

Application of the Oeko-Institut/WWF-US/ EDF methodology for assessing the quality of carbon credits

This document presents results from the application of version 3.0 of a methodology, developed by Oeko-Institut, World Wildlife Fund (WWF-US) and Environmental Defense Fund (EDF), for assessing the quality of carbon credits. The methodology is applied by Oeko-Institut with support by Carbon Limits, Greenhouse Gas Management Institute (GHGMI), INFRAS, Stockholm Environment Institute, and individual carbon market experts. This document evaluates one specific criterion or sub-criterion with respect to a specific carbon crediting program, project type, quantification methodology and/or host country, as specified in the below table. Please note that the CCQI website [Site terms and Privacy Policy](#) apply with respect to any use of the information provided in this document. Further information on the project and the methodology can be found here: www.carboncreditquality.org

Criterion:	5.1 Overall program governance
Carbon crediting program:	Verified Carbon Standard (VCS)
Assessment based on carbon crediting program documents valid as of:	30 June 2021
Date of final assessment:	20 May 2022
Score:	4.38

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Assessment

Indicator 5.1.1

Relevant scoring methodology provisions

“The program has a Secretariat comprised of paid and fully employed staff that is responsible for the administration of the program.”

Information sources considered

- 1 VCS Program Guide, v4.0. Document issued on 19 September 2019. Online available at https://verra.org/wp-content/uploads/2019/09/VCS_Program_Guide_v4.0.pdf.
- 2 Program website (<https://verra.org/about-verra/who-we-are/>), last accessed on 29 June 2021.

Relevant carbon crediting program provisions

Provision 1 Source 1, Section 2.5.6, page 8-9: “The VCS Program is managed by Verra, which is an independent, non-profit organization incorporated under the laws of the District of Columbia in the United States. Verra is responsible for managing, overseeing and developing the program. It maintains an impartial position in the market and does not develop projects, programs or methodologies, nor does it provide validation, verification or consulting services.

One of Verra’s roles is in respect of overseeing and ensuring the integrity of projects, programs and VCUs in the Verra registry system. Verra conducts reviews of project and program registration and VCU issuance requests. Verra is also responsible for overseeing the validation/verification bodies operating under the VCS Program. Where Verra identifies shortcomings in a validation/verification body’s performance, it may provide feedback and require the validation/verification body to address non-conformities.

Verra reserves the right not to register projects and programs, or issue VCUs where it deems that they are not in compliance with the VCS Program rules or may otherwise impact the integrity of the VCS Program or the functioning of the broader carbon market, and to delist projects, programs and VCUs where it deems that they have not been registered or issued in accordance with the VCS Program rules. Verra also reserves the right to take action against validation/verification bodies in accordance with the provisions set out in the agreements signed with Verra. The rights and obligations for validation/verification bodies are set out in such agreements.

Verra is also responsible for managing the methodology approval process, and it reserves the right to not accept methodology elements into the process, not approve methodology elements, or review and update, put on hold or withdraw approved methodology elements where it deems that they are not in compliance with the VCS Program rules, would sanction politically or ethically contentious project activities, or may otherwise impact the integrity of the VCS Program or the functioning of the broader carbon market.

Verra may convene steering committees, advisory committees or working groups to support its work in specific areas. These groups draw in expertise from outside the organization to develop and support specific elements of the VCS Program. A full list of steering committees and working groups is available on the Verra website.”

Provision 2 Source 1, Section 2.5.6, page 15: “The methodology approval process is the process by which methodologies, methodology revisions, modules and tools (including additionality tools, performance benchmarks and technology benchmarks), are approved under the VCS Program. Such methodology elements are subject to review by Verra, a global stakeholder consultation hosted on the Verra website and independent assessment by one validation/verification body, before final approval by Verra. The full rules and requirements for methodology elements with respect to the methodology approval process are set out in the VCS Program document Methodology Approval Process.”

Provision 3 Source 2: “We [Verra] now serve as a secretariat for the various standards we develop and programs we manage, as well as an incubator of new ideas 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.”

Assessment outcome

Yes (2 Points).

Justification of assessment

The above documentation clearly specifies that the indicator is fulfilled.

Indicator 5.1.2

Relevant scoring methodology provisions

The program provides contact details for the Secretariat on the program’s website.

