the next version of the VCS Program: VCS Version 4. The process, timeline and communications with external parties related to the development and implementation of the proposed revision are described in detail above in Part 2: Program Summary.

3.7 Program governance

Does the Program publicly disclose who is responsible for the administration of the Program, and how decisions are made? (*Paragraph 2.7*) X YES

Provide evidence that this information is available to the public:

Yes, Verra discloses who is responsible for the administration of the VCS Program and how decisions are made. Specifically, the VCS Program is administered by Verra, which is accountable to the Verra board of directors. All major programmatic decisions need to be approved by the board. Two important documents relating to the governance of the program are available on Verra's Governance webpage:

- **Articles of Incorporation**: These set out the broad objectives of the organization, including the fact that it is a 501(c)(3) tax-exempt organization and registered as a non-profit corporation under the laws of the District of Columbia (Washington, DC), United States and that it is to be operated for the public good. The Articles of Incorporation also establish that the organization shall be governed by a board of directors that is to be appointed/elected under the rules provided by the Bylaws.
- **Bylaws**: In addition to reiterating the broad objectives of the organization, the Bylaws set out the specific ways in which the organization is governed, including the selection of members of the board, the actions requiring board approval, the threshold needed for board approval of actions, the establishment of board committees and outside advisory and steering committees, the titles, roles and terms of all officers, and financial reporting requirements.

Can the Program demonstrate that it has… (*Paragraph 2.7.2*)

a) been continuously governed and operational for at least the last two years? X YES

b) a plan for the long-term administration of multi-decadal program elements which includes possible responses to the dissolution of the Program in its current form? X YES

Provide evidence of the relevant policies and procedures related to a) and b):

a) Can the Program demonstrate that it has been continuously governed and operational for at least the last two years?

Yes, Verra has been continuously governed and operational since 2007 when it was first established in Switzerland, and 2009 when it was established in the US. As part of this application, we are submitting IRS filings for 2017 and 2018 that demonstrate the organization has been operational for the last two years as **Attachments 2 and 3**, respectively.

b) Can the Program demonstrate that it has a plan for the long-term administration of multi-decadal program elements which includes possible responses to the dissolution of the Program in its current form?

Verra is bound by the ninth article in its Articles of Incorporation, which states that "Upon the dissolution of the Organization, the Board of Directors shall, after paying or making provisions for the payment of all of the liabilities of the Organization, distribute all of the assets of the Organization as the Board of Directors shall determine to one or more organizations then described in Sections 170(c)(2) and 501(c)(3) of the Code."

Should the organization need to be dissolved, however, as the Articles of Incorporation state, Verra would need to ensure that there are sufficient funds available to pay all outstanding liabilities. To address this need, and to ensure smooth transitions across periods when revenues may ebb and flow, Verra has a long-standing policy of maintaining a reserve that can be drawn on if needed. The reserve is currently equal to six months of operating expenses.

Beyond the need for an orderly transition in the case of dissolution, it is worth noting that Verra has a diversified source of revenues and thus does not depend entirely on the VCS Program for financial sustainability. For example, Verra develops and manages other standards that generate their own fee-based, unrestricted revenues, including the Climate, Community & Biodiversity Standards and the Sustainable Development Verified Impact Standard. In addition, Verra is developing LandScale (previously known as the Landscape Standard) and recently launched the Reduce, Recover and Recycle (3R) Initiative that will include reporting and project standards to be developed and managed by Verra and which will also generate fee-based, unrestricted revenues.

Should the VCS Program ever contract significantly, we are confident that we could continue to operate it at a minimal level with fees from the VCS Program itself, as well as other resources at our disposal, including the reserve and other unrestricted revenues. Therefore, while there is a risk the VCS Program could shrink significantly, we believe that such an event would not necessarily cause the organization to dissolve, and that we could sustain a minimal level of VCS Program activities with program fees and other resources.

Another important consideration is the fact that the assets created under the VCS Program (i.e., VCUs) will have long-term value, suggesting that if the organization is ever dissolved, there would be some entity that would be interested in and able to manage the small amount of work needed to keep the platform open and operating at a minimal level. Specifically, it is likely that existing projects and JNR programs could be transferred to another GHG crediting program. Likewise, the buffer reserve could also be transferred to another entity.

Are policies in place to prevent the Program staff, board members, and management from having financial, commercial or fiduciary conflicts of interest in the governance or provision of program services? (*Paragraph 2.7.3*) X YES

To address and isolate such conflicts, should they arise? (*Paragraph 2.7.3*) X YES

Summarize and provide evidence of the relevant policies and procedures:

Verra requires all board members and employees to review and agree with strict conflict of interest policies, and to declare on an annual basis that they have not engaged in any conduct that violates Verra's Conflict of Interest Policy. In addition, board members are required to report any potential conflicts of interest during all meetings of the board and to recuse themselves where any conflicts exist. Finally, employees are required to disclose any gifts (regardless of value) they have received over the past year from anyone who is doing business, has done business, or is seeking to do business with Verra.

The policy and annual disclosure forms for board members and employees can be found on Verra's Governance webpage.

If applicable, can the Program demonstrate up-to-date professional liability insurance policy of at least USD$5M? (*Paragraph 2.7.4*) X YES

Provide evidence of such coverage:

A copy of Verra's 2019-2020 professional liability insurance policy is included as **Attachment 4** this document. The policy's coverage amount is USD$5M.

3.8 Transparency and public participation provisions

Does the Program publicly disclose… (*Paragraph 2.8*)

a) what information is captured and made available to different stakeholders? X YES

b) its local stakeholder consultation requirements (if applicable)? X YES

c) its public comments provisions and requirements, and how they are considered (if applicable)? X YES

Provide evidence of the public availability of items a) through c):

a) Does the Program publicly disclose what information is captured and made available to different stakeholders?

Yes. Section 3 of the *VCS Program Guide* requires that "There must be sufficient and appropriate public disclosure of GHG related information to allow intended users to make decisions with reasonable confidence." Accordingly, publicly disclosed information related to the VCS Program's projects (including nested REDD+ projects) and JNR programs, VCUs and methodologies includes the following:

- **Project (including nested REDD+ project), JNR program and VCU information**: The Verra Project Database makes all project, JNR program and VCU information publicly available, and it can be accessed via the VCS website. In doing so, the Verra Project

Database tracks and makes publicly available information about every project, JNR program and VCU issued under the Program, including but not limited to project and JNR program documentation, location, methodology, unit vintages, serial numbers and issuance/retirement/cancellation dates. Per Section 3.19.2 of the *VCS Standard*, all information in VCS project and JNR program documents shall be presumed to be available for public review except for information assessed by a VVB to meet the definition of "commercially sensitive information", as defined in the VCS *Program Definitions*. Per Section 4.2.11 of the *Registration and Issuance Process* (and Section 4.1.16 of the *JNR Registration and Issuance Process*), the proponent may protect commercially sensitive information by uploading a public project or JNR program description and a separate private project or JNR program description to the VCS Project Database. The public project or JNR program description differs from the private project or JNR program description only in that it does not contain commercially sensitive information.

- **Methodology information**: Methodologies developed under the VCS Program are publicly available on Verra's methodologies webpage along with the assessment reports prepared by the validation/verification bodies (VVBs) that reviewed the methodology during its development. Note that the VCS Program also accepts projects that apply methodologies developed under approved programs, which include the CDM and Climate Action Reserve. Therefore, while not all VCS projects apply methodologies that have been developed under the VCS Program, Verra provides links to these other methodologies on its website and the Verra Project Database indicates where a non-VCS methodology is used.

b) Does the Program publicly disclose its local stakeholder consultation requirements?

Yes, Sections 3.17.2 - 3.17.4 of the *VCS Standard* and Section 3.7 of the *JNR Requirements* publicly disclose the VCS Program's local stakeholder consultation requirements. Public reporting of each projects' (including nested REDD+ projects') compliance with the local stakeholder consultation requirements is reported in Section 5.3 of the *VCS Project Description Template*, Section 4.3 of the *VCS Validation Report Template*, Section 2.4.2 of the *VCS Monitoring Report Template* and Section 5.2 of the *VCS Verification Report Template*. Public reporting of each JNR programs' compliance with local stakeholder consultation requirements (and other safeguards) is reported in Section 2 of the *VCS JNR Program Description Template*, Section 4.3 of the *VCS JNR Monitoring Report Template* and in the *VCS JNR Validation Report Template*.

PROPOSED REVISION: Strengthening Stakeholder Consultation Requirements

Verra is proposing to update the VCS rules by introducing enhanced requirements for ensuring local community and stakeholder safeguards for AFOLU projects (including nested REDD+ projects). Specifically, the proposed revisions to the stakeholder consultation requirements will require AFOLU projects to take all appropriate measures to communicate and consult with local stakeholders on an ongoing process for the life of the project. All communications and consultations shall be performed in a culturally appropriate manner, including language and gender sensitivity, directly with local stakeholders or their legitimate representatives when appropriate. Projects will be required to communicate:

- The project design and implementation, including the results of monitoring.
- The risks, costs and benefits the project may bring to local stakeholders.
- Stakeholders' ability to withhold consent for project activities that impact their property or resources.
- All relevant laws and regulations covering workers' rights in the host country.
- The process of VCS validation and verification and the VVB's site visit.

Additionally, projects will be required to develop a grievance and redress process, with stakeholder cooperation, that allows stakeholders to formally raise concerns or grievances with the project and a mechanism to resolve the concerns or grievances. The proposed changes will align VCS AFOLU project safeguards requirements with those of the UNFCCC for REDD+. Note that all VCS REDD+ projects that are also certified under the CCB Standards already meet all project-relevant UNFCCC REDD+ safeguards given that the CCB Standards include such requirements. Section 3.9 below sets out further details of the CCB Standards requirements in respect of safeguards, which include public consultation.

This proposed revision to the VCS local stakeholder consultation requirements is part of a broader update to the VCS rules and requirements that Verra is currently working on, and which will form the next version of the VCS Program: VCS Version 4. The process, timeline and communications with external parties related to the development and implementation of the proposed revision are described in detail above in Part 2: Program Summary.

c) Does the Program publicly disclose its public comments provisions and requirements, and how they are considered?

Yes, the VCS Program has public comment provisions for projects (including nested REDD+ projects), methodologies and JNR programs developed under the VCS Program. These provisions are summarized below.

- **Projects (including nested REDD+ projects)**: The VCS Program's public comment provisions for projects, including how comments are considered, are publicly available in Sections 3.17.5 - 3.17.8 of the *VCS Standard*. Projects are subject to a 30-day public comment period prior to registration and the project proponent must take due account of any and all comments received during this period.
- **Methodologies**: The VCS Program's public comment provisions for methodologies, including how comments are considered, are publicly available in Section 4.3 of the *Methodology Approval Process*. Methodologies are subject to a 30-day public comment period prior to assessment by a VVB and the methodology developer must take due account of comments received.

JNR programs: The VCS Program's public comment provisions for JNR programs, including how comments are considered, are publicly available in Section 2.3 of the *JNR Validation and Verification Process*. JNR programs are subject to a 60-day public comment period at both validation (prior to registration) and verification (prior to issuance of VCUs), and the jurisdictional proponent must take due account of any and all comments received during this

period.

Does the Program conduct public comment periods? X YES

Provide evidence of the relevant policies and procedures:

Yes, the VCS Program conducts public comment periods on all major revisions to the program requirements. Section 1.1 of the *VCS Program Guide* states that new versions of the VCS Program, as a result of major edition updates, undergo a comprehensive public stakeholder consultation process that is to be announced on the VCS website and to VCS stakeholders.

3.9 Safeguards system

Are safeguards in place to address environmental and social risks? (*Paragraph 2.9*) X YES

Summarize and provide evidence of the relevant policies and procedures, including their availability to the public:

The VCS Program has safeguards in place to address environmental and social risks for both projects (including nested REDD+ projects) and JNR programs. The relevant policies and procedures for safeguards are publicly available in Section 3.17 of the *VCS Standard* for projects, and Section 3.7 of the *JNR Requirements* for JNR programs. For projects, the safeguards in place include policies and procedures to ensure no net harm, local stakeholder consultation, and public comment periods. For JNR programs, compliance with all UNFCCC decisions on safeguards for REDD+ is required.

Further details on the VCS Program project-level safeguards, followed by JNR program-level safeguards, are summarized below.

Project-Level Safeguards:

- **No Net Harm (Section 3.17.1 of the *VCS Standard*)**: Project proponents are required to identify potential negative environmental and socio-economic impacts, and shall take steps to mitigate them.
- **Local Stakeholder Consultation (Sections 3.17.2 - 3.17.4 of the *VCS Standard*)**: Project proponents are required to conduct a local stakeholder consultation prior to validation as a way to inform the design of the project and maximize participation from stakeholders. The project proponent must take due account of all and any input received during the local stakeholder consultation.
- **Public Comment Periods (Sections 3.17.5 - 3.17.8 of the *VCS Standard*)**: Projects are subject to a 30-day public comment period prior to registration and the project proponent must take due account of any and all comments received during this period.
- **Additional Certification (Section 3.17.1 of the *VCS Standard*)**: Additional certification standards may be applied to demonstrate social and environmental benefits beyond GHG emission reductions or removals. A list of standards that have been approved by Verra for use along with the VCS Program is publicly available on the Verra VCU Labeling webpage.

- One of the additional certification standards commonly used for land-based projects using the VCS Program is the Climate, Community & Biodiversity (CCB) Standards, which set out additional safeguards requirements. Application of the CCB Standards ensures that projects, among other things:
    - Identify all stakeholders and ensure their full and effective participation, required under indicator G3 from the *Climate, Community & Biodiversity Standards, v3.1*;
    - Recognize and respect customary and statutory rights, required under indicator G5 from the *Climate, Community & Biodiversity Standards, v3.1*;
    - Obtain free, prior and informed consent, required under indicator G3 from the *Climate, Community & Biodiversity Standards, v3.1*;
    - Assess and monitor direct and indirect costs, benefits and risks, required under indicators CM2, CM4 and G3 from the *Climate, Community & Biodiversity Standards, v3.1*;
    - Identify and maintain high conservation values, required under indicators CM1 and B1 from the *Climate, Community & Biodiversity Standards, v3.1*; and
    - Demonstrate net positive climate (CL2), community (CM2) and biodiversity (B2) benefits from the *Climate, Community & Biodiversity Standards, v3.1*

  The vast majority of VCS REDD+ projects already apply the CCB Standards as a co-benefit label. More information on the CCB Standards is available on the CCB Program webpage.

  Additionally, Verra recently launched a new standards framework specifically for certification of sustainable development benefits - The Sustainable Development Verified Impact Standard (SD VISta). This standard was released in January 2019, and is a flexible framework for assessing and reporting on the sustainable development benefits of project-based activities, helping unlock new sources of finance to support and scale up high-impact efforts. VCS projects may concurrently apply SD VISta as a means to further demonstrate contributions to sustainable development.

  Note that jurisdictional governments may require nested REDD+ projects to meet additional safeguard requirements.

PROPOSED REVISION: Strengthening Stakeholder Consultation Requirements

Verra is proposing to update the VCS rules by introducing enhanced requirements for ensuring local community and stakeholder safeguards for AFOLU projects (including nested REDD+ projects). Specifically, the proposed revisions to the stakeholder consultation requirements will require AFOLU projects to take all appropriate measures to communicate and consult with local stakeholders on an ongoing process throughout the life of the project. All communications and consultations shall be performed in a culturally appropriate manner, including language and gender sensitivity, directly with local stakeholders or their legitimate representatives when appropriate. Projects will be required to communicate:

- The project design and implementation, including the results of monitoring.
- The risks, costs and benefits the project may bring to local stakeholders.
- Stakeholders' ability to withhold consent for project activities that impact their property or resources.

- All relevant laws and regulations covering workers' rights in the host country.
- The process of VCS validation and verification and the VVB's site visit.