Information sources considered

1 Program website (<https://verra.org/contact-us/>), last accessed on 18 November 2021

Relevant carbon crediting program provisions

Provision 1 Source 1: “Technical questions about Verra’s programs in

- carbon crediting (VCS),
- communities & biodiversity (CCBS), and
- sustainable development (SD VISta)

secretariat@verra.org

- Requirements for registering projects and issuing credits

- Status of existing projects
- Information about methodologies, including concept notes

Registry – operations

registry@verra.org

- Information about account opening
- Requests about account status
- Login assistance
- Help with requests to issue, transfer, or retire credits
- Questions about project records and submissions”

Assessment outcome

Yes (1 Point).

Justification of assessment

The above documentation clearly specifies that the indicator is fulfilled.

Indicator 5.1.3

Relevant scoring methodology provisions

The program defines who is responsible for the administration of the program and has established formally defined procedures for the decision making process on key programmatic functions, such as the approval of the normative program documents, the registration of projects, and the issuance, transfer and cancellation of carbon credits.

Information sources considered

- 1 Restated Articles of Incorporation of Domestic Nonprofit Corporation Form DNP-3, Version 2, issued in January 2012. Online available at: <https://verra.org/wp-content/uploads/2018/05/Verra-Restated-Articles-of-Incorporation-FILED-CERTIFIED-18-APR-2018.pdf>.
- 2 Amended and Restated Bylaws of Verra (Effective as of 2 May 2019). Online available at: <https://verra.org/wp-content/uploads/2019/07/Verra-Amended-and-Restated-Bylaws-2-MAY-2019.pdf>
- 3 Program website (<https://verra.org/project/vcs-program/>), last accessed on 29 June 2021.
- 4 VCS Program Guide, v4.0. Document issued on 19 September 2019. Online available at https://verra.org/wp-content/uploads/2019/09/VCS_Program_Guide_v4.0.pdf.

Relevant carbon crediting program provisions

- Provision 1 Source 1, article 6, page 2: “The Organization shall not have members. All voting power, including, without limitation, power to vote on amending these Amended and Restated Articles of Incorporation, shall be vested in the Board of Directors.”
- Provision 2 Source 2, section 5.01, page 3-4: “The Board of Directors shall oversee and give directions to the Organization. Such board may exercise all powers granted to the Organization and do all lawful acts required by the affairs of the Organization so long as the exercise of such powers and the doing of such acts are consistent with the Organization’s prescribed purpose.”
- Provision 3 Source 3: “Verra’s role is to develop and administer the program. We provide oversight to all operational components of the VCS Program and we are responsible for updating the VCS rules such that they ensure the quality of VCUs. The development of the VCS Program is supported by the VCS Program Advisory Group, a multi-stakeholder body that helps ensure that the VCS Program continues to serve its users in an effective and efficient manner and drives practical and robust solutions to mitigate climate change.”
- Provision 4 Source 4, section 2.4, page 8: “Procedural Documents
Registration and Issuance Process. Provides the procedures and rules for registering projects and issuing VCUs. b) JNR Registration and Issuance Process. Provides the procedures and rules for registering jurisdictional baselines and jurisdictional REDD+ programs, as well as projects nested in jurisdictional programs and standalone projects operating under Scenario 1. c) JNR Validation and Verification Process. Provides the process and requirements for the validation and verification of jurisdictional baselines and jurisdictional REDD+ programs. d) Methodology Approval Process. Provides the procedures and rules for approval of VCS Program methodology elements. e) AFOLU Non-Permanence Risk Tool. Provides the procedure for conducting non-permanence risk analysis and buffer determination for AFOLU projects.”
- Provision 5 Source 4, section 2.5.2-.6, page 7-9: “Methodology element developers are entities that develop methodologies, methodology revisions, modules and tools that are subject to the methodology approval process.
- Validation/verification bodies are accredited to:
- 1) Validate projects and verify GHG emission reductions and removals.
 - 2) Assess methodology elements under the methodology approval process.
- Validation/verification bodies are only eligible to carry out work for the sectoral scopes for validation and verification for which they hold accreditation and must sign the required agreement with Verra before they can perform validation or verification in connection with the VCS Program. The list of validation/verification bodies is available on the Verra website.
- The Verra registry is responsible for ensuring that all required project and program documents have been submitted to Verra; issuing and maintaining accounts of VCUs for account holders; ensuring the seamless flow of VCUs throughout the entire Verra

registry system; tracking and reporting the deposit/withdrawal of buffer credits to/from the centrally managed AFOLU pooled buffer account and jurisdictional pooled buffer account; and maintaining custody and records of VCU legal ownership.