Additionally, projects will be required to develop a grievance and redress process, with stakeholder cooperation, that allows stakeholders to formally raise concerns or grievances with the project and a mechanism to resolve the concerns or grievances.

This will enhance the VCS Program's consistency with the EUC and also align VCS safeguards requirements with those of the UNFCCC for REDD+. Note that REDD+ projects using the CCB Standards already meet all project-relevant UNFCCC REDD+ safeguards.

This proposed revision to the VCS local stakeholder consultation requirements is part of a broader update to the VCS rules and requirements that Verra is currently working on, and which will form the next version of the VCS Program: VCS Version 4. The process, timeline and communications with external parties related to the development and implementation of the proposed revision are described in detail above in Part 2: Program Summary.

JNR Program-Level Safeguards:

Safeguards requirements for JNR programs, including with regard to the design and implementation of safeguards information systems, are laid out in Section 3.7 of the *JNR Requirements*, and in the *VCS JNR Program Description Template* and *VCS JNR Monitoring Report Template*. Highlights of these safeguards requirements include the following:

- **Aligned with UNFCCC**: During their design and implementation, JNR programs must comply with all UNFCCC decisions on safeguards for REDD+ and any relevant national or sub-national REDD+ safeguard requirements.
- **Local stakeholder consultation**: JNR programs must be developed and documented in a transparent manner and in consultation with relevant stakeholders, including local communities and indigenous peoples. To guide the stakeholder consultation process, programs may use the REDD+ Social & Environmental Safeguards (SES), the Guidelines on Stakeholder Engagement for REDD+ Readiness of the FCPF, and/or the UN-REDD Programme. Jurisdictional programs shall also develop a mechanism for receiving and addressing any and all feedback on stakeholder grievances and concerns.

Public Comment Periods (Section 2.3 of the VCS *JNR Validation and Verification Process*): JNR programs are subject to a 60-day public comment period at both validation (prior to registration) and verification (prior to issuance of VCUs), and the jurisdictional proponent must take due account of any and all comments received during this period.

3.10 Sustainable development criteria	
Does the Program publicly disclose sustainable development criteria used (*if any*), and provisions for monitoring, reporting and verification in accordance with these criteria? (*Paragraph 2.10*)	X YES

Provide evidence of the public availability of any relevant policies and procedures:

Project proponents (including nested REDD+ project proponents) are required to describe how the project contributes to achieving any nationally stated sustainable development priorities, including any provisions for monitoring and reporting same. This requirement is publicly available in Section 1.13 of the *VCS Project Description Template, v3.3* and Section 1.10 of the *VCS Monitoring Report Template, v3.4*.

VVBs are required to identify, discuss and justify conclusions regarding the sustainable development contributions of the project within their auditing documentation. This requirement is publicly available in Section 3.1 of the *VCS Validation Report Template, v3.4* and Section 4.1 of the *VCS Verification Report Template, v3.4*.

Additionally, Verra recently launched a new standards framework specifically for certification of sustainable development benefits - The Sustainable Development Verified Impact Standard (SD VISta). This standard was released in January 2019, and is a flexible framework for assessing and reporting on the sustainable development benefits of project-based activities, helping unlock new sources of finance to support and scale up high-impact efforts. VCS projects may concurrently apply SD VISta as a means to further demonstrate contributions to sustainable development.

JNR programs also describe how they contribute to sustainable development as part of their assessment, monitoring and reporting on the UNFCCC decisions on safeguards for REDD+.

3.10 Avoidance of double counting, issuance and claiming

SECTION III, Part 4.7—Are only counted once towards a mitigation obligation includes questions related to this criterion.

No additional information is requested

PART 4: Carbon Offset Credit Integrity Assessment Criteria

Note—Where the Program has any immediate plans to revise the Program (e.g., its policies, procedures, measures) to enhance consistency with a given criterion or guideline, provide the following information in response to the relevant form question(s):

- Proposed revision(s);

- Process and proposed timeline to develop and implement the proposed revision(s);

- Process and timeline for external communication and implementation of the revision(s).

4.1 Are additional

What is the threshold for over-issuance risk beyond which the Program provisions or measures require a response? (*Quantify if possible*)

The threshold for over-issuance risk beyond which the VCS Program provisions require a response is dependent upon project (including nested REDD+ projects) or JNR program size. Specifically, the VCS Program sets 300,000 tonnes of CO_2e as the threshold that determines the materiality threshold for errors, omissions and misstatements in information which could affect the quantification of GHG emission reductions and/or removals, and which could lead to a risk of over-issuance. Section 5.3.1(4) of the *VCS Standard* states that the threshold for materiality with respect to the aggregate of errors, omissions and misrepresentations to the total reported GHG emission reductions and/or removals is five percent for "projects" (i.e., those with estimated annual emission reductions and/or removals of less than or equal to 300,000 tonnes of CO_2e, as set out in Section 3.9.1 of the *VCS Standard*) and one percent for "large projects" (i.e., those with estimated annual emission reductions and/or removals of greater than 300,000 tonnes of CO_2e, as set out in Section 3.9.1 of the *VCS Standard*).

The same criteria apply to JNR programs. However, given JNR programs will tend to issue large volumes, it is likely that they will be treated like "large projects" for purposes of determining the materiality threshold for errors, omissions and misstatements in information which could affect the quantification of GHG emission reductions and/or removals, and which could lead to a risk of over-issuance.

The VCS *Program Definitions*, defines *materiality* as "the concept applied to determine if errors, omissions and misstatements in information could affect the GHG assertion and influence decisions resulting from it".

Is additionality and baseline-setting assessed by an accredited and independent third-party verification entity, and reviewed by the Program? (*Paragraph 3.1*) X YES

Summarize and provide evidence of the relevant policies and procedures, including their availability to the public:

Yes, in the case of both projects (including nested REDD+ projects) and JNR programs, the VCS Program rules require additionality and baseline-setting to be assessed by an accredited and independent third-party verification entity, and are also reviewed by Verra staff. More specifically:

- **Projects**: The VCS Program rules require projects to demonstrate additionality and set an appropriate baseline in accordance with the applied methodology (Sections 3.14.1 and 3.13.1 of the *VCS Standard*, respectively).
- **Nested REDD+ projects**: Where the jurisdictional REDD+ program has set a jurisdictional baseline with a spatially-explicit projection of deforestation and/or degradation, projects are not required to demonstrate additionality for any activities that use the jurisdictional baseline (i.e., where they include the same activities and carbon pools) because additionality is inherently addressed through an appropriately established jurisdictional baseline. However, nested REDD+ projects should still meet the regulatory surplus requirement in Section 4.6.3 of the *VCS Standard*. Additionality must be demonstrated for any project activities or carbon pools not included in a spatially-explicit jurisdictional baseline, in accordance with the procedures for additionality set out in the project's methodology (Section 3.10.2 of the *JNR Requirements*). Note that a jurisdiction may set further requirements for project eligibility and for approving nested REDD+ project baselines.
- **JNR programs**: Additionality is factored into the jurisdictional baseline by taking account of all existing constraints and land areas where deforestation, forest degradation and carbon stock enhancement is feasible given the activities considered in the baseline (Section 3.10 of the *JNR Requirements*). The *JNR Requirements* ensure rigorous baseline determination which provides a conservative benchmark for measuring reductions in GHG emissions such that any emission reductions and removals relative to the baseline are considered additional (see Section 4.2 of this application for more details on jurisdictional baseline setting). The jurisdictional baseline must take into account any relevant commitments by the jurisdictional government to reduce GHG emissions or enhance carbon stocks within the jurisdiction that are not intended to be financed via market mechanisms, such that there is no double counting. Furthermore, a JNR program start date must be justified based on the establishment of relevant GHG laws, policies or regulations that target GHG mitigation, and/or concrete implementation of GHG mitigation activities (Section 3.3.1 of the *JNR Requirements*).

In addition, all VCS projects (including nested REDD+ projects) and JNR programs are required to complete "validation", which is an assessment carried out by an accredited and independent third-party verification entity (referred to as a "validation/verification body (VVB)" under the VCS Program) to determine whether the project or JNR program complies with the VCS rules (Section 5.1.1 of the *VCS Standard*). Accordingly, project or JNR program additionality and baseline-setting will be assessed by an accredited and independent third-party VVB as part of the validation process (Section 4.1 of the *Registration and Issuance Process* and Section 3.1 of the *JNR Registration and Issuance Process*).

Finally, Verra staff review all projects' (including nested REDD+ projects') and JNR programs' additionality and baseline-setting when projects or JNR programs request registration (Section 4.3.7 of the *Registration and Issuance Process* and Section 4.2 of the *JNR Registration and Issuance Process*).

It is worth noting that JNR baselines must also be reviewed by a JNR expert panel at validation and where the jurisdictional baseline is updated at the time of verification, as set out in Section

2.5.2 of the *JNR Validation and Verification Process*. Any comments or observations on the jurisdictional baseline by the JNR expert panel must be addressed by the jurisdictional proponent in order for the program to be validated by the accredited and independent third-party entity and approved for registration by Verra.

Does the Program utilize one or more of the methods cited in Paragraph 3.1.2, which can be applied at the project- and/or program-level? (*Paragraphs 3.1.2 - 3.1.3*) X YES

Summarize and provide evidence of the relevant policies and procedures, including listing and describing any/all analysis / test types that the Program permits for use:

Yes, for project additionality, the VCS Program utilizes a number of the methods cited in Paragraph 3.1.2.

Specifically, Section 4.6 of the *VCS Standard* requires each project methodology to establish a procedure for demonstrating and assessing additionality. The *VCS Standard* identifies three different approaches that may be used:

- **Project method**: A project-specific approach that considers whether the project faces return on investment or technological barriers, and whether the project is common practice.
- **Performance method**: A methodological approach whereby a performance benchmark (based on tonnes of CO2e per unit of output or input) is determined within the methodology, and projects which meet or exceed the benchmark are deemed as additional.
- **Activity method**: A methodological approach whereby project additionality is determined upfront for a given class of project activity, and projects meeting the applicability conditions of the methodology are automatically deemed additional.

As described in response to question above, additionality for JNR programs and nested REDD+ projects relies on rigorous jurisdictional baseline setting, such that there are no separate additionality methods.

Note that, regardless of which approach above is followed, all VCS projects are required to demonstrate regulatory surplus as set out in Sections 4.6.3, 4.6.6, and 4.6.8 of the *VCS Standard*.

If the Program designates certain activities as automatically additional (e.g., through a "positive list" of eligible project types), does the Program provide clear evidence on how the activity was determined to be additional? (*Paragraph 3.1*) X YES

Summarize and provide evidence of the availability to the public of relevant policies and procedures, including the criteria used to determine additionality:

Yes, where project methodologies approved under the VCS Program designate certain activities as automatically additional, clear evidence is provided on how the activity was determined to be additional. As indicated above, under the VCS Program these are called "Activity methods", and they are also sometimes known as "positive lists". As set out above, activity methods are

included in methodologies and designate certain activities as automatically additional. Per the VCS rules, activity methods may be justified in three ways, as set out in Section 4.6.9 of the *VCS Standard*:

- **Activity penetration**: The methodology shall demonstrate that the project activity has achieved a low level of penetration relative to its maximum adoption potential. To date, this has been the most common approach for establishing "positive lists" under the VCS Program.
- **Financial feasibility**: The methodology shall demonstrate that the project activity is less financially or economically attractive than the alternatives to the project activity.
- **Revenue streams**: The methodology shall demonstrate that the project activity does not have any significant sources of revenue other than revenue from the sale of GHG credits.

All VCS methodologies which use an activity method include detailed data analysis and other information justifying the development of the activity method based on one of the three options described above. Note also that periodic assessments (i.e., an initial assessment 5 years after approval of the activity method, and then every 3 years after that) are undertaken of methodologies or modules using activity methods in order to assess whether the activity method remains valid given adoption trends in respect of the relevant project activity since the approval of the activity method (see Section 11.1 and 11.2 of the *Methodology Approval Process*).

As described in response to the question above, additionality for JNR programs and nested REDD+ projects relies on rigorous jurisdictional baseline setting, such that there are no separate additionality methods.

Describe how the procedures described in this section provide a reasonable assurance that the mitigation would not have occurred in the absence of the offset program: (*Paragraph 3.1*)

The eligible methods for demonstrating project additionality (or in the case of JNR programs and nested REDD+ projects, rigorous jurisdictional baseline setting) under the VCS Program were identified and developed through extensive consultation with experts and practitioners. Typically this included the convening of steering committees and working groups to ensure the widest possible set of technical expertise was utilized in developing these methods. For example, in the development of the VCS Program requirements for developing activity and performance methods, an expert steering committee was convened to develop and ensure the technical soundness and conservativeness of the requirements. The draft requirements were then subject to an extensive public consultation prior to their finalization.

Accordingly, the methods described in this section are technically sound, consistent with internationally-accepted best practice, and therefore their application provides a reasonable assurance that the mitigation would not have occurred in the absence of the VCS Program.

4.2 Are based on a realistic and credible baseline

Are procedures in place to issue emissions units against realistic, defensible, and conservative baseline estimations of emissions? (*Paragraph 3.2*)	X YES

Summarize and provide evidence of the relevant policies and procedures, including that baselines and underlying assumptions are publicly disclosed:

Yes, the VCS Program has procedures in place to ensure that all VCUs are issued against realistic, defensible, and conservative baselines.

Project Baselines

Specifically, Section 3.1.3 of the *VCS Standard* requires that all projects must apply methodologies eligible under the VCS Program, which must meet the requirements set out in Section 4 of the *VCS Standard*. In particular, all methodologies must establish criteria and procedures for identifying credible, alternative baseline scenarios, and determining the most plausible scenario, as set out in Section 4.5 of the *VCS Standard*. Methodologies must take into account the following when developing procedures for determining the baseline scenario:

1. The identified GHG sources, sinks and reservoirs;
2. Existing and alternative project types, activities and technologies providing equivalent type and level of activity of products or services to the project;
3. Data availability, reliability and limitations; and
4. Other relevant information concerning present or future conditions, such as legislative, technical, economic, socio-cultural, environmental, geographic, site-specific and temporal assumptions or projections.

The above requirements are in line with Section 5.4 of *ISO 14064-2:2013, Greenhouse gases - Part 2: Specification with guidance at the project-level for quantification, monitoring and reporting of greenhouse gas emission reductions or removal enhancements*, and ensure that VCS Program methodologies include procedures for determining realistic, defensible, and conservative estimates of baseline emissions.

Projects are then required to apply an eligible methodology, and must describe the identified baseline scenario within the project description per Section 3.19.1 of the *VCS Standard*. This project description is made publicly available on the Verra Project Database and must include all underlying assumptions in respect of establishing the baseline scenario in line with the provisions set out by the applied methodology.

Finally, in order to register the project with the VCS Program, all projects must be validated as stated in Section 5.1.1 of the *VCS Standard* whereby a project undergoes an independent assessment by a properly accredited VVB. This validation determines whether the project complies with the VCS rules, including appropriate application of the methodology and the determination of the baseline scenario, including any underlying assumptions. The VVB's assessment and ultimate conclusions regarding the baseline scenario and underlying assumptions are then described in a validation report, which is also made publicly available on the Verra Project Database.

JNR Program and Nested REDD+ Project Baselines

JNR programs are required to identify and develop the most plausible or conservative jurisdictional baseline based on the historical reference period, and may include conservatively modeled adjustments that reflect national or sub-national circumstances. At a minimum, two jurisdictional baselines must be developed based on: a) historical annual average GHG emissions or removals; and b) historical trend of GHG emissions or removals. The most plausible or conservative jurisdictional baseline can then be selected. The jurisdictional baseline period chosen must be conservative and adequately justified. Section 3.11 of the *JNR Requirements* provides further parameters for ensuring the realistic, defensible and conservative estimate of jurisdictional baseline emissions.