Buyers, sellers and brokers are companies, organizations or individuals who transact VCUs or facilitate the transaction of VCUs.

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One of Verra's roles is in respect of overseeing and ensuring the integrity of projects, programs and VCUs in the Verra registry system. Verra conducts reviews of project and program registration and VCU issuance requests. Verra is also responsible for overseeing the validation/verification bodies operating under the VCS Program. Where Verra identifies shortcomings in a validation/verification body's performance, it may provide feedback and require the validation/verification body to address non-conformities.

Verra reserves the right not to register projects and programs, or issue VCUs where it deems that they are not in compliance with the VCS Program rules or may otherwise impact the integrity of the VCS Program or the functioning of the broader carbon market, and to delist projects, programs and VCUs where it deems that they have not been registered or issued in accordance with the VCS Program rules. Verra also reserves the right to take action against validation/verification bodies in accordance with the provisions set out in the agreements signed with Verra. The rights and obligations for validation/verification bodies are set out in such agreements.

Verra is also responsible for managing the methodology approval process, and it reserves the right to not accept methodology elements into the process, not approve methodology elements, or review and update, put on hold or withdraw approved methodology elements where it deems that they are not in compliance with the VCS Program rules, would sanction politically or ethically contentious project activities, or may otherwise impact the integrity of the VCS Program or the functioning of the broader carbon market.

Verra may convene steering committees, advisory committees or working groups to support its work in specific areas. These groups draw in expertise from outside the organization to develop and support specific elements of the VCS Program. A full list of steering committees and working groups is available on the Verra website."

Assessment outcome

Yes (1 Point).

Justification of assessment

The Restated Articles of Incorporation of Domestic Nonprofit Corporation and the Amended and Restated Bylaws of Verra specify the role and responsibilities of the Board of Directors (Provisions

1 and 2). The program website contains further information on Verra's role to administer and develop the program and to update the VCS rules (Provision 3). More detailed information on the roles and responsibilities of project and jurisdictional proponents, methodology element developers, validation/verification bodies, the Verra Registry, VCU buyers, sellers, and brokers, and Verra is provided in section 2.5 of the VCS Program Guide (Provision 4 and 5).

Indicator 5.1.4

Relevant scoring methodology provisions

The program is overseen by a Board of Directors or Trustees.

Information sources considered

- 1 Restated Articles of Incorporation of Domestic Nonprofit Corporation Form DNP-3, Version 2, issued in January 2012. Online available at: <https://verra.org/wp-content/uploads/2018/05/Verra-Restated-Articles-of-Incorporation-FILED-CERTIFIED-18-APR-2018.pdf>.
- 2 Amended and Restated Bylaws of Verra (Effective as of 2 May 2019). Online available at: <https://verra.org/wp-content/uploads/2019/07/Verra-Amended-and-Restated-Bylaws-2-MAY-2019.pdf>.

Relevant carbon crediting program provisions

- Provision 1 Source 1, article 6, page 2: "Sixth: The Organization shall not have members. All voting power [...] shall be vested in the Board of Directors."
- Provision 2 Source 1, article 8, page 3: "Eighth: The internal affairs of the Organization shall be managed by a board of directors (the "Board of Directors"), the members of which shall be elected or appointed in the manner provided in the Bylaws of the Organization."
- Provision 3 Source 2, section 5.01, page 3-4: "The Board of Directors shall oversee and give directions to the Organization. Such board may exercise all powers granted to the Organization and do all lawful acts required by the affairs of the Organization so long as the exercise of such powers and the doing of such acts are consistent with the Organization's prescribed purpose."

Assessment outcome

Yes (1 Point).

Justification of assessment

The above documentation clearly specifies that the indicator is fulfilled.