JNR programs must describe the identified baseline scenario within the JNR program description per Section 3.2 of the *JNR Requirements*. This JNR program description is made publicly available on the Verra Project Database and must include all underlying assumptions in respect of establishing the baseline scenario. The program must undergo an independent assessment by a properly accredited VVB (Section 2.4 of *JNR Validation and Verification Process*) to determine its compliance with JNR rules including determination of baseline scenario and underlying assumptions. The VVB's assessment and ultimate conclusions are then described in a validation report, which is also made publicly available on the Verra Project Database.

JNR programs must also be reviewed by a JNR expert panel at validation and where the jurisdictional baseline is updated at the time of verification, as set out in Section 2.5.2 of the *JNR Validation and Verification Process* document. The VVB must take action on any findings raised by the JNR expert panel and incorporate relevant conclusions into their final report.

Section 3.11.15 of the *JNR Requirements* provides requirements for nested REDD+ project baselines. Where the jurisdictional baseline has a spatially-explicit projection of deforestation and/or degradation, the project baseline shall be identical to the jurisdictional baseline for the relevant area. Where the jurisdictional baseline does not have a spatially-explicit projection of deforestation and/or degradation, a baseline shall be developed for the project, using the same GHG emissions and removal factors, data sources and methods as the jurisdictional reference level, as appropriate. In both cases the project baseline shall be subject to approval by the jurisdictional government. The same requirements stated above with regard to project descriptions and VVB assessment apply also to nested REDD+ projects.

PROPOSED REVISIONS: Updates to JNR and AFOLU Requirements

As noted in Section 2 (Program summary) above, Verra is working with a group of experts to pursue a number of updates to the VCS rules to facilitate project nesting in both JNR and non-JNR jurisdictional REDD+ programs, such as those relating to baseline alignment, government approvals, monitoring, leakage, uncertainty estimations and addressing potential performance differences across scales. While existing rules and requirements fully meet CORSIA's EUC, these updates will improve clarity on REDD+ nesting procedures and make it easier for jurisdictions and projects to understand how to ensure their eligibility for international compliance trading.

Relevant updates to the *JNR Requirements* and *AFOLU Requirements*, and associated guidance for both governments and projects, are anticipated to be developed through a consultative process that will include receiving input from experts and through a public consultation in late 2019, with final publication scheduled for early 2020. In the interim, Verra has published a high-level

guidance document for VCS REDD+ projects which provides additional guidance on nesting into existing and emerging national (or sub-national) REDD+ programs and reference levels.

Are procedures in place to ensure that methods of developing baselines, including modelling, benchmarking or the use of historical data, use assumptions, methodologies, and values do not over-estimate mitigation from an activity? (*Paragraph 3.2.2*) X YES

Summarize and provide evidence of the relevant policies and procedures:

Yes, the VCS Program has procedures in place to ensure that methods of developing baselines, including modelling, benchmarking or the use of historical data, use assumptions, methodologies, and values do not over-estimate mitigation from an activity.

Specifically, Section 4 of the *VCS Standard* sets out the requirements that all project methodologies approved under the VCS Program must meet, including requirements to ensure that methodologies do not overestimate mitigation from activities. In particular, Section 4.1.2 requires that methodologies include a comparative assessment of the project and its alternatives in order to identify the baseline scenario. Sections 4.1.6 and 4.1.7 set out requirements where methodologies utilize modeling and default factors, respectively. Further, Section 4.1.4 requires that methodologies must be guided by the principles set out in Section 2.4.1 of the *VCS Standard*, one of which is conservativeness. Additionally, Section 4.8.2 of the *VCS Standard* requires that, where uncertain data and information are relied upon, conservative values shall be selected that ensure that the quantification does not lead to an overestimation of net GHG emission reductions or removals. Lastly, Section 3.13.3 requires baseline scenarios, including all assumptions, values and procedures, to be selected to ensure GHG emission reductions and removals are not overestimated.

For JNR programs (and nested REDD+ projects which derive their baselines from the jurisdictional level), Section 3.11.12 of the *JNR Requirements* sets out the requirements that all JNR programs approved under the VCS Program must meet, including requirements to ensure that they do not overestimate mitigation. Further description of JNR and nested REDD+ project baseline setting is provided in the answer to the above question. In order to ensure that baseline emissions are not overestimated due to events that are unlikely to reoccur in the JNR program scenario (i.e., in the next 5 to 10 years), instances of forest loss in the historical reference period are excluded from the associated GHG emissions in the baseline where they represent large infrastructure projects or geological impacts (Section 3.11.12(5) of the *JNR Requirements*). The jurisdictional baseline must also take into account any relevant commitments by the jurisdictional government to reduce GHG emissions or enhance carbon stocks within the jurisdiction that are not intended to be financed via market mechanisms to ensure conservativeness.

Furthermore, an assessment of accuracy and uncertainty must be presented following IPCC guidelines, clearly stating the assumptions, parameters and procedures that have significant uncertainty, and describing how such uncertainty shall be addressed (see Section 3.14.12 of the *JNR Requirements*).

The principles set out in Section 2.4.1 of the *VCS Standard* also apply to the development of JNR program and nested REDD+ project baselines.

PROPOSED REVISIONS: Updates to JNR and AFOLU Requirements

As noted in Section 2 (Program summary) above, Verra is working with a group of experts to pursue a number of updates to the VCS rules to facilitate project nesting in both JNR and non-JNR jurisdictional REDD+ programs, such as those relating to baseline alignment, government approvals, monitoring, leakage, uncertainty estimations and addressing potential performance differences across scales. While existing rules and requirements fully meet CORSIA's EUC, these updates will improve clarity on REDD+ nesting procedures and make it easier for jurisdictions and projects to understand how to ensure their eligibility for international compliance trading.

Relevant updates to the *JNR Requirements* and *AFOLU Requirements*, and associated guidance for both governments and projects, are anticipated to be developed through a consultative process that will include receiving input from experts and through a public consultation in late 2019, with final publication scheduled for early 2020. In the interim, Verra has published a high-level guidance document for VCS REDD+ projects which provides additional guidance on nesting into existing and emerging national (or sub-national) REDD+ programs and reference levels.

Are procedures in place for activities to respond, as appropriate, to changing baseline conditions that were not expected at the time of registration? (*Paragraph 3.2.3*) X YES

Summarize and provide evidence of the relevant policies and procedures:

Yes, the VCS Program has procedures in place for activities to respond, as appropriate, to changing baseline conditions that were not expected at the time of registration.

Specifically, Section 3.8.5 of the *VCS Standard* requires projects to reassess their baseline during project crediting period renewal. This reassessment will determine whether a project can continue to apply the baseline scenario and underlying assumptions as determined at validation, or whether the baseline scenario needs to be updated. Section 3.11.16 of the *JNR Requirements* requires jurisdictional baselines to be updated and revalidated (by a VVB and JNR expert panel) every 5 to 10 years to ensure the REDD+ activities in the baseline are properly captured. Nested REDD+ projects must update and validate all project-based baseline components that are dependent on jurisdictional baseline components within a grace period of 18 months after the relevant jurisdictional baseline is updated (see Section 3.11.21(2) of the *JNR Requirements*).

Additionally, as is allowed by Section 3.6.1 of the *VCS Standard*, where a proponent has identified a change in the baseline conditions or assumptions used to determine the baseline scenario at validation, the project or JNR program may apply a project or JNR program description deviation to voluntarily update the baseline scenario. This project or JNR program description deviation must then be documented in an updated project or JNR program description, be validated by a VVB at a subsequent verification, and made publicly available on the Verra Project Database. A description of the assessment by the VVB, and the ultimate conclusions, are required to be included in a verification report which is also made publicly available on the Verra Project Database.

The requirements above ensure that projects and JNR programs can respond, as appropriate, to changing baseline conditions that were not implemented or expected during project or JNR program registration.

PROPOSED REVISION: Modifying Duration of Crediting Periods

As indicated in Section 3.3(b) above, Verra is proposing to update the VCS rules such that non-AFOLU projects will select either a seven-year twice-renewable crediting period (for a maximum of 21 years) or a one ten-year fixed crediting period. This would represent a shortening of existing non-AFOLU crediting periods, which currently stand at 10-years, twice renewable.

The rationale for this proposed update is that shorter crediting periods will ensure a more frequent (and conservative) timeframe whereby project baselines will be reevaluated and that projects demonstrate that they continue to go beyond what is required by regulation. This update would apply only to new projects, and would not affect the crediting periods of existing VCS projects. This update will enhance the integrity of the VCS Program and thus not impact whether it meets the EUC.

This proposed revision to the VCS project crediting period requirements is part of a broader update to the VCS rules and requirements that Verra is currently working on, and which will form the next version of the VCS Program: VCS Version 4. The process, timeline and communications with external parties related to the development and implementation of the proposed revision are described in detail above in Part 2: Program Summary.

4.3 Are quantified, monitored, reported, and verified

Are procedures in place to ensure that…

a) emissions units are based on accurate measurements and valid quantification methods/protocols? (*Paragraph 3.3*)	X YES
b) validation occurs prior to or in tandem with verification? (*Paragraph 3.3.2*)	X YES
c) results of validation and verification are made publicly available? (*Paragraph 3.3.2*)	X YES
d) monitoring, measuring, and reporting of both activities and the resulting mitigation is conducted at specified intervals throughout the duration of the crediting period? (*Paragraph 3.3*)	X NO
e) mitigation is measured and verified by an accredited and independent third-party verification entity? (*Paragraph 3.3*)	X YES
f) *ex-post* verification of mitigation is required in advance of issuance of emissions units? (*Paragraph 3.3*)	X YES

Summarize and provide evidence of the relevant policies and procedures related to a) through f):

a) Are procedures in place to ensure that emissions units are based on accurate measurements and valid quantification methods/protocols?

Yes, the VCS Program includes procedures that ensure emissions units are based on accurate measurements and valid quantification methods/protocols.

Specifically, Section 3.1.3 of the *VCS Standard* requires all projects (including nested REDD+ projects) to apply an eligible VCS methodology. VCS methodologies set out the procedures for determining the baseline scenario, and the procedures for the monitoring and measurement of the appropriate data and parameters for a given project activity, including a full and transparent estimation of uncertainty. These methodologies also set out the quantification methods for baseline, project and leakage emissions, which are ultimately used to determine the net emission reductions or removals of a project. The requirements for methodologies are set out in Section 4 of the *VCS Standard*. Note that nested REDD+ projects should follow their applied VCS methodology and the *AFOLU Requirements*, except where rules in the *JNR Requirements* take precedence, for example, in the application of jurisdictional data, parameters and methods to project baseline setting and monitoring.

For JNR programs, the *JNR Requirements* set out the requirements for determining the baseline scenario and for the monitoring and measurement of the appropriate data and parameters for each jurisdictional program activity, including a full and transparent estimation of uncertainty. The *JNR Requirements* also set out the quantification procedures for baseline, program and leakage emissions, which are ultimately used to determine the net emission reductions or removals of a JNR program. JNR programs must describe the specific methods used for baseline development, and criteria and procedures for monitoring, in their jurisdictional program description.

The above requirements are based on international best practice for GHG quantification, and are designed to ensure that both VCS project methodologies and JNR programs adhere to valid quantification methods which lead to accurate measurements of emissions.

b) Are procedures in place to ensure that validation occurs prior to or in tandem with verification?

Yes, the VCS Program includes procedures that ensure validation occurs prior to or in tandem with verification.

Specifically, Section 5.2.2 of the *VCS Standard* requires that validation occur before the first verification, or at the same time as the first verification, for both projects (including nested REDD+ projects) and JNR programs.

c) Are procedures in place to ensure that results of validation and verification are made publicly available?

Yes, the VCS Program includes procedures that ensure results of validation and verification are made publicly available.

Specifically, Sections 5.3.6 and 5.3.7 of the *VCS Standard* require VVBs to submit validation and verification reports describing the validation/verification process, any findings raised during validation/verification and their resolutions, and the conclusions reached by the VVB. The validation and verification reports are submitted by the proponent at the time of registration and

issuance to be posted as public documents to the project (including nested REDD+ project) or JNR program record on the Verra Project Database, as set out in Sections 4.4.1 and 4.4.2 of the VCS *Registration and Issuance Process* and Section 4.3.4 of the *JNR Registration and Issuance Process.*

d) Are procedures in place to ensure that monitoring, measuring, and reporting of both activities and the resulting mitigation is conducted at specified intervals throughout the duration of the crediting period?

The VCS rules do not require project proponents to monitor, measure, and report activities and the resulting GHG emission reductions and/or removals at specified intervals throughout the project crediting period. This is due to the variability in eligible project activities, project sizes, and ultimately the varying resulting emission reductions and removals of VCS projects which may impact a project developer's ability to pay for a third-party auditor to review the project. As such, the VCS rules allow flexibility for project proponents to determine when it is economically feasible to report and verify any emission reductions and removals generated. Notwithstanding this flexibility, it is important to note that where the applied methodology sets out requirements for monitoring or calibration at specified intervals, such requirements must be followed.

Notwithstanding the above, the VCS rules set out that where AFOLU project proponents do not submit a verification report at least every five years, buffer credits are put on hold as a precaution. Specifically, as set out in Section 6.3.4 of the *Registration and Issuance Process*, 50 percent of the buffer credits associated with the project are put on hold where a project fails to submit a new verification report within five years of the issuance date of the previous verification report. After ten years, the remaining 50 percent of buffer credits associated with the project are put on hold, and after 15 years, buffer credits equal to the total number of VCUs issued from the project are cancelled.

Per Section 3.14.8 of the *JNR Requirements*, monitoring and verification of JNR programs must be conducted at least every five years. Furthermore, nested REDD+ projects must reconcile monitoring results with the jurisdictional monitoring results at least once every five years (Section 3.13.3(2)(a)(vi) of the *JNR Requirements*). The above-stated rules on what happens to buffer credits when there is no verification after 5, 10 and 15 years are the same for JNR programs and nested REDD+ projects (see Section 5.3 of the *JNR Registration and Issuance Process*).

e) Are procedures in place to ensure that mitigation is measured and verified by an accredited and independent third-party verification entity?

Yes, the VCS Program includes procedures that ensure mitigation is measured and verified by an accredited and independent third-party verification entity.

Specifically, Section 5.2.1 of the *VCS Standard* requires that verification be conducted by a VVB that meets VCS eligibility requirements before projects (including nested REDD+ projects) or JNR programs are eligible to request issuance of VCUs. Section 3.2.1 of the *JNR Validation and Verification Process* provides additional requirements for VVBs verifying JNR programs. As discussed in Section 3.6 (Validation and verification procedures) of this form above, VVBs must be accredited to *ISO 14065* by an approved IAF member, or by the UNFCCC as a DOE. Such requirements ensure that mitigation is measured and verified by an accredited and independent third-party verification entity.

PROPOSED REVISION: Updating VVB Accreditation Requirements

Verra is proposing to update the VCS rules such that VVBs may only be accredited under ISO 14065 by a VCS-approved accreditation body that is a member of the International Accreditation Forum (IAF) (i.e., pathway 1, above). We are proposing to update the accreditation requirements to ensure a consistent basis for accreditation and performance oversight of VVBs operating under the VCS Program. This update will enhance the integrity of the VCS Program and thus not impact whether it meets the EUC.

This update will take effect two years after the release of VCS Version 4 to ensure a sensible transition period. However, where Verra determines that a sufficient number of IAF members offer VCS Program accreditation prior to this timeframe, Verra will implement this update sooner.

This proposed revision to the VCS VVB accreditation requirements is part of a broader update to the VCS rules and requirements that Verra is currently working on, and which will form the next version of the VCS Program: VCS Version 4. The process, timeline and communications with external parties related to the development and implementation of the proposed revision are described in detail above in Part 2: Program Summary.

f) Are procedures in place to ensure that *ex-post* verification of mitigation is required in advance of issuance of emissions units?

Yes, the VCS Program includes procedures that ensure ex-post verification of mitigation is required in advance of issuance of emissions units.

Specifically, Section 5.1.1 of the *VCS Standard* requires that verification of the emission reductions and removals that have occurred (i.e., *ex post*) be conducted by an independent VVB before projects (including nested REDD+ projects) or JNR programs are eligible to request issuance of VCUs. Section 2.3.1 of the *VCS Standard* further states that VCUs shall not be issued under the VCS Program for GHG emission reductions and removals that have not been verified.

Are provisions in place… (*Paragraph 3.3.3*)

a) to manage and/or prevent conflicts of interest between accredited third-party(ies) performing the validation and/or verification procedures, and the Program and the activities it supports?	X YES
b) requiring accredited third-party(ies) to disclose any conflict of interest?	X YES
c) to address and isolate such conflicts, should they arise?	X YES

Summarize and provide evidence of the relevant policies and procedures:

a) Are provisions in place to manage and/or prevent conflicts of interest between accredited third-party(ies) performing the validation and/or verification procedures, and the Program and the activities it supports?

Yes, the VCS Program includes provisions to manage and/or prevent conflicts of interest between accredited third-party(ies) performing the validation and/or verification procedures, and the Program and the activities it supports.

Specifically, as discussed in Section 3.6 (Validation and verification procedures) of this form above, VVBs must be accredited to *ISO 14065* by an approved IAF member or the CDM Accreditation Standard, the latter of which is based on *ISO 14065*. Both of these standards set out requirements for VVBs to have in place policies and procedures to assess conflict of interest. These policies and procedures are assessed during accreditation, by either the IAF member or the UNFCCC. Additionally, these policies are reviewed periodically by the relevant accreditation body as part of the monitoring and surveillance of VCS VVB accreditation.

b) Are provisions in place requiring accredited third-party(ies) to disclose any conflict of interest?

Yes, the VCS Program includes provisions requiring accredited third-party(ies) to disclose any conflicts of interest. Through incorporation by reference of *ISO 14065* and the CDM Accreditation Standard, VVBs are required to assess conflicts of interest and provide a statement, and avoid unacceptable conflicts of interest.

c) Are provisions in place to address and isolate such conflicts, should they arise?

Yes, the VCS Program includes provisions which serve to address and isolate such conflicts, should they arise, per the accreditation requirements described above. Specifically, as discussed in Section 3.6 (Validation and verification procedures) of this form above, VVBs must be accredited to *ISO 14065* by an approved IAF member or the CDM Accreditation Standard, the latter of which is based on *ISO 14065*. Both of these standards require that VVBs isolate and address such conflicts.

Are procedures in place requiring that renewal of any activity at the end of its crediting period includes a reevaluation and update of baseline? (*Paragraph 3.3.4*) X YES

Summarize and provide evidence of the relevant policies and procedures:

Section 3.8.5 of the *VCS Standard* sets out the requirements with respect to the renewal of project crediting periods and what that means for the baseline a project can use going forward. Section 3.11.16-3.11.21 of the *JNR Requirements* sets out similar requirements for JNR programs and nested REDD+ projects.

Specifically, projects and JNR programs must demonstrate that the initial scenario is still valid, or must otherwise update the baseline scenario based on prevailing circumstances at the time of crediting period renewal.

Are procedures in place to transparently identify units that are issued *ex-ante* and thus ineligible for use in the CORSIA? (*Paragraph 3.3.5*) X NO

Provide evidence of the relevant policies and procedures:

The VCS Program does not allow for units to be issued *ex-ante*.

4.4 Have a clear and transparent chain of custody

SECTION III, Part 3.4—Identification and tracking includes questions related to this criterion. No additional information is requested here.

4.5 Represent permanent emissions reductions

List any emissions sectors (if possible, activity types) supported by the Program that present a potential risk of reversal of emissions reductions, avoidance, or carbon sequestration:

The VCS Program's Agriculture, Forestry and Other Land Use (AFOLU) sector presents a potential risk of reversal of emission reductions, avoidance, or carbon sequestration. However, these risks are addressed per the VCS rules, as elaborated in the sections below.

What is the minimum scale of reversal for which the Program provisions or measures require a response? (Quantify if possible)

The minimum scale of reversal for which the VCS Program provisions require a response is a loss of **five percent** of previously verified emission reductions and removals. This requirement is set out under the VCS requirements for reporting of loss events. Specifically, Section 3.7.7 of the *AFOLU Requirements* and Section 3.15.6 of the *JNR Requirements* state that proponents are required to report on "loss events". Loss events are defined in the VCS *Program Definitions* as a "loss of **five percent** of previously verified emission reductions and removals".

For sectors/activity types identified in the first question in this section, are procedures / provisions in place to require and support these activities to…

a) undertake a risk assessment that accounts for, *inter alia*, any potential causes, relative scale, and relative likelihood of reversals? (*Paragraph 3.5.2*) X YES

b) monitor identified risks of reversals? (*Paragraph 3.5.3*) X YES

c) mitigate identified risks of reversals? (*Paragraph 3.5.3*) X YES

d) ensure full compensation for material reversals of mitigation issued as emissions units and used toward offsetting obligations under the CORSIA? (*Paragraph 3.5.4*) X YES

Summarize and provide evidence of the relevant policies and procedures related to a) through d):

a) Are procedures / provisions in place to require and support these activities to undertake a risk assessment that accounts for, *inter alia*, any potential causes, relative scale, and relative likelihood of reversals?

Yes, the VCS Program includes procedures to require and support these activities to undertake a risk assessment that accounts for, *inter alia*, any potential causes, relative scale, and relative likelihood of reversals. The risk assessment informs the contribution each project, nested REDD+ project and/or JNR program is required to make to the respective pooled buffer account and which, taken together, serve to ensure the permanence of the credited emission reductions and/or removals.

While other credible risk management techniques for addressing non-permanence risk exist, Verra believes the buffer approach is the most workable and robust means of addressing reversals for market-based mechanisms such as CORSIA. Since being pioneered by Verra, use of a pooled buffer to address non-permanence risk has now been accepted by several carbon compliance markets, including California's cap-and-trade system.

Projects

Section 3.7.3 of the *AFOLU Requirements* requires project proponents to conduct a non-permanence risk assessment of their projects in accordance with the VCS *AFOLU Non-Permanence Risk Tool* and complete a report using the *Non-Permanence Risk Report* template. The AFOLU risk tool provides guidance on how to conduct an analysis based on relevant risk factors. Based on project characteristics, natural risks and management practices, projects are evaluated against each risk factor and assigned a corresponding risk score. The sum of the project's risk score determines the project's required contribution of verified emission reductions/removals into the AFOLU pooled buffer account, which are referred to as buffer credits. Buffer credits may not be issued or sold by the project proponent.

The AFOLU pooled buffer account holds non-tradable buffer credits to cover the non-permanence risk associated with AFOLU projects. It is a single account that holds the buffer credits for all AFOLU projects globally (excluding nested REDD+ projects - see below) and covers the potential losses/reversals of individual projects, thereby guaranteeing the permanence of all credits issued to projects. The AFOLU pooled buffer ensures full compensation for material reversals, and project proponents are required to assess, mitigate, monitor and respond to reversals appropriately. Section 2.1 of the *AFOLU Requirements* provides additional details on how the *AFOLU Non-Permanence Risk Tool* and AFOLU pooled buffer account work.

JNR Programs and Nested REDD+ Projects

Section 3.15.1 of the *JNR Requirements* requires jurisdictional proponents to conduct a non-permanence risk assessment of their JNR program in accordance with the *JNR Non-Permanence Risk Tool* and complete a report using the *JNR Non-Permanence Risk Report* template. The JNR risk tool works similarly to the AFOLU risk tool - it provides guidance on how to conduct an analysis based on relevant risk factors. Based on program characteristics, natural risk and governance, JNR programs are evaluated against each risk factor and assigned a corresponding risk score. The sum of the JNR program's risk score determines the program's required contribution of verified emission reductions/removals into the jurisdictional pooled buffer account, which are referred to as buffer credits. The jurisdictional pooled buffer account follows similar rules as the AFOLU pooled buffer account further described below, including that buffer credits may not be issued or sold by the jurisdictional proponent.

Non-permanence risk in nested projects is assessed through the use of the *AFOLU Non-Permanence Risk Tool* and associated buffer credits are deposited in the jurisdictional pooled buffer account.

The jurisdictional pooled buffer account holds non-tradable buffer credits to cover the non-permanence risk associated with JNR programs and nested REDD+ projects. It is a single account that holds the buffer credits for all jurisdictional programs and nested REDD+ projects globally and covers the potential losses/reversals of individual nested REDD+ projects and programs, thereby guaranteeing the permanence of all credits issued to jurisdictional programs and nested REDD+ projects. The jurisdictional pooled buffer ensures full compensation for material reversals, and program proponents are required to assess, mitigate, monitor and respond to reversals appropriately. Section 3.15 of the *JNR Requirements* provides additional details on how the *JNR Non-Permanence Risk Tool* and jurisdictional pooled buffer account work.

b) Are procedures / provisions in place to require and support these activities to monitor identified risks of reversals?

Yes, the VCS Program includes procedures to require and support these activities to monitor identified risks of reversals.

Specifically, as stated in Section 3.7.3 of the *AFOLU Requirements* and Section 3.15.1 of the *JNR Requirements*, projects (including nested REDD+ projects) and JNR programs must prepare a non-permanence risk report at validation and at every verification. This requirement provides an incentive for proponents to monitor risk factors and reduce risks as a means of lowering the project's or JNR program's risk score, and in turn, reduce the required volume of verified emission reductions which must be contributed to the AFOLU or jurisdictional pooled buffer accounts.

c) Are procedures / provisions in place to require and support these activities to mitigate identified risks of reversals?

Yes, the VCS Program includes procedures to require and support these activities to mitigate identified risks of reversals.

As outlined in the VCS *AFOLU Non-Permanence Risk Tool* and in the *JNR Non-Permanence Risk Tool*, most risk factor subcategories contain risk factor mitigation measures, which can lower the project's (including nested REDD+ project's) or JNR program's risk score. This provides incentive for proponents to undertake reversal mitigation measures, thereby lowering the project's or JNR program's risk score and the corresponding contribution of verified emission reductions (in the form of buffer credits) to the AFOLU or jurisdictional pooled buffer accounts.

d) Are procedures / provisions in place to require and support these activities to ensure full compensation for material reversals of mitigation issued as emissions units and used toward offsetting obligations under the CORSIA?

Yes, the VCS Program includes procedures to require and support these activities to ensure full compensation for material reversals of mitigation issued as emissions units and used toward offsetting obligations under the CORSIA.

Specifically, in the event that a project (including nested REDD+ project) or JNR program incurs a reversal (i.e., the net GHG emission reductions/removals are negative for a particular monitoring period), buffer credits will be cancelled from the VCS AFOLU pooled buffer account

or jurisdictional pooled buffer account, as appropriate, to ensure full compensation for material reversals of mitigation issued as emissions units and used toward offsetting obligations under the CORSIA. The requirements and procedures above are further described in Sections 3.7.7 through 3.7.9 of the *AFOLU Requirements* and Section 3.15 of the *JNR Requirements.*

Are provisions in place that… (*Paragraph 3.5.5*)

a) confer liability on the activity proponent to monitor, mitigate, and respond to reversals in a manner mandated in the Program procedures?	X YES
b) require activity proponents, upon being made aware of a material reversal event, to notify the Program within a specified number of days?	X YES
c) confer responsibility to the Program to, upon such notification, ensure and confirm that such reversals are fully compensated in a manner mandated in the Program procedures?	X YES

Summarize and provide evidence of the relevant policies and procedures related to a) through c):

a) Are provisions in place that confer liability on the activity proponent to monitor, mitigate, and respond to reversals in a manner mandated in the Program procedures?

Yes, the VCS Program includes provisions that confer liability on the activity proponent to monitor, mitigate, and respond to reversals in a manner mandated in the VCS Program procedures.

Specifically, as specified in Section 3.7.7 of the *AFOLU Requirements* and Section 3.15.6 of the *JNR Requirements* in the event of a loss event, the proponent must prepare a loss event report using the VCS *Loss Event Report Template*, which must include a conservative estimate of the loss in carbon stocks. The loss event report must be submitted within two years of the loss event. Where a loss event report is not submitted within two years of the date the loss event occurred, the project (including nested REDD+ project) or JNR program shall no longer be eligible to issue VCUs.

b) Are provisions in place that require activity proponents, upon being made aware of a material reversal event, to notify the Program within a specified number of days?

Yes, the VCS Program includes provisions that require activity proponents, upon being made aware of a material reversal event, to notify the VCS Program within a specified number of days.

Specifically, the VCS Program requires project (including nested REDD+ project) or jurisdictional proponents to provide a loss event report within two years of a loss event, as described in Section 3.7.7(3) of the *AFOLU Requirements* and Section 3.15.6(3) of the *JNR Requirements.*

PROPOSED REVISION: Loss Event Reporting Requirements

Verra is planning to update the loss event reporting requirements in the *AFOLU Requirements* and *JNR Requirements* such that the proponent must notify Verra within 30 days of discovering a loss event or an event that is likely to qualify as a loss event. This notification would allow Verra to take necessary precautions as soon as possible after a loss event occurs. The proponent would be given additional time (e.g., one year from the date of discovery of the loss event) to survey, analyze and report the loss in carbon stocks.

This planned revision to the VCS *AFOLU Requirements* will be made at the same time as the broader update to the VCS rules and requirements that Verra is currently working on, and which will form the next version of the VCS Program: VCS Version 4. The revision to the *JNR Requirements* will be made at the same time as a planned update to the JNR rules and requirements in early 2020. The updates to the loss event reporting requirements are an internal decision about how best to manage loss events and thus are not subject to a public consultation process.

c) Are provisions in place that confer responsibility to the Program to, upon such notification, ensure and confirm that such reversals are fully compensated in a manner mandated in the Program procedures?

Yes, the VCS Program includes provisions that confer responsibility to the VCS Program to, upon such notification, ensure and confirm that such reversals are fully compensated in a manner mandated in the VCS Program procedures.

Specifically, where a project (including nested REDD+ project) or jurisdictional proponent submits a loss event report, Verra will place buffer credits "on hold", in an amount equivalent to the estimated loss stated in the loss event report. "On hold" status of buffer credits means that the credits may potentially be cancelled, depending on the outcome of further monitoring, reporting and verification. Specifically, at the verification event subsequent to the loss event, the project or JNR monitoring report shall restate the loss from the loss event and calculate the net GHG benefit for the monitoring period in accordance with the methodology applied.

Where the net GHG benefit of the project (including nested REDD+ project) or JNR program, compared to the baseline, for the monitoring period is negative, taking into account project or JNR program emissions, removals and leakage, a "reversal" has occurred (see VCS *Program Definitions* for definition of "reversal") and buffer credits equivalent to the reversal shall be cancelled from the AFOLU or jurisdictional pooled buffer account, as appropriate. Where the total reversal is less than the number of credits put on hold after the submission of the loss event report, Verra cancels buffer credits equivalent to the reversal and any remaining buffer credits shall be released from their hold status (though remain in the AFOLU or jurisdictional pooled buffer account, as appropriate). Where the reversal is greater than stated by the loss event report, the full amount of buffer credits put on hold with respect to the submission of the loss event report are cancelled, and additional buffer credits from the AFOLU or jurisdictional pooled buffer account, as appropriate, shall be cancelled to fully account for the reversal.

Although buffer credits are cancelled to cover carbon known or believed to be lost, the VCUs already issued to AFOLU projects or JNR programs that subsequently experience a reversal are not cancelled and do not have to be cancelled. Rather, all issued VCUs are permanent. The VCS approach provides environmental integrity because both the AFOLU and jurisdictional pooled buffer accounts are managed to ensure losses from project (including nested REDD+ project) or JNR program failures are covered, and the net GHG benefits across the entire pool of projects and JNR programs will be greater than the total number of VCUs issued.