Indicator 5.1.5

Relevant scoring methodology provisions

All non-staff individuals serving in a professional capacity to support the administration of the program (e.g., members of the Board, advisory groups or expert committees) are subject to conflict of interest provisions to address any financial or other conflicts that may arise in their role supporting the administration of the program (e.g., in providing expert opinions or reviewing quantification methodologies).

Information sources considered

- 1 Program website (<https://verra.org/about-verra/governance/>), last accessed on 29 June 2021.
- 2 Verra Conflict of Interest Policy – Directors & Officers. Online available at: <https://verra.org/wp-content/uploads/2018/05/VERRA-Conflict-of-Interest-Policy-Disclosure-Statement-Directors-Officers-MAY-2018.pdf>. Last accessed 12 December, 2021.
- 3 VCS Program Advisory Group ToR FINAL posted. <https://verra.org/wp-content/uploads/2018/11/VCS-Program-Advisory-Group-ToR-FINAL-posted.pdf> last accessed on 10 December, 2021.

Relevant carbon crediting program provisions

- Provision 1 Source 1: “Conflicts of Interest. Verra requires all board members and employees to abide by 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 at each meeting of the board and to recuse themselves where any conflicts exist. Finally, employees are required to annually disclose any gifts (regardless of value) they have received over the prior year from anyone who is doing business, has done business, or is seeking to do business with Verra.”
- Provision 2 Source 2, article 2, paragraph 1, page 1: “Interested Person. Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.”
- Provision 3 Source 2, article 3, paragraph 1, page 1-2: “Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.”
- Provision 4 Source 3, page 3: “Members of the AG [Advisory Group] will adhere to a confidentiality and conflict of interest policy.”

Assessment outcome

No (0 Points).

Justification of assessment

Board members are subject to conflict of interest provisions. There are, however, no corresponding provisions for technical committees, the VCS Program Advisory Group, or those providing expert input/review. The indicator is therefore not met.

Indicator 5.1.6

Relevant scoring methodology provisions

The program has established a code of conduct (or similar document) that identifies the provisions by which program staff and registry administrators must conduct themselves, including conflict of interest provisions to address any conflicts that may arise in the administration of the program (e.g., in registering projects or issuing carbon credits).

Information sources considered

- 1 Program website (<https://verra.org/about-verra/governance/>), last accessed on 29 June 2021.
- 2 Verra Employee Conflict of Interest Policy. Online available at: <https://verra.org/wp-content/uploads/2018/05/Verra-COI-Policy-and-Annual-Disclosure-Form-employees-16-MAY-2018.pdf>.

Relevant carbon crediting program provisions

Provision 1 Source 1: “Conflicts of Interest. Verra requires all [board members](#) and [employees](#) to abide by 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 at each meeting of the board and to recuse themselves where any conflicts exist. Finally, employees are required to annually disclose any gifts (regardless of value) they have received over the prior year from anyone who is doing business, has done business, or is seeking to do business with Verra.”

Provision 2 Source 2, section 6, page 4: “Annual Disclosure Statement.

On an annual basis, employees are required to complete and submit the Annual Disclosure Statement (attached). In this form, employees will be required to certify that they have not engaged in any conduct that violates Verra’s Conflict of Interest Policy. In addition, employees will be 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.”

Assessment outcome

Yes (1 Point).

Justification of assessment

Program staff are subject to the Verra Conflict of Interest Policy. Although not specifically mentioned, registry administrators are members of the Verra Program staff and therefore included in this requirement. On an annual basis, employees must complete and submit the annual disclosure statement to prove that they have not violated Verra's conflict of interest policy. Therefore, this indicator is fulfilled.

Indicator 5.1.7

Relevant scoring methodology provisions

“The program's normative program documents are developed and updated in accordance with formally defined procedures.”

Information sources considered

- 1 VCS Program Guide v4.0, 19 September 2019. Online available at: https://verra.org/wp-content/uploads/2019/09/VCS_Program_Guide_v4.0.pdf
- 2 Methodology Approval Process, v4.0, 19 September 2019. Online available at: https://verra.org/wp-content/uploads/2019/09/Methodology_Approval_Process_v4.0.pdf
- 3 Verra website Governance & Development. Online available at: <https://verra.org/project/vcs-program/governance-development/> Last accessed 10 December, 2021.