Where the net GHG benefit for the monitoring period is positive, taking into account project (including nested REDD+ project) or JNR program emissions, removals and leakage (i.e., all losses have been made up over the monitoring period), a reversal has not occurred and buffer credits put on hold after the submission of the loss event report shall be released from their hold status (but shall remain in the AFOLU or jurisdictional pooled buffer account, as appropriate).

For more details please see Sections 3.7.7 and 3.7.8 of the VCS *AFOLU Requirements* and Section 3.15 of the *JNR Requirements.*

Does the Program have the capability to ensure that any emissions units which compensate for the material reversal of mitigation issued as emissions units and used toward offsetting obligations under the CORSIA are fully eligible for use under the CORSIA? (*Paragraph 3.5.6*) X YES

Summarize and provide evidence of the relevant policies and procedures:

Yes, if necessary, Verra has the capability to ensure that any emissions units which compensate for the material reversal of mitigation issued as emissions units and used toward offsetting obligations under the CORSIA are fully eligible for use under the CORSIA. Such policies and procedures are not in place at the moment. However, the program requirements and corresponding software supporting the Verra Project Database could be readily updated to allow Verra to select only CORSIA-eligible buffer credits for cancellation to compensate material reversals.

Would the Program be willing and able, upon request, to demonstrate that its permanence provisions can fully compensate for the reversal of mitigation issued as emissions units and used under the CORSIA? (*Paragraph 3.5.7*) X YES

4.6 Assess and mitigate against potential increase in emissions elsewhere

List any emissions sectors (if possible, activity types) supported by the Program that present a potential risk of material emissions leakage:

Many sectors supported by the VCS Program present a *potential* risk of material leakage. However, it is important to note that projects account for leakage per the provisions set out in the applied methodology for doing so. Accordingly, where the applied methodology states that leakage is not a risk for the particular project activity, then leakage need not be quantified because it is *de minimis*. Conversely, where the applied methodology acknowledges particular leakage risks relevant for the project activity, and sets out methods for quantifying such leakage, projects are required to follow such methods and deduct from their accounting emissions any identified leakage.

The clearest example of project activities that present a risk of leakage are REDD and IFM. This is because forest protection and management activities may force the drivers of deforestation (e.g., timber extraction, clearing land for agricultural production) to shift to other forested areas, potentially negating some or all of the environmental benefits of the forest conservation and/or management efforts. Likewise, ARR projects may also cause leakage if they drive individuals and/or communities to clear other land that would have otherwise remained as forest.

Due to these leakage risks, certain project types are only included for consideration in this application where they meet the definition of a “nested REDD+ project” laid out in Section 2 (Program summary) above. Further details are provided in subsequent answers below within this section (Section 4.6).

It should be noted that well designed AFOLU projects may have little to no leakage because they are effective at working with communities to provide economic opportunities that transform the local economy and sustain low/no carbon emitting activities. For example, projects often provide agricultural support services, which enable farmers to produce more food on the same plot of land, thereby enhancing food security and reducing pressure on forests. Projects can also improve

livelihoods directly and generate new employment opportunities, such as jobs for rangers who protect the forest against illegal deforestation and fight wildfires. Some projects even go as far as building schools and health clinics, and providing access to clean drinking water. In short, AFOLU projects have the potential to transform local economies so that communities can benefit from healthy and thriving ecosystems.

Are measures in place to assess and mitigate incidences of material leakage of emissions that may result from the implementation of an offset project or program? (*Paragraph 3.6*) X YES

Summarize and provide evidence of the relevant policies and procedures:

Yes, the VCS Program has measures in place to assess and mitigate incidences of material leakage of emissions that may result from the implementation of an offset project or JNR program.

Project Leakage

All VCS projects must account for material leakage when quantifying GHG emission reductions/removals, as specified in Section 3.15.1 of the *VCS Standard*. At the same time, AFOLU projects are specifically encouraged to mitigate instances of leakage through sound project design and inclusion of activities that address leakage (e.g., providing technical and financial assistance to farmers for agricultural intensification practices, development of ecotourism and other sustainable livelihoods activities inside the project area, such as agroforestry on degraded land and sustainable production of non-timber forest products), as specified in Section 3.6 of the *AFOLU Requirements*. In addition, the VCS rules specify the precise forms of leakage which AFOLU projects must address, as set out in Section 4.6.1 of the *AFOLU Requirements*. These include:

- **Market leakage**: Leakage which occurs when projects significantly reduce the production of a commodity causing a change in the supply and market demand equilibrium that results in a shift of production elsewhere to make up for the lost supply.
- **Activity-shifting leakage**: Leakage which occurs when the actual agent of deforestation and/or forest or wetland degradation moves to an area outside of the project boundary and continues its deforestation or degradation activities elsewhere.
- **Ecological leakage**: Leakage which occurs in wetland conservation/restoration projects where a project activity causes changes in GHG emissions or fluxes of GHG emissions from ecosystems that are hydrologically connected to the project area.

JNR Program Leakage

In accordance with Section 3.12 of the *JNR Requirements*, all potential leakage risks from a JNR Program (e.g., from one sub-national jurisdiction to another) must be assessed, mitigated and monitored, with any resulting material leakage deducted. The three types of leakage (activity shifting, market leakage and ecological leakage) described above from the *AFOLU Requirements* must be considered. In addition, jurisdictions must quantify any leakage from deforestation to degradation and any leakage to wetland areas. Jurisdictional proponents may apply the *JNR Leakage Tool* or may develop their own methods to account for such leakage. GHG emissions from leakage may be determined either directly from monitoring, or indirectly where scientific knowledge or research provides credible estimates of likely impacts.

Only leakage from a sub-national jurisdiction to another area within the same country where there is no national monitoring system in place must be considered. Where there is a national REDD+ program in place that includes country-wide leakage monitoring and a framework for determining

and assigning leakage impacts, sub-national jurisdictions shall use the leakage estimates attributed to them according to the national framework.

Leakage occurring outside the host country (i.e., international leakage) shall be identified and mitigated but does not need to be accounted for or deducted from a country's domestic GHG emission reductions and removals. This follows established precedent under the UNFCCC CDM and the VCS Program.

Nested REDD+ Project Leakage

In accordance with Section 3.12 of the *JNR Requirements*, jurisdictions may determine how leakage from nested REDD+ project activities within a jurisdiction is addressed. A jurisdiction may:

(1) set out clear policies and procedures for withholding potential leakage from projects;

(2) choose not to require leakage accounting from projects (noting that this may impact the total emission reductions and removals achieved by the jurisdiction, which are accounted for at jurisdictional scale, while maintaining atmospheric integrity at the jurisdictional level); or

(3) require that projects apply the leakage requirements set out in the *AFOLU Requirements*.

Through these three approaches leakage is effectively addressed and EUC leakage criteria met for all nested REDD+ projects in the VCS system.

Are provisions in place requiring activities that pose a risk of leakage when implemented at the project-level to be implemented at a national level, or on an interim basis on a sub-national level, in order to mitigate the risk of leakage? (*Paragraph 3.6.2*)	X YES

Summarize and provide evidence of the relevant policies and procedures:

Yes, nested REDD+ projects (i.e., REDD, IFM and/or ARR) that are integrated into a nationally (or in the interim, sub-nationally) implemented program and otherwise meet the definition of a "nested REDD+ project" laid out in Section 2 (Program summary) above, are included in this application because these activities address the risk of material leakage and fully meet CORSIA's EUC. In other words, any decrease in carbon stocks or increase in GHG emissions as a result of leakage outside project areas (but within the larger jurisdiction) would be monitored, reported, verified and accounted for as part of a national or sub-national jurisdictional program. Specifically, project activities that are typically included in a jurisdictional Forest Reference Emission Level (FREL) (i.e., REDD and IFM) are only included for consideration in this application where they meet the definition of "nested REDD+ project" as referenced above.

It is important to note that some AFOLU project-level activities do not pose a risk of material leakage, which can be demonstrated using VCS methodologies and tools (see Section 4.6.2 of the *AFOLU Requirements*). Accordingly, AFOLU project activities that are typically not included in a jurisdiction's Forest Reference Emission Level (FREL) (i.e., ARR, WRC, ALM, and ACoGS) are submitted for consideration in this application as stand-alone projects (i.e., non-nested projects operating outside of or apart from any jurisdictional REDD+ program) where they are able to demonstrate no material leakage risk. For example, stand-alone forest restoration projects on degraded land do not pose a risk of leakage because they are not displacing any other activities.

For the purpose of this application, ARR projects are considered nested where they meet the definition of a "nested REDD+ project" laid out in Section 2 of this application. Where ARR projects do not meet such definition, and where they can demonstrate no risk of material leakage, these projects are considered 'stand-alone'.

It is worth noting that various non-REDD+ AFOLU project types (i.e., WRC, ALM and ACoGS) are currently unable to meet the definition of a "nested REDD+ project" as laid out in Section 2 of this application, as national and sub-national programs generally have not yet developed reference levels or jurisdiction-wide monitoring systems relevant to these activity types. As a result, it is not possible to develop jurisdictional programs around these activities, and project-level activities cannot nest within such jurisdictional programs. As these reference levels and monitoring systems are developed over time, Verra will revise its rules to enable nesting of a broader set of activity types in future.

The Verra Project Database can readily identify project types and as such, Verra can clearly exclude any project types that are deemed to not meet the EUC.

Are procedures in place requiring activities to monitor identified leakage? (*Paragraph 3.6.3*) X YES

Summarize and provide evidence of the relevant policies and procedures:

Yes, the VCS Program includes procedures requiring activities to monitor identified leakage.

Specifically, Sections 3.16.3 through 3.16.5 of the *VCS Standard* provide requirements for how a project (including a nested REDD+ project) designs and implements its monitoring plan, which must include an accounting of leakage, where relevant. Leakage is monitored in accordance with the provisions set out for doing so in the applied methodology. Sections 3.6 and 4.6 of the *AFOLU Requirements* provide more specific requirements on monitoring leakage for AFOLU project types.

For JNR programs, Section 3.14 of the *JNR Requirements* provides requirements for how a JNR program designs and implements its monitoring plan, which must include an accounting of leakage, where relevant. Section 3.12 of the *JNR Requirements* provides specific requirements on monitoring leakage for JNR sub-national programs. Note that specific leakage provisions for nested REDD+ projects may be determined by the jurisdictional government (see further description above).

Are procedures in place requiring activities to deduct from their accounting emissions from any identified leakage that reduces the mitigation benefits of the activities? (*Paragraph 3.6.4*) X YES

Summarize and provide evidence of the relevant policies and procedures:

Yes, the VCS Program includes procedures requiring activities to deduct from their accounting emissions from any identified leakage that reduces the mitigation benefits of the activities.

Specifically, all VCS projects (including nested REDD+ projects) and JNR programs must account for material leakage when quantifying GHG emission reductions/removals, as specified in Section 3.15.1 of the *VCS Standard* and Section 3.12 of the *JNR Requirements*. Note that specific leakage provisions for nested REDD+ projects may be determined by the jurisdictional government (see further description above).

4.7 Are only counted once towards a mitigation obligation

Are measures in place to avoid the following, as defined in the corresponding Paragraphs, particularly with respect to registry-related protocols and/or oversight?

a) double-issuance? (*Paragraphs 3.7.1 and 3.7.5*) X YES

b) double-use? (*Paragraphs 3.7.2 and 3.7.6*) X YES

c) double-selling? (*Paragraph 3.7.7*) X YES

Summarize and provide evidence of the relevant policies and procedures related to a) through c):

a) Are measures in place to avoid double-issuance, as defined in the corresponding Paragraphs, particularly with respect to registry-related protocols and/or oversight?

Yes, the VCS Program has several measures in place to avoid double-issuance, as defined in the corresponding Paragraphs, particularly with respect to registry-related protocols and/or oversight.

First, Sections 3.11.3 - 3.11.5 of the *VCS Standard* require that GHG emission reductions and removals presented for VCU issuance shall not also be recognized as another form of GHG-related environmental credit. Proponents are required to sign an issuance representation stating that they have not sought recognition of the reductions for which they are requesting issuance under any other GHG program. Where projects (including nested REDD+ projects) or JNR programs have sought or received another form of GHG-related environmental credit, or if the project or JNR program is eligible to participate under one or more GHG programs to create another form of GHG-related credit but are not currently doing so, they shall provide information in this respect to the validation/verification body auditing the project or JNR program to ensure that double-issuance does not occur.

Second, Section 4.3.4 of the *Registration and Issuance Process* and Sections 4.2.3-4.2.4 of the *JNR Registration and Issuance Process* require that VCS registry administrators undertake completeness checks of new project (including nested REDD+ project) or JNR program documentation submitted to the VCS Program. This includes a check that the GHG emission reductions or removals presented for VCU issuance have not been issued under any other GHG program or recognized under a program which creates GHG-related environmental credits. This check is performed upon each VCU issuance and includes a search of project and JNR program records under other GHG-related programs per Section 6.1.5 of the internal *Registry System User Guide* procedural document (provided as **Attachment 5** to this application).

Third, in addition to the checks performed by VCS registry administrators, the Verra Project Database performs an automated proximity check on the location of new projects (including nested REDD+ projects) and JNR programs entered into the database. The database generates an alert to the registry administrator where the new project entry is located within 2 kilometers of an existing project or JNR program (or for a new JNR program entry, within 5 kilometers). Upon receiving the alert, the registry administrator must verify that the project or JNR program is unique and not already registered under the VCS Program. The proximity check also alerts the registry administrator as to whether a REDD+ project is inside the boundaries of a JNR program and therefore should be adhering to the rules for nested REDD+ projects in the *JNR Requirements*. The procedures for proximity checks are set out in Sections 3.2.5-3.2.6 of the internal *Registry System User Guide* procedural document.

Finally, over-issuance (i.e., issuing more VCUs than were verified during a monitoring period) is likewise prevented by automated validation checks performed by the Verra Project Database, which is designed to not permit cumulative issuance volumes from a project's (or JNR program's) monitoring period to exceed the verified volume of emission reductions from that monitoring period. Attempting to do so will generate a notice that the task is not permitted.

The safeguards described above collectively act to prevent double issuance (and over issuance).

b) Are measures in place to avoid double-use, as defined in the corresponding Paragraphs, particularly with respect to registry-related protocols and/or oversight?

Yes, the VCS Program has measures in place to avoid double-use, as defined in the corresponding Paragraphs, particularly with respect to registry-related protocols and/or oversight.

Specifically, Section 4.1 of the *VCS Program Guide* and Section 1 of the *Registration and Issuance Process* note that VCU serial numbers are generated by the Verra Project Database, which ensures that each VCU is represented with a unique serial number. The unique serial numbers generated by the Verra Project Database prevent the same unit from being issued twice and are reconciled to confirm such prevention is effective as described below.

The registry system conducts daily automated reconciliations of all issued (active, retired and cancelled) VCUs between the Verra Project Database and the APX and IHS Markit registry platforms. If a VCU were ever to be duplicated in the registry administrator's system (which should not be possible), the automated daily reconciliation would identify the duplication and notify Verra so that the discrepancy can be resolved within 24 hours. Furthermore, once a VCU is retired or cancelled, it is permanently removed from circulation and can no longer be used (e.g., transferred).

Furthermore, as described on the Verified Carbon Unit (VCU) webpage of the VCS website, VCUs cannot be transferred to other databases or traded as paper certificates. This means that VCUs are never transferred outside of the VCS Registry System.

The safeguards described above collectively act to prevent double-use.

c) Are measures in place to avoid double-selling, as defined in the corresponding Paragraphs, particularly with respect to registry-related protocols and/or oversight?

Yes, the VCS Program has measures in place to avoid double-selling, as defined in the corresponding Paragraphs, particularly with respect to registry-related protocols and/or oversight.

Specifically, the VCS Registry System prevents the same VCU from existing in multiple registry accounts (See the double-use policies in (b) above), thereby preventing an entity from double-selling the unit.