Relevant carbon crediting program provisions

- Provision 1 Source 1, section 1.1, page 2: “New versions of the VCS Program will be issued on a periodic basis when major edition updates are required. Development of new versions of the program will include public stakeholder consultation and will be announced on the Verra website and to VCS Program stakeholders.”
- Provision 2 Source 2, section 1, page 1: “The methodology approval process is the process by which new methodologies, methodology revisions, modules and tools (referred to in this document as “methodologies”) are approved under the VCS Program. The process consists of two main steps. First, the methodology developer submits a methodology concept note for evaluation and acceptance by Verra. Second, following Verra acceptance of the methodological concept (“concept”), the methodology developer drafts the full methodology and submits it for assessment and approval. Such methodologies are subject to an in-depth review by Verra, a public stakeholder consultation hosted on the Verra website and an independent assessment by one validation/verification body, before final approval by Verra. The methodology approval process is outlined at a high level in the VCS Program Guide and the purpose of this document is to provide detailed requirements and practical guidance on the process. The document lays out the steps involved in the methodology approval process and then provides further requirements and guidance for specific elements that are subject to the process. [...]

The methodology approval process is the process by which new methodologies, methodology revisions, modules and tools (referred to in this document as “methodologies”) are approved under the VCS Program.”

Provision 3 Source 2, section 9.3.2-.3, page 23: “Where the review determines that the methodology requires limited modifications, edits or clarifications, Verra coordinates with the developer to update the methodology documentation, in accordance with procedure set out in Section 7.1.4. Verra may require the validation/verification body that initially assessed the methodology to review and approve the updates via email. Likewise, Verra may seek input from appropriately qualified external experts.

Where the review determines that the methodology requires substantive revision, the methodology is put on hold. Where the developer or another entity would like to have the methodology reissued, the methodology shall be revised and approved via the methodology approval process set out in Section 4 (though the methodology shall be exempt from the submission of a methodology concept note and corresponding application fee, processing fee and the public stakeholder consultation). Verra may seek input from appropriate qualified external experts prior to approving the new version of the methodology.”

Provision 4 Source 3: “Verra is committed to making certain that the VCS Program reflects the latest scientific research and is continually improved with respect to the consistency and accuracy of GHG emissions accounting. We follow ISEAL’s Codes of Good Practice in the ongoing development of the VCS Program.

Previous versions of the VCS Program can be found here.

The current version, VCS Version 4, was developed through a consultative process comprising two 60-day public consultations and engagement with many individual stakeholders, including project developers, methodology developers, validation/verification bodies, trade associations, NGOs, and other market participants.

VCS Version 4 incorporates several changes to existing VCS Program rules and requirements. The VCS Version 4 Rules Map outlines where specific requirements from the VCS Version 3 program documents can be found in the VCS Version 4 program documents, and whether substantive changes to existing requirements were made or new requirements added.

All VCS Version 4 documents are effective on the issue date, unless otherwise stated in the VCS Version 4 Summary of Effective Dates.

Issues Currently Under Development

Verra is considering several updates to the VCS Program documents intended to strengthen or expand the scope of the program and to ensure that projects deliver real, permanent, and additional emission reductions and removals. The updates include:

November 2021 Updates

Introducing requirements to make sustainable development reporting mandatory

Consultation Document: Proposed updates to the VCS Program, November 2021

These updates were open for consultation from 04 November to 05 December 2021. We are revising all input received and will post a summary of contents in early January 2022. We plan to finalize and release the updates to the VCS Program documents in Q1 2022.

On November 18 2021 at 11:00 EST, Verra held a 1-hour webinar to provide an overview of the proposed change.”

Assessment outcome

Yes (1 Point).

Justification of assessment

The Program Guide identifies that the standard practice is to assess the need for program document updates on an as needed basis and identifies the process by which documents may be updated (Provisions 1 and 2). The Methodology Approval Process document sets out procedures and rules for the approval of methodology elements under the VCS Program (Provision 3). The ongoing update process is well documented on the Verra website (Provision 4).

Indicator 5.1.8

Relevant scoring methodology provisions

Material program updates (e.g., new or updated normative program documents) are subject to public consultation and the process for doing so is clearly defined in the program’s provisions.