Furthermore, once a VCU is retired or cancelled, it is permanently removed from circulation and can no longer be sold (transferred) to another registry account. The benefactor of retired VCUs may be publicly identified in the public registry retirement report, allowing them to confirm that the VCU serial numbers that were retired on their behalf are indeed recorded in their name. The APX VCS Registry public view (Public Reports - APX) for retirements includes a "retirement reason" field for this purpose. The IHS Markit Environmental Registry public view (Markit Environmental Registry - Public Reports) for retirements includes a "retired for" field for this purpose.

The safeguards described above collectively act to prevent double-selling.

Are measures in place (or *would the Program be willing and able to put in place measures*) to avoid double-claiming as defined in *Paragraph 3.7.3*? X YES

As resolved as in *Paragraphs 3.7.8 – 3.7.9*? X YES

Summarize and provide evidence of any relevant policies and procedures:

Yes, the VCS Program has measures in place to avoid double-claiming.

Specifically, VCS rules currently require projects (including nested REDD+ projects) or JNR programs which reduce GHG emissions from activities that are included in an emissions trading program or any other mechanism that includes GHG allowance trading, to provide evidence that the project or JNR program GHG emission reductions or removals have not and will not otherwise be claimed under the GHG program or mechanism. These requirements are set out in Section 3.11.2 of the *VCS Standard* and Sections 3.6.4-3.6.7 of the *JNR Requirements*. In practice, these rules have either required host countries of emission reduction activities to agree to account for any offset units issued as a result of project or JNR program activities (typically in the form of cancellation of allowances -- AAUs in the context of Annex B countries) or proponents to demonstrate how project or JNR program emission reductions are in fact not at risk of being double claimed (e.g., because the emission reductions generated by the project or JNR program are not within the scope of the host country's emission reduction commitments). These rules have acted to address instances of double claiming risks under the VCS Program where host countries engage in GHG emissions trading.

If no measures are currently in place, describe what measures the Program would consider putting in place in relation to the guidelines in *Paragraphs 3.7.3* and *Paragraphs 3.7.8 – 3.7.9*:

The VCS rules described above were designed primarily with operation of the Kyoto Protocol in mind. However, Verra recognizes that the context under which double claiming risks arise in the post-2020 world may be quite different than that of the Kyoto Protocol. Accordingly, Verra recognizes that updates to its current rules may be warranted to address the specific context under which double claiming risks arise post-2020, and would therefore be willing to consider putting in place updated rules which would follow the guidelines set out in *Paragraphs 3.7.8 – 3.7.9*. More precisely:

- With respect to *Paragraph 3.7.8*, Verra would be willing to consider introducing new requirements such that only emission reduction units originating in countries that have

attested to their intention to properly account for the use of the units toward offsetting obligations under the CORSIA would be eligible for use in the CORSIA, in accordance with relevant guidelines or requirements set out under CORSIA.

- With respect to *Paragraph 3.7.9*, Verra would be willing to consider introducing new requirements for proponents to receive relevant attestations from host countries, in accordance with relevant guidelines or requirements set out under CORSIA.

Are measures in place (or *would the Program be willing and able to put in place measures*) to…

a) make publicly available any national government decisions related to accounting for the underlying mitigation associated with units used in ICAO, including the contents of host country attestations described in the criterion guidelines (*Paragraph 3.7.10*) — X YES

b) update information pertaining to host country attestation as often as necessary to avoid double-claiming? (*Paragraph 3.7.10*) — X YES

c) monitor for double-claiming by relevant government agency(ies) that otherwise attested to their intention to not double-claim the mitigation? (*Paragraph 3.7.11*) — X YES

d) report to ICAO's relevant bodies, as requested, performance information related to, *inter alia*, any material instances of and Program responses to country-level double-claiming; the nature of, and any changes to, the number, scale, and/or scope of host country attestations; any relevant changes to related Program measures? (*Paragraph 3.7.12*) — X YES

e) to compensate for, replace, or otherwise reconcile double-claimed mitigation associated with units used under the CORSIA which the host country's national accounting focal point or designee otherwise attested to its intention to not double-claim? (*Paragraph 3.7.13)* — X YES

Summarize and provide evidence of any relevant policies and procedures related to a) through e):

N/A

If no measures are currently in place, describe what measures the Program would consider putting in place in relation to the guidelines in *Paragraphs 3.7.10 – 3.7.13*:

The VCS Program does not yet have in place requirements which are as detailed as the guidance set out in a) through e) above. However, Verra recognizes the importance of ensuring that all units used for compliance with CORSIA are not claimed twice, and is looking forward to putting in place new requirements which follow the guidelines set out in *Paragraphs 3.7.10 – 3.7.13* once those guidelines are finalized. More precisely:

- With respect to *Paragraph 3.7.10*, Verra would be willing to consider introducing new requirements which would require any national government decisions related to accounting for VCUs used under the CORSIA to be publicly available on the Verra Project Database, in accordance with relevant guidelines or requirements set out under CORSIA. Such information could be updated as often as necessary to avoid double-claiming.
- With respect to *Paragraph 3.7.11*, Verra would be willing to consider introducing new procedures to compare countries' accounting for emissions units in national emissions reports against the volumes of eligible units issued under the VCS Program and used under the CORSIA which the host country's national reporting focal point or designee

otherwise attested to its intention to not double-claim, in accordance with relevant guidelines or requirements set out under CORSIA.

- With respect to *Paragraph 3.7.12*, Verra would be willing to consider introducing new procedures in order to report to ICAO's relevant bodies, as requested, performance information related to, inter alia: any material instances of and program responses to country-level double-claiming; the nature of, and any changes to, the number, scale, and/or scope of host country attestations; and any relevant changes to related program measures, in accordance with relevant guidelines or requirements set out under CORSIA.
- With respect to *Paragraph 3.7.13*, Verra would be willing to consider introducing new procedures for reconciliation of double-claimed mitigation associated with units used under the CORSIA which the host country's national accounting focal point or designee otherwise attested to its intention to not double-claim, in accordance with relevant guidelines or requirements set out under CORSIA.

4.8 Do no net harm

Are procedures in place to ensure that offset projects do not violate local, state/provincial, national or international regulations or obligations? (*Paragraph 3.8*) X YES

Summarize and provide evidence of the relevant policies and procedures:

Section 1.11 of the *VCS Project Description* requires all projects (including nested REDD+ projects) to identify and demonstrate compliance with all and any relevant local, regional and national laws, statutes and regulatory frameworks.

Section 3.1.2 of the *JNR Requirements* requires that the implementation of a JNR program and any nested REDD+ projects do not lead to the violation of any applicable law, regardless of whether or not the law is enforced.

Provide evidence that the Program complies with social and environmental safeguards: (*Paragraph 3.8*)

The VCS Program has safeguards in place to address environmental and social risks for both projects (including nested REDD+ projects) and JNR programs. The relevant policies and procedures for safeguards are publicly available in Section 3.17 of the *VCS Standard* for projects, and Section 3.7 of the *JNR Requirements* for JNR programs. For projects, the safeguards in place include policies and procedures to ensure no net harm, local stakeholder consultation, and public comment periods. For JNR programs, compliance with all UNFCCC decisions on safeguards for REDD+ is required.

Further details on the VCS Program project-level safeguards, followed by JNR program-level safeguards, are summarized below:

Project-Level Safeguards:

- **No Net Harm (Section 3.17.1 of the *VCS Standard*)**: Project proponents are required to identify potential negative environmental and socio-economic impacts, and shall take steps to mitigate them.

- **Local Stakeholder Consultation (Sections 3.17.2 - 3.17.4 of the *VCS Standard*)**: Project proponents are required to conduct a local stakeholder consultation prior to validation as a way to inform the design of the project and maximize participation from stakeholders. The project proponent must take due account of all and any input received during the local stakeholder consultation.
- **Public Comment Periods (Sections 3.17.5 - 3.17.8 of the *VCS Standard*)**: Projects are subject to a 30-day public comment period prior to registration and the project proponent must take due account of any and all comments received during this period.
- **Additional Certification (Section 3.17.1 of the *VCS Standard*)**: Additional certification standards may be applied to demonstrate social and environmental benefits beyond GHG emission reductions or removals. A list of standards that have been approved by Verra for use along with the VCS Program is publicly available on the Verra VCU Labeling webpage.

  One of the relevant additional certification standards, the Climate, Community & Biodiversity (CCB) Standards, is managed by Verra. More information on the CCB Standards is available on the CCB Program webpage. Application of the CCB Standards ensures that projects, among other things:

  - Identify all stakeholders and ensure their full and effective participation -- required under indicator G3 from the *Climate, Community & Biodiversity Standards, v3.1*;
  - Recognize and respect customary and statutory rights -- required under indicator G5 from the *Climate, Community & Biodiversity Standards, v3.1*;
  - Obtain free, prior and informed consent -- required under indicator G3 from the *Climate, Community & Biodiversity Standards, v3.1*;
  - Assess and monitor direct and indirect costs, benefits and risks -- required under indicators CM2, CM4 and, G3 from the *Climate, Community & Biodiversity Standards, v3.1*;
  - Identify and maintain high conservation values -- required under indicators CM1, and B1 from the *Climate, Community & Biodiversity Standards, v3.1*; and
  - Demonstrate net positive climate (CL2), community (CM2) and biodiversity (B2) benefits from the *Climate, Community & Biodiversity Standards, v3.1*.

  The vast majority of VCS REDD+ projects already apply the CCB Standards as a co-benefit label.

  Additionally, Verra recently launched a new standards framework specifically for certification of sustainable development benefits - The Sustainable Development Verified Impact Standard (SD VISta). This standard was released in January 2019, and is a flexible framework for assessing and reporting on the sustainable development benefits of project-based activities, helping unlock new sources of finance to support and scale up high-impact efforts. VCS projects may concurrently apply SD VISta as a means to further demonstrate contributions to sustainable development.

  Note that jurisdictional governments may require nested REDD+ projects to meet additional safeguard requirements.

PROPOSED REVISION: Strengthening Stakeholder Consultation Requirements

As mentioned in Section 3.8(b) (Transparency and public participation provisions) above, Verra is proposing to update the VCS rules by introducing enhanced requirements for ensuring local community and stakeholder safeguards for AFOLU projects (including nested REDD+ projects). Specifically, the proposed revisions to the stakeholder consultation requirements will require AFOLU projects to take all appropriate measures to communicate and consult with local stakeholders on an ongoing process for the life of the project. All communications and consultations shall be performed in a culturally appropriate manner, including language and gender sensitivity, directly with local stakeholders or their legitimate representatives when appropriate. Projects will be required to communicate:

- The project design and implementation, including the results of monitoring.
- The risks, costs and benefits the project may bring to local stakeholders.
- Stakeholders' ability to withhold consent for project activities that impact their property or resources.
- All relevant laws and regulations covering workers' rights in the host country.
- The process of VCS validation and verification and the VVB's site visit.

Additionally, projects will be required to develop a grievance and redress process, with stakeholder cooperation, that allows stakeholders to formally raise concerns or grievances with the project and a mechanism to resolve the concerns or grievances.

The proposed changes will enhance the VCS Program's consistency with the EUC and also align VCS safeguards requirements with those of the UNFCCC for REDD+. Note that REDD+ projects using the CCB Standards already meet all project-relevant UNFCCC REDD+ safeguards.

This proposed revision to the VCS local stakeholder consultation requirements is part of a broader update to the VCS rules and requirements that Verra is currently working on, and which will form the next version of the VCS Program: VCS Version 4. The process, timeline and communications with external parties related to the development and implementation of the proposed revision are described in detail above in Part 2: Program Summary.

JNR Program-Level Safeguards

Safeguards requirements for JNR programs, including with regard to the design and implementation of safeguards information systems, are laid out in Section 3.7 of the *JNR Requirements*, and in the *VCS JNR Program Description Template* and *VCS JNR Monitoring Report Template*. Highlights of these safeguards requirements include the following:

- **Aligned with UNFCCC:** During their design and implementation, JNR programs must comply with all UNFCCC decisions on safeguards for REDD+ and any relevant national or sub-national REDD+ safeguard requirements.
- **Local stakeholder consultation:** JNR programs must be developed and documented in a transparent manner and in consultation with relevant stakeholders, including local communities and indigenous peoples. To guide the stakeholder consultation process, programs may use the REDD+ Social & Environmental Safeguards (SES), the Guidelines

on Stakeholder Engagement for REDD+ Readiness of the FCPF, and/or the UN-REDD Programme. Jurisdictional programs shall also develop a mechanism for receiving and addressing any and all feedback on stakeholder grievances and concerns.

Public Comment Periods (Section 2.3 of the VCS *JNR Validation and Verification Process*): JNR programs are subject to a 60-day public comment period at both validation (prior to registration) and verification (prior to issuance of VCUs), and the jurisdictional proponent must take due account of any and all comments received during this period.

Provide evidence of the Program's public disclosure of the institutions, processes, and procedures that are used to implement, monitor, and enforce safeguards to identify, assess and manage environmental and social risks: (*Paragraph 3.8*)

The VCS Program publicly discloses the institutions, processes, and procedures that are used to implement, monitor and enforce safeguards. The relevant policies related to environmental and social safeguards are publicly available in Section 3.17 of the *VCS Standard* for projects (including nested REDD+ projects), and Section 3.7 of the *JNR Requirements* for JNR programs. The institutions, processes, and procedures that are used to implement and enforce such safeguards are the validation and verification processes. Information about the requirements and procedures for validation and verification are also publicly available in Section 5 of the *VCS Standard* and in the *JNR Validation and Verification Process* document, and the results of all project and program validations and verifications are available publicly on the Verra Project Database.

As described in Section 4.8 (Do no net harm), above, the relevant policies and procedures for environmental and social safeguards are publicly available in Section 3.17 of the *VCS Standard* for projects (including nested REDD+ projects) and Section 3.7 of the *JNR Requirements* for JNR programs. For projects, the safeguards in place include policies and procedures to ensure no net harm, local stakeholder consultation, and public comment periods. For JNR programs, compliance with all UNFCCC decisions on safeguards for REDD+ is required.

As described in Section 3.6 (Validation and verification procedures), above, the VCS Program's validation and verification processes ensure that all projects (including nested REDD+ projects) and JNR programs comply with the safeguards included in VCS Program rules and requirements. Specifically, the VCS Program rules for validation and verification processes for projects (including nested REDD+ projects) are set out in Section 5 of the *VCS Standard*. The rules for validation and verification processes for JNR programs are set out in the *JNR Validation and Verification Process* document.

The rules and requirements set out in Section 5 of the *VCS Standard* and in the *JNR Validation and Verification Process* document require all projects (including nested REDD+ projects) and JNR programs to undergo validation and verification. JNR programs must also be reviewed by a JNR expert panel at validation and where the jurisdictional baseline is updated at the time of verification, as set out in Section 2.5.2 of the *JNR Validation and Verification Process* document.

The Verra Project Database is a publicly accessible website that makes all VCS project and JNR program documents publicly available for download. This provides the public the opportunity to review a project's or JNR program's documents and verify that a project or JNR program meets VCS Program rules and requirements for environmental and social safeguards, and that the project or JNR program has been validated and verified by an approved VVB (and JNR expert panel, where relevant).

PROPOSED REVISION: Strengthening Stakeholder Engagement

As described in Section 3.9 (Safeguards system), above, Verra is proposing to update the VCS rules by introducing enhanced requirements for ensuring local community and stakeholder safeguards for AFOLU projects (including nested REDD+ projects). Specifically, the proposed revisions to the stakeholder consultation requirements will require AFOLU projects to take all appropriate measures to communicate and consult with local stakeholders on an ongoing process throughout the life of the project. The proposed updates to the AFOLU Requirements would strengthen local stakeholder engagement and make the VCS Program fully compatible with the project-level UNFCCC REDD+ Safeguards.

This proposed revision to the VCS local stakeholder consultation requirements is part of a broader update to the VCS rules and requirements that Verra is currently working on, and which will form the next version of the VCS Program: VCS Version 4. The process, timeline and communications with external parties related to the development and implementation of the proposed revision are described in detail above in Part 2: Program Summary.