Information sources considered

- 1 VCS Program Guide v4.0, 19 September 2019. Online available at: https://verra.org/wp-content/uploads/2019/09/VCS_Program_Guide_v4.0.pdf
- 2 Methodology Approval Process. v4.0, 19 September 2019. Online available at: https://verra.org/wp-content/uploads/2019/09/Methodology_Approval_Process_v4.0.pdf.
- 3 Program website: VCS Version 4. Online available at: <https://verra.org/project/vcs-program/rules-and-requirements/vcsversion-4/>, last accessed on 16 July 2021.
- 4 VCS Program Public Consultation Q4 2021. Online available at: <https://verra.org/wp-content/uploads/2021/11/VCS-Program-Public-Consultation-Q4-2021.pdf>, last accessed 10 December, 2021.
- 5 Verra website Governance & Development. Online available at: <https://verra.org/project/vcs-program/governance-development/>, last accessed 10 December, 2021.

- 6 ISEAL Standard-Setting Code of Good Practice Version 6.0, December 2014. Online available at: <https://www.isealalliance.org/defining-credible-practice/iseal-codes-good-practice>.

Relevant carbon crediting program provisions

- Provision 1 Source 1, section 1, page 2: “New versions of the VCS Program will be issued on a periodic basis when major edition updates are required. Development of new versions of the program will include public stakeholder consultation and will be announced on the Verra website and to VCS Program stakeholders.”
- Provision 2 Source 2, section 4.4.1, page 9: “Verra posts the methodology documentation on the Verra website for a period of 30 days, for the purpose of inviting public comment. As part of the consultation process, Verra may also host a presentation of the methodology. Any comments shall be submitted to Verra at secretariat@verra.org and respondents shall provide their name, organization, country and email address.”
- Provision 3 Source 3: “VCS Version 4 was developed through a consultative process including two 60-day public consultations, held in May 2018 and June 2019, and many individual engagements with stakeholders, including project developers, methodology developers, validation/verification bodies, trade associations, NGOs and other market participants. A summary of the comments received during the May 2018 consultation, and how these comments were taken into consideration in the proposed updates, is included in each of the documents posted for the June 2019 consultation. The VCS Version 4 Consultation Summary includes a summary of the comments received during the June 2019 consultation, and how they have been taken due account of in the final preparation of the VCS Version 4 program documents.”

- Provision 4 Source 4 section 3: “CONSULTATION PROCESS AND TIMELINE

Verra began discussing these proposed updates in March of 2021 with various stakeholders and the Sustainable Development Advisory Group. The planned timeline for implementing the consultation and rule approval process is set out in Table 1 below.

Table 1. Tentative timeline

Tentative Date(s)	Activity
4 November – 5 December (inclusive)	Public consultation
18 November	Consultation webinar
December 2021 – January 2022	Review comments and finalize proposals
January 2022	Publish rule changes and revised templates

Publish rule changes and revised templates Please provide comments on any part of this document. We would especially appreciate responses to questions in the ‘Requested Feedback’ section. Comments may be submitted in any format to secretariat@verra.org by 5 December 2021. After the consultation, we will use the

input provided on these proposals to finalize the associated VCS rules and requirements. We look forward to your feedback. Please let us know if you have any questions as you engage in this consultation.”

Provision 5 Source 5: “We follow ISEAL’s Codes of Good Practice in the ongoing development of the VCS Program.”

Provision 6 Source 6, clause 5.4, page 12-14: “Clause 5.4 Public Consultation

1.
 - a. The public consultation phase for standards development or revision shall include at least one round of 60 days for comment submissions by stakeholders.
 - b. For new standards development, a second round of consultation of at least 30 days shall be included.
 - c. Where substantive, unresolved issues persist after the consultation round(s), or where insufficient feedback was received, the standard-setting organisation shall carry out additional rounds of consultation, as necessary
2. The standard-setting organisation shall ensure that participation in the consultation process: a. is open to all stakeholders; and b. aims to achieve a balance of interests in the subject matter and in the geographic scope to which the standard applies.
3. The standard-setting organisation shall provide stakeholders with appropriate opportunities to contribute to the development or revision of a standard.
4. The standard-setting organisation shall: a. identify stakeholder groups that are not adequately represented; and b. proactively seek their contributions. This shall include addressing constraints faced by disadvantaged stakeholders.
5. The standard-setting organisation shall: a. compile all comments received during a consultation period; b. prepare a written synopsis of how each material issue has been addressed in the standard revision; c. make the synopsis publicly available; and d. send it to all parties that submitted comments.
- 14 Aspirational Good Practice 6. The standard-setting organisation shall make original comments received during a consultation period publicly available.”