PART 5: Program comments

Are there any additional comments the Program wishes to make to support the information provided in this form?

One additional element of the VCS Program which runs throughout our responses above is that project (including nested REDD+ project) and JNR program proponents, validation/verification bodies, and methodology developers are required to sign legal representations at various points in the process. We have not mentioned this in the individual sections of this form in order to cut down on repetition. However, these representations require these entities to, *inter alia*, state that all information they have provided in their documentation is accurate and no false or fraudulent information has been submitted, and that they have understood and commit to following the VCS Program rules.

Execution of these representations places a legal liability upon these entities, such that they would be liable if they were to violate the provisions of the representation. For example, if a project proponent submitted project documentation which included fraudulent information, and that information led to the issuance of excess VCUs, the project proponent would be liable under the provisions of the representation to remedy that situation.

Examples of representations include the Listing, Registration and Issuance Representations that project proponents need to submit (when undertaking project activities) and that jurisdictional proponents need to submit (when developing a JNR program), and Validation and Verification Representations that validation/verification bodies (VVBs) need to submit along with their respective reports. All of these representations can be accessed under the Templates & Forms section of the VCS Program documentation webpage. These representations serve to further ensure the quality of VCUs issued under the VCS Program.

Verra is very pleased to submit this application, and we look forward to the development of the CORSIA market mechanism to mitigate the climate impacts associated with the future growth of civil aviation.

SECTION IV: SIGNATURE

I certify that I am the administrator or authorized representative ("Program Representative") of the emissions unit program ("Program") represented in a) this form, b) evidence accompanying this form, and c) any subsequent oral and/or written correspondence (a-c: "Program Submission") between the Program and ICAO; and that I am duly authorized to represent the Program in all matters related to ICAO's analysis of this application form; and that ICAO will be promptly informed of any changes to the contact person(s) or contact information listed in this form.

As the Program Representative, I certify that all information in this form is true, accurate, and complete to the best of my knowledge.

As the Program Representative, I acknowledge that:

the Program's participation in the assessment does not guarantee, equate to, or prejudge future decisions by Council regarding CORSIA-eligible emissions units; and

the ICAO is not responsible for and shall not be liable for any losses, damages, liabilities, or expenses that the Program may incur arising from or associated with its voluntary participation in the assessment; and

as a condition of participating in the assessment, the Program will not at any point publicly disseminate, communicate, or otherwise disclose the nature, content, or status of communications between the Program and ICAO, and of the assessment process generally, unless the Program has received prior notice from the ICAO Secretariat that such information has been and/or can be publicly disclosed.

Signed:

David Antonioli — 12 July 2019

Full name of Program Representative (*Print*) — Date signed (*Print*)

Program Representative (*Signature*)

(This signature page may be printed, signed, scanned and submitted as a separate file attachment)

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Program Application Form, Appendix B

Program Scope Information Request

CONTENTS: This document collects information from emissions unit programs pertaining to the following:

Sheet A) Activities the program describes in this form, which will be assessed by ICAO's body of experts
Sheet B) Any activities that the program does not wish to submit for assessment
Sheet C) List of all methodologies / protocols that support activities described under Sheet A

SHEET A: DESCRIBED ACTIVITIES *(Here, list activities supported by the program that are described in this form for further assessment)*

Sector	Supported activity type(s)	Implementation level(s)	Geography(ies)
Energy (renewable/non-renewable)**	Renewable energy (e.g., wind, solar, geothermal, and hydroelectric electricity generation); Non-renewable energy (e.g., natural gas electricity generation)	Project-level and programs of activities	Global
Energy distribution**	Energy distribution activities (e.g., fuel switch (fossil fuel to biomass), waste energy recovery and use, and electrification of new communities)	Project-level and programs of activities	Global
Energy demand**	Energy efficiency measures (e.g., in lighting, thermal applications, weatherization of buildings, fuel switch, jet engine washing, and mechanical/waste energy use)	Project-level and programs of activities	Global
Manufacturing industries	Emission reduction activities in manufacturing activities (e.g., energy effiiency in industrial facilities, fuel switch in cement production, waste energy recovery and utilization)	Project-level and programs of activities	Global
Chemical industry	Emission reduction activities in chemical production (e.g., reduction of N2O in nitric acid production, soda recovery in paper manufacturing, and emission reductions in propylene oxide production)	Project-level and programs of activities	Global
Construction	Emission reduction activities related to construction (e.g., brick and cement manufacture)	Project-level and programs of activities	Global
Transport	Emission reduction activities related to transportation (e.g., use of electric or hybrid vehicles, mass rapid transit, carpooling, and fuel switch from gasoline to ethanol)	Project-level and programs of activities	Global
Mining/Mineral production	Coal mine methane capture and destruction/utilization	Project-level and programs of activities	Global
Metal production	Emission reduction activities related to metal production (e.g., efficiency measures in aluminum smelting)	Project-level and programs of activities	Global
Fugitive emissions from fuels (solid, oil and gas)	Emission reduction activities from capture and/or use of fugitive emissions (e.g., methane recovery from manure management, recovery and utilization of landfill gas, and recovery and utilization of coal mine methane)	Project-level and programs of activities	Global
Fugitive emissions from industrial gases (halocarbons and sulphur hexafluoride)	Emission reduction activities related to fugitive emissions from industrial gases (e.g., from SF6)*	Project-level and programs of activities	Global
Solvents use	Emission reduction activities related to use of solvents	Project-level and programs of activities	Global
Waste handling and disposal	Emission reduction activities related to waste (e.g., landfill methane capture and destruction and/or utilization, waste water treatment, and energy production from waste biomass)	Project-level and programs of activities	Global
Agriculture, forestry and other land use (AFOLU)	Afforestation/reforestation/revegetation (ARR); Reduced emissions from deforestation and forest degradation (REDD); Improved forest management (IFM); Wetland restoration and conservation (WRC); Avoided conversion of grasslands and shrublands (ACoGS); Agricultural land management (ALM)	**Project-level and programs of activities:** ARR, WRC, ALM and ACoGS stand-alone projects are included where they can demonstrate no material risk of leakage **Nested REDD+ project-level and programs of activities:** All nested REDD, IFM and ARR projects are included where they meet the definition of nested project in Section 2 of main application **Jurisdictional-level:** REDD, IFM and ARR activities only as per scope of *JNR Requirements*	Global
Livestock and manure management	Manure management and waste treatment	Project-level and programs of activities	Global

Note: activities related to the reduction of hydrofluorcarbon-23 (HFC-23) emissions are excluded from the VCS Program (as set out in Section 2.1 of the VCS Standard, v3.7 (available at: http://verra.org/wp-content/uploads/2018/03/VCS_Standard_v3.7.pdf)).			
** Verra is proposing to revise the eligible activity types under the VCS program. After extensive research and review of relevant literature, as well input from experts and stakeholders, Verra has identified certain project types that should be excluded from future eligibility under the VCS Program because they are becoming less dependent on carbon finance as a necessary catalyst for development. This update would affect certain project activities in specific geographic locations under the "Energy (renewable/non-renewable)", "Energy Distribution" and "Energy Demand" sectors. Specific details of the activities that would no longer be eligible under the VCS Program can be found in the document provided for consultation (available at: https://verra.org/wp-content/uploads/2019/04/VCS-v4-Revision-to-Scope-of-VCS-Program.pdf). This proposed revision to the activity types that are eligible under the VCS Program is part of a broader update to the VCS rules and requirements that Verra is currently working on, and which will form the next version of the VCS Program: VCS Version 4. The process, timeline and communications with external parties related to the development and implementation of the proposed revision are described in detail in Part 2: Program Summary of the CORSIA Programme Application Form.			

SHEET B: EXCLUDED ACTIVITIES *(Here, list activities supported by the program that are not described in this form for further assessment)*

Sector	Supported activity type(s)	Implementation level(s)	Geography(ies)
Agriculture, forestry and other land use (AFOLU)	Afforestation/reforestation/revegetation (ARR); Reduced emissions from deforestation and forest degradation (REDD); Improved forest management (IFM); Wetland restoration and conservation (WRC); Avoided conversion of grasslands and shrublands (ACoGS); Agricultural land management (ALM)	**Project-level and programs of activities:** All stand-alone REDD and IFM projects, and any stand-alone AFOLU projects that have a material risk of leakage **Nested REDD+ project-level and programs of activities:** WRC, ACoGS and ALM projects cannot be included as nested REDD+ projects as these activities are typically not part of jurisdictional REDD+ programs, reference levels or monitoring systems **Jurisdictional-level:** ALM, WRC, and ACoGS, as per scope of the *JNR Requirements*	Global

SHEET C: METHODOLOGIES / PROTOCOLS LIST *(Here, list all methodologies / protocols that support activities described in Sheet A)*

Methodology name	**Unique Methodology / Protocol Identifier**	**Applicable methodology version(s)**	**Date of entry into force of most recent version**	**Prior versions of the methodology that are credited by the Program** (if applicable)	**Greenhouse / other gases addressed in methodology**	**Web link to methodology**
Infrared Automatic Refrigerant Leak Detection Effic	VM0001	v1.1	20-Aug-12	v1.0	HFC	http://verra.org/methodology/vm0001-infrared-automatic-refrigerant-leak-detection-efficiency-project-methodology-v1-1/
New Cogeneration Facilities Supplying Less Carbon	VM0002	v1.0	3-May-11	N/A	CO2	http://verra.org/methodology/vm0002-new-cogeneration-facilities-supplying-less-carbon-intensive-electricity-to-grid-and-or-hot-water-to-one-or-more-grid-customers-v1-0/
Methodology for Improved Forest Management thro	VM0003	v1.2	29-Aug-13	v1.0, v1.2	CO2; CH4	http://verra.org/methodology/vm0003-methodology-for-improved-forest-management-through-extension-of-rotation-age-v1-2/
Methodology for Conservation Projects that Avoid P	VM0004	v1.0	23-Aug-10	N/A	CO2; CH4; N2O	http://verra.org/methodology/vm0004-methodology-for-conservation-projects-that-avoid-planned-land-use-conversion-in-peat-swamp-forests-v1-0/
Methodology for Conversion of Low-productive For	VM0005	v1.2	23-Jul-13	v1.0, v1.1	CO2; CH4; N2O	http://verra.org/methodology/vm0005-methodology-for-conversion-of-low-productive-forest-to-high-productive-forest-v1-2/
Methodology for Carbon Accounting for Mosaic and	VM0006	v2.2	17-Mar-17	v1.0, v2.0, v2.1	CO2; CH4; N2O	http://verra.org/methodology/vm0006-methodology-for-carbon-accounting-for-mosaic-and-landscape-scale-redd-projects-v2-2/
REDD+ Methodoogy Framework (REDD-MF)	VM0007	v1.5	9-Mar-15	v1.0, v1.1, v1.2, v1.3, v1.4	CO2; CH4; N2O	http://verra.org/methodology/vm0007-redd-methodology-framework-redd-mf-v1-5/
The following modules are used with VM0007:						
Estimation of carbon stocks in the above- and bel	VMD0001	v1.1	11-Oct-13	v1.0		http://verra.org/methodology/vmd0001-estimation-of-carbon-stocks-in-the-above-and-belowground-biomass-in-live-tree-and-non-tree-pools-cp-ab-v1-1/
Estimation of carbon stocks in dead-wood pool (C	VMD0002	v1.0	3-Dec-10	N/A		http://verra.org/methodology/vmd0002-estimation-of-carbon-stocks-in-the-dead-wood-pool-cp-d-v1-0/
Estimation of carbon stocks in the litter pool (CP-	VMD0003	v1.0	3-Dec-10	N/A		http://verra.org/methodology/vmd0003-estimation-of-carbon-stocks-in-the-litter-pool-cp-l-v1-0/
Estimation of stocks in the soil organic carbon po	VMD0004	v1.0	3-Dec-10	N/A		http://verra.org/methodology/vmd0004-estimation-of-stocks-in-the-soil-organic-carbon-pool-cp-s-v1-0/
Estimation of carbon stocks in the long-term woo	VMD0005	v1.1	20-Nov-12	v1.0		http://verra.org/methodology/vmd0005-estimation-carbon-stocks-long-term-wood-products-pool-cp-w-v1-1/

Estimation of baseline carbon stock changes and	VMD0006	v1.2	3-May-13	v1.0, v1.1		http://verra.org/methodology/vmd0006-estimation-of-baseline-carbon-stock-changes-and-greenhouse-gas-emissions-from-planned-deforestation-and-planned-degradation-bl-pl-v1-2/
Estimation of baseline carbon stock changes and	VMD0007	v3.2	3-May-13	v1.0, v2.0, v3.0, v3.1		http://verra.org/methodology/vmd0007-estimation-of-baseline-carbon-stock-changes-and-greenhouse-gas-emissions-from-unplanned-deforestation-bl-up-v3-2/
Estimation of baseline emissions from forest degr	VMD0008	v1.0	3-Dec-10	N/A		http://verra.org/methodology/vmd0008-estimation-of-baseline-emissions-from-forest-degradation-caused-by-extraction-of-wood-for-fuel-bl-dfw-v1-0/
Estimation of emissions from activity shifting for	VMD0009	v1.2	9-Mar-15	v1.0, v1.1		http://verra.org/methodology/vmd0009-estimation-of-emissions-from-activity-shifting-for-avoided-planned-deforestation-lk-asp-v1-2/
Estimation of emissions from activity shifting for	VMD0010	v1.1	9-Mar-15	v1.0		http://verra.org/methodology/vmd0010-estimation-of-emissions-from-activity-shifting-for-avoided-unplanned-deforestation-lk-asu-v1-1/
Estimation of emissions from market-effects (LK-	VMD0011	v1.1	3-Mar-15	v1.0		http://verra.org/methodology/vmd0011-estimation-of-emissions-from-market-effects-lk-me-v1-1/
Estimation of emissions from displacement of fue	VMD0012	v1.0	3-Dec-10	N/A		http://verra.org/methodology/vmd0012-estimation-of-emissions-from-displacement-of-fuelwood-extraction-lk-dfw-v1-0/
Estimation of greenhouse gas emissions from biot	VMD0013	v1.1	9-Mar-15	v1.0		http://verra.org/methodology/vmd0013-estimation-of-greenhouse-gas-emissions-from-biomass-and-peat-burning-e-bpb-v1-1/
Estimation of emissions from fossil fuel combusti	VMD0014	v1.0	3-Dec-10	N/A		http://verra.org/methodology/vmd0014-estimation-of-emissions-from-fossil-fuel-combustion-e-ffc-v1-0/
Methods for monitoring of greenhouse gas emissi	VMD0015	v2.1	20-Nov-12	v1.0, v1.1, v2.0		http://verra.org/methodology/vmd0015-methods-for-monitoring-of-greenhouse-gas-emissions-and-removals-m-mon-v2-1/
Methods for stratification of the project area (X-S	VMD0016	v1.1	9-Mar-15	v1.0		http://verra.org/methodology/vmd0016-methods-for-stratification-of-the-project-area-x-str-v1-1/
Estimation of uncertainty for REDD project activ	VMD0017	v2.1	9-Mar-15	v1.0, v2.0		http://verra.org/methodology/vmd0017-estimation-of-uncertainty-for-redd-project-activities-x-unc-v2-1/
Estimation of baseline carbon stock changes and	VMD0041	v1.0	9-Mar-15	N/A		http://verra.org/methodology/vmd0018-methods-to-determine-stratification-v1-0/

Estimation of baseline soil carbon stock changes	VMD0042	v1.0	9-Mar-15	N/A		http://verra.org/methodology/vmd0041-estimation-of-baseline-carbon-stock-changes-and-greenhouse-gas-emissions-in-arr-project-activities-on-peat-and-mineral-soil-bl-arr-v1-0/
Estimation of emissions from displacement of pre	VMD0043	v1.0	9-Mar-15	N/A		http://verra.org/methodology/vmd0042-estimation-of-baseline-soil-carbon-stock-changes-and-greenhouse-gas-emissions-in-peatland-rewetting-and-conservation-project-activities-bl-peat-v1-0/
Estimation of emissions from ecological leakage	VMD0044	v1.0	9-Mar-15	N/A		http://verra.org/methodology/vmd0044-estimation-of-emissions-from-ecological-leakage-lk-eco-v1-0/
Methods for monitoring greenhouse gas emission	VMD0045	v1.0	9-Mar-15	N/A		http://verra.org/methodology/vmd0045-methods-for-monitoring-greenhouse-gas-emissions-and-removals-in-arr-project-activities-on-peat-and-mineral-soil-m-arr-v1-0/
Methods for monitoring of soil carbon stock char	VMD0046	v1.0	9-Mar-15	N/A		http://verra.org/methodology/vmd0046-methods-for-monitoring-of-soil-carbon-stock-changes-and-greenhouse-gas-emissions-and-removals-in-peatland-rewetting-and-conservation-project-activities-m-peat-v1-0/
Weatherization of Single Family and Multi-Family B	VM0008	v1.1	10-Oct-12	v1.0	CO2	http://verra.org/methodology/vm0008-weatherization-of-single-family-and-multi-family-buildings-v1-1/
Methodology for Avoided Ecosystem Conversion	VM0009	v3.0	6-Jun-14	v1.0, v1.1, v2.0, v2.1	CO2; CH4; N2O	http://verra.org/methodology/vm0009-methodology-for-avoided-ecosystem-conversion-v3-0/
Methodology for Improved Forest Management: Co	VM0010	v1.3	28-Mar-16	v1.0, v1.2	CO2; CH4; N2O	http://verra.org/methodology/vm0010-methodology-for-improved-forest-management-conversion-from-logged-to-protected-forest-v1-3/
Methodology for Calculating GHG Benefits from Pr	VM0011	v1.0	21-Mar-11	N/A	CO2; CH4; N2O	http://verra.org/methodology/vm0011-methodology-for-calculating-ghg-benefits-from-preventing-planned-degradation-v1-0/
Improved Forest Management in Temperate and Bor	VM0012	v1.2	23-Jul-13	v1.0, v1.1	CO2	http://verra.org/methodology/vm0012-improved-forest-management-in-temperate-and-boreal-forests-ltpf-v1-2/
Calculating Emission Reductions from Jet Engine W	VM0013	v1.0	27-Mar-11	N/A	CO2	http://verra.org/methodology/vm0013-calculating-emission-reductions-from-jet-engine-washing-v1-0/
Interception and Destruction of Fugitive Methane fr	VM0014	v1.0	14-Jun-11	N/A	CO2; CH4	http://verra.org/methodology/vm0014-interception-and-destruction-of-fugitive-methane-from-coal-bed-methane-cbm-seeps-v1-0/

Methodology for Avoided Unplanned Deforestation	VM0015	v1.1	3-Dec-12	v1.0	CO2; CH4; N2O	http://verra.org/methodology/vm0015-methodology-for-avoided-unplanned-deforestation-v1-1/
Recovery and Destruction of Ozone-Depleting Subst	VM0016	v1.1	30-Nov-17	v1.0	ODS (Ozone depleting substa	http://verra.org/methodology/vm0016-recovery-and-destruction-of-ozone-depleting-substances-ods-from-products-v1-1/
The following module is used with VM0016:						
Activity Method for the Determination of Additio	VMD0048	v1.0	30-Nov-17	N/A		http://verra.org/methodology/vmd0048-activity-method-for-the-determination-of-additionality-for-recovered-and-stockpiled-ods-refrigerant-projects-v1-0/
Adoption of Sustainable Agricultural Land Managen	VM0017	v1.0	21-Dec-11	N/A	CO2; CH4; N2O	http://verra.org/methodology/vm0017-adoption-of-sustainable-agricultural-land-management-v1-0/
Energy Efficiency and Solid Waste Diversion Activit	VM0018	v1.0	20-Feb-12	N/A	CO2; CH4; N2O	http://verra.org/methodology/vm0018-energy-efficiency-and-solid-waste-diversion-activities-within-a-sustainable-community-v1-0/
Fuel Switch from Gasoline to Ethanol in Flex-Fuel V	VM0019	v1.0	18-Jun-12	N/A	CO2	http://verra.org/methodology/vm0019-fuel-switch-from-gasoline-to-ethanol-in-flex-fuel-vehicle-fleets-v1-0/
Transport Energy Efficiency from Lightweight Pallet	VM0020	v1.0	6-Nov-12	N/A	CO2	http://verra.org/methodology/vm0020-transport-energy-efficiency-from-lightweight-pallets-v1-0/
Soil Carbon Quantification Methodology	VM0021	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vm0021-soil-carbon-quantification-methodology-v1-0/
The following modules are used with VM0017:						
Methods to Determine Stratification	VMD0018	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0018-methods-to-determine-stratification-v1-0/
Methods to Project Future Conditions	VMD0019	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0019-methods-to-project-future-conditions-v1-0/
Methods to Determine Project Boundaries	VMD0020	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0020-methods-to-determine-project-boundaries-v1-0/
Estimation of Stocks in Soil Carbon Pool	VMD0021	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0021-estimation-of-stocks-in-the-soil-carbon-pool-v1-0/
Estimation of Carbon Stocks in Living Plant Bior	VMD0022	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0022-estimation-of-carbon-stocks-in-living-plant-biomass-v1-0/
Estimation of Carbon Stocks in the Litter Pool	VMD0023	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0023-estimation-of-carbon-stocks-in-the-litter-pool-v1-0/
Estimation of Carbon Stocks in the Dead Wood F	VMD0024	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0024-estimation-of-carbon-stocks-in-the-dead-wood-pool-v1-0/

Estimation of Woody Biomass Harvesting and Ut	VMD0025	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0025-estimation-of-woody-biomass-harvesting-and-utilization-v1-0/
Estimation of Carbon Stocks in the Long-Lived V	VMD0026	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0026-estimation-of-carbon-stocks-in-the-long-lived-wood-products-pool-v1-0/
Estimation of Domesticated Animal Populations	VMD0027	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0027-estimation-of-domesticated-animal-populations-v1-0/
Estimation of Emissions from Domesticated Anin	VMD0028	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0028-estimation-of-emissions-from-domesticated-animals-v1-0/
Estimation of Emissions from Non-CO2 GHGs fr	VMD0029	v1.1	14-Jan-13	v1.0		http://verra.org/methodology/vmd0029-estimation-of-emissions-from-non-co2-ghgs-from-soils-v1-1/
Estimation of Emissions from Power Equipment	VMD0030	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0030-estimation-of-emissions-from-power-equipment-v1-0/
Estimation of Emissions from Burning	VMD0031	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0031-estimation-of-emissions-from-burning-v1-0/
Estimation of Emissions from Activity-Shifting L	VMD0032	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0032-estimation-of-emissions-from-activity-shifting-leakage-v1-0/
Estimation of Emissions from Market Leakage	VMD0033	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0033-estimation-of-emissions-from-market-leakage-v1-0/
Methods for Developing a Monitoring Plan	VMD0034	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0034-methods-for-developing-a-monitoring-plan-v1-0/
Methods to Determing the Net Change in Atmosp	VMD0035	v1.0	16-Nov-12	N/A		http://verra.org/methodology/vmd0035-methods-to-determine-the-net-change-in-atmospheric-ghg-resulting-from-project-activities-v1-0/
Quantifying N2O Emissions Reductions in Agricultu	VM0022	v1.1	5-Mar-13	v1.0	N2O	http://verra.org/methodology/vm0022-quantifying-n2o-emissions-reductions-in-agricultural-crops-through-nitrogen-fertilizer-rate-reduction-v1-1/
Reduction of GHG Emissions in Propylene Oxide Pr	VM0023	v1.0	9-Sep-13	N/A	CO2	http://verra.org/methodology/vm0023-reduction-of-ghg-emissions-in-propylene-oxide-production-v1-0/
Methodology for Coastal Wetland Creation	VM0024	v1.0	30-Jan-14	N/A	CO2; CH4; N2O	http://verra.org/methodology/vm0024-methodology-for-coastal-wetland-creation-v1-0/
Campus Clean Energy and Energy Efficiency	VM0025	v1.0	12-Feb-14	N/A	CO2; CH4; N2O	http://verra.org/methodology/vm0025-campus-clean-energy-and-energy-efficiency-v1-0/
The following modules are used with VM0024:						

Campus Clean Energy Efficiency Campus-Wide M	VMD0038	v1.0	12-Feb-14	N/A		http://verra.org/methodology/vmd0038-campus-clean-energy-efficiency-campus-wide-module-v1-0/
Campus Clean Energy Efficiency LEED-Certified	VMD0039	v1.0	12-Feb-14	N/A		http://verra.org/methodology/vmd0039-campus-clean-energy-efficiency-leed-certified-buildings-module-v1-0/
Methodology for Sustainable Grassland Managemen	VM0026	v1.0	22-Apr-14	N/A	CO2; CH4; N2O	http://verra.org/methodology/vm0026-methodology-for-sustainable-grassland-management-sgm-v1-0/
The following module is used with VM0026:						
Leakage from Displacement of Grazing Activities	VMD0040	v1.0	22-Apr-14	N/A		http://verra.org/methodology/vmd0040-leakage-from-displacement-of-grazing-activities-v1-0/
Methodology for Rewetting Drained Tropical Peatla	VM0027	v1.0	10-Jul-14	N/A	CO2	http://verra.org/methodology/vm0027-methodology-for-rewetting-drained-tropical-peatlands-v1-0/
Methodology for Carpooling	VM0028	v1.0	17-Apr-15	N/A	CO2	http://verra.org/methodology/vm0028-methodology-carpooling-v1-0/
Methodology for Avoided Forest Degradation throu	VM0029	v1.0	8-May-15	N/A	CO2; CH4; N2O	http://verra.org/methodology/vm0029-methodology-for-avoided-forest-degradation-through-fire-management-v1-0/
Methodology for Pavement Application using Sulphu	VM0030	v1.0	15-May-15	N/A	CO2; CH4; N2O	http://verra.org/methodology/vm0030-methodology-for-pavement-application-using-sulphur-substitute-v1-0/
Methodology for Precast Concrete Production using	VM0031	v1.0	15-May-15	N/A	CO2; CH4; N2O	http://verra.org/methodology/vm0031-methodology-for-precast-concrete-production-using-sulphur-substitute-v1-0/
Methodology for Adoption of Sustainable Grassland	VM0032	v1.0	16-Jul-15	N/A	CH4	http://verra.org/methodology/vm0032-methodology-for-the-adoption-of-sustainable-grasslands-through-adjustment-of-fire-and-grazing-v1-0/
Methodology for Tidal Wetland and Seagrass Restor	VM0033	v1.0	20-Nov-15	N/A	CO2; CH4; N2O	http://verra.org/methodology/vm0033-methodology-for-tidal-wetland-and-seagrass-restoration-v1-0/
British Columbia Forest Carbon Offset Methodology	VM0034	v1.0	8-Dec-15	N/A	CO2; CH4; N2O	http://verra.org/methodology/vm0034-british-columbia-forest-carbon-offset-methodology-v1-0/
Methodology for Improved Forest Management thro	VM0035	v1.0	28-Apr-16	N/A	CO2	http://verra.org/methodology/vm0035-methodology-for-improved-forest-management-through-reduced-impact-logging-v1-0/
The following module is used with VM0035:						
Performance Method for Reduced Impact Loggin	VMD0047	v1.0	28-Apr-16	N/A		http://verra.org/methodology/vmd0047-performance-method-for-reduced-impact-logging-in-east-and-north-kalimantan-v1-0/

Methodoogy for Rewetting Drained Temperate Peat	VM0036	v1.0	17-Jul-17	N/A	CO2; CH4	http://verra.org/methodology/vm0036-methodology-for-rewetting-drained-temperate-peatlands-v1-0/
Methodology for Implementation of REDD+ Activit	VM0037	v1.0	3-Nov-17	N/A	CO2; CH4; N2O	http://verra.org/methodology/vm0037-methodology-implementation-redd-activities-landscapes-affected-mosaic-deforestation-degradation-v1-0/
Methodology for Electric Vehicle Charging Systems	VM0038	v1.0	18-Sep-18	N/A	CO2; CH4; N2O	https://verra.org/methodology/vm0038-methodology-for-electric-vehicle-charging-systems-v1-0/
The following module is used with VM0038:						
Activity Method for Determining Additionality of	VMD0049	v1.0	18-Sep-18	N/A		https://verra.org/methodology/vmd0049-activity-method-for-determining-additionality-of-electric-vehicle-charging-systems-v1-0/
Revisions to ACM0008 to Include Pre-drainage of M	VMR0001	v1.0	31-Mar-09	N/A	CO2; CH4	http://verra.org/methodology/vmr0001-revisions-to-acm0008-to-include-pre-drainage-of-methane-from-an-active-open-cast-mine-as-a-methane-emission-reduction-activity-v1-0/
Revisions to ACM0008 to Include Methane Capture	VMR0002	v1.0	19-Jul-10	N/A	CO2; CH4	http://verra.org/methodology/vmr0002-revisions-to-acm0008-to-include-methane-capture-and-destruction-from-abandoned-coal-mines-v1-0/
Revisions to AMS-III.Y to Include Use of Organic E	VMR0003	v1.0	18-Jan-13	N/A	CO2; CH4	http://verra.org/methodology/vmr0003-revisions-to-ams-iii-y-to-include-use-of-organic-bedding-material-v1-0/
Revisions to AMS-III.BC to Include Mobile Machin	VMR0004	v1.0	24-Mar-13	N/A	CO2	http://verra.org/methodology/vmr0004-revisions-to-ams-iii-bc-to-include-mobile-machinery-v1-0/
Methodology for Installation of Low-Flow Water De	VMR0005	v1.0	14-Nov-14	N/A	CO2	http://verra.org/methodology/vmr0005-methodology-for-installation-of-low-flow-water-devices-v1-0/
Global Commodity Leakage Module: Effective A	VMD0036	v1.0	4-Feb-14	N/A		http://verra.org/methodology/vmd0036-global-commodity-leakage-module-effective-area-approach-v1-0/
Global Commodity Leakage Module: Production	VMD0037	v1.0	4-Feb-14	N/A		http://verra.org/methodology/vmd0037-global-commodity-leakage-module-production-approach-v1-0/

Note: the list above includes methodologies and modules approved under the VCS Program. Methodologies are denoted by an ID number that starts with "VM" or "VMR"; modules are denoted by an ID number that starts with "VMD". Modules are components of a methodology(ies) that can be applied to perform a specific methodological task (as set out in the VCS *Program Definitions, v3.7* (available at: http://verra.org/wp-content/uploads/2018/03/Program_Definition_v3.7.pdf)). Modules must be used with an appropriate methodology, and cannot be used independently to quantify greenhouse gas emission reductions/removals. Greenhouse/other gases addressed in the methodology are therefore not included for the modules listed above, as the greenhouse/other gases addressed by the methodology are included for each underlying methodology.

Note: in addition to the methodologies, modules, and methodology revisions approved under the VCS Program, projects using the VCS Program can use a methodology or protocol approved under an *approved GHG program* (as set out in Section 7 of the VCS *Program Guide, v3.7* (available at: http://verra.org/wp-content/uploads/2018/03/VCS_Program_Guide_v3.7.pdf)). There are two *approved GHG programs*: the Clean Development Mechanism (CDM) and the Climate Action Reserve (CAR). Therefore, projects issuing credits under the VCS Program can use (1) methodologies approved under the CDM and (2) protocols (excluding forestry protocols) approved under the Climate Action Reserve. These methodologies and protocols can be found at the following web links:

CDM: http://cdm.unfccc.int/methodologies/index.html

CAR (excluding forestry protocols): http://www.climateactionreserve.org/how/protocols/