Assessment outcome

Yes (1 Point).

Justification of assessment

According to the VCS website the last program update (VCS Version 4) was developed under public consultations (Provision 2). The ISEAL Standard-Setting Code of Good Practice Version 6.0 identifies the timeline for review of program provisions (Provision 6). The indicator is therefore fulfilled.

Indicator 5.1.9

Relevant scoring methodology provisions

The program actively performs outreach to gather public input when conducting public consultations on material program updates (e.g., through messages on their websites or messages to email listservs).

Information sources considered

- 1 Methodology Approval Process v4.0, 19 September 2019. Available: https://verra.org/wp-content/uploads/2019/09/Methodology_Approval_Process_v4.0.pdf.
- 2 Verra website Governance & Development. <https://verra.org/project/vcs-program/governance-development/> Last accessed 10 December, 2021.

Relevant carbon crediting program provisions

Provision 1 Source 1, section 4.4.1, page 9: “Verra posts the methodology documentation on the Verra website for a period of 30 days, for the purpose of inviting public comment. As part of the consultation process, Verra may also host a presentation of the methodology. Any comments shall be submitted to Verra at secretariat@verra.org and respondents shall provide their name, organization, country and email address.”

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Verra is considering several updates to the VCS Program documents intended to strengthen or expand the scope of the program and to ensure that projects deliver

real, permanent, and additional emission reductions and removals. The updates include:

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On November 18 2021 at 11:00 EST, Verra held a 1-hour webinar to provide an overview of the proposed change.”

Assessment outcome

Yes (1 Point).

Justification of assessment

The above documentation clearly specifies that the indicator is fulfilled.

Indicator 5.1.10

Relevant scoring methodology provisions

Material program updates (e.g., new or updated normative program documents) are developed with the participation of experts (e.g., through advisory groups or expert committees).

Information sources considered

- 1 Methodology Approval Process. v4.0, 19 September 2019. Available: https://verra.org/wp-content/uploads/2019/09/Methodology_Approval_Process_v4.0.pdf.
- 2 Verified Carbon Standard (VCS) Program Advisory Group Terms of Reference. Document issued on 7 November 2018. Online available at: <https://verra.org/wp-content/uploads/2018/11/VCS-Program-Advisory-Group-ToR-FINAL-posted.pdf>.
- 3 Program website: VCS Program Advisory Group (<https://verra.org/vcs-program-advisory-group/>), last accessed on 16 July 2021.
- 4 VCS Program Advisory Group ToR FINAL posted. <https://verra.org/wp-content/uploads/2018/11/VCS-Program-Advisory-Group-ToR-FINAL-posted.pdf> last accessed on 10 December, 2021.
- 5 VCS Program Guide, v4.0, 19 September 2019. Available: https://verra.org/wp-content/uploads/2019/09/VCS_Program_Guide_v4.0.pdf.

Relevant carbon crediting program provisions

Provision 1 Source 1, section 10.1.1-.4, page 25-26: “Recognizing that there is currently limited experience and expertise within the broader validation/verification body community regarding the assessment of certain methodologies and the precedent that is set by new methodologies approved under the VCS Program, an expert shall be used in the assessment of the following:

- 1) Non-ARR AFOLU methodologies (see Table 1).
- 2) Methodologies that use a standardized method.

The process for use and designation of experts shall operate as set out in Sections 10.2 and 10.3. The requirement and necessity for validation/verification bodies to use an expert shall be revisited by Verra as and when it has been demonstrated that the validation/verification body community has developed sufficient experience and expertise in assessing the relevant types of methodologies.

As set out in Section 5.1, a validation/verification body conducting an assessment of an AFOLU methodology or a methodology that uses a standardized method may need to use an expert in the assessment, and the following applies:

- 1) Experts shall be approved by Verra in accordance with the procedure set out in Section 10.3.
- 2) AFOLU experts shall be approved for the AFOLU project category relevant to the methodology.
- 3) Standardized method experts have the authority to assert their expert judgment in relation to the appropriateness of the proposed level(s) of the performance benchmark metric in ensuring environmental integrity and provision of sufficient financial incentive to potential projects, and therefore to require the methodology to use a level it deems appropriate.

The expert can be part of the validation team or act as technical expert to the validation team. Where the expert is acting as technical expert to the validation team, they shall meet all the requirements of technical experts set out in ISO 14065:2013 and shall not carry out the assessment alone.“

Provision 2 Source 2, page 1: “The objectives of the [Advisory Group] AG are to

- Provide strategic guidance on the evolution of the VCS Program;
- Provide recommendations for updates to the content of the VCS rules;
- Provide insights into the needs of a range of VCS Program stakeholders; and
- Advise on existing and prospective market opportunities, such as those under CORSIA, Article 6 of the Paris Agreement and various domestic markets (e.g., Colombia, South Africa)”

Provision 3 Source 3: “The group provides strategic guidance on the evolution of the VCS Program, including updates to the content of the VCS rules, and provides insights into the needs of a range of users of the VCS Program.”

Provision 4 Source 4, page 2: “Membership Composition and Commitment

The VCS Program AG intends to represent a balance of experience, expertise, and stakeholder interests to support the continued evolution of the VCS Program. Participants in the AG should meet one or more of the following criteria:

- Possess strong knowledge of voluntary and/or compliance GHG program mechanics, including the development of projects, the use of quantification methodologies, and the role of validation/verification bodies. Strong technical expertise is desirable.
- Experience working with a variety of carbon standards, including the UNFCCC's Clean Development Mechanism, voluntary market standards, and relevant mechanisms that may eventually be established under Article 6 of the Paris Agreement.
- Strong understanding of carbon market dynamics, including the drivers of corporate demand in the voluntary carbon market and government climate change policies. Direct experience selling and/or purchasing carbon credits is desirable.
- Be a user or other stakeholder of the VCS Program Verra will endeavor to convene an AG that reflects a balance between various program stakeholders, including project proponents, VCU sellers and buyers, civil society, intergovernmental organizations, standards organizations and auditors.

Members are expected to represent their organizational perspectives, though Verra is open to members acting in their individual capacities, where necessary. Two of the members of the AG will come from the Verra Board of Directors. Verra expects the group to comprise approximately 15 individuals."

Provision 5 Source 5, section 2.5.6, page 11: "Verra may convene steering committees, advisory committees or working groups to support its work in specific areas. These groups draw in expertise from outside the organization to develop and support specific elements of the VCS Program. A full list of steering committees and working groups is available on the Verra website."

Assessment outcome

Yes (1 Point).

Justification of assessment

The Verra Methodology Approval Process specifies the participation of experts in the validation and verification phase which is a required element of the process to develop a new or update an existing quantification methodology. The program procedures for updating other program documents (standard revisions, etc.) relies on the VCS Program Advisory Group (AG), which includes broad expertise (Provision 4) and has been established to provide "strategic guidance on the evolution of the VCS Program, including updates to the content of the VCS rules" (Provision 3). Verra also establishes the ability to gather experts for specific purposes on an as the needs arise (Provision 5). The indicator is therefore fulfilled.

Indicator 5.1.11

Relevant scoring methodology provisions

The program has established procedures for receiving complaints and resolving disputes from any carbon crediting program stakeholders. This includes the possibility for project owners to appeal decisions by the carbon crediting program relating to their projects.

Information sources considered

- 1 Verra's Complaints and Appeals Policy, 22 January 2019. Available: <https://verra.org/wp-content/uploads/2019/01/Verra-Complaints-and-Appeals-Policy-v1.0.pdf>.

Relevant carbon crediting program provisions

Provision 1 Source 1, page 1: "Project proponents, assessors, methodology element developers and other stakeholders (including interested stakeholders) may submit enquiries to Verra at any time. In addition, Verra provides a complaints procedure and an appeals procedure that applies to all standards and programs managed by Verra."

Provision 2 Source 1 section 1, page 1-2: "A complaint is an objection to a decision taken by Verra or an aspect of how it operates a program(s) managed by Verra, or a claim that relevant program rules have had an unfair, inadvertent or unintentional adverse effect.

Stakeholders are provided with the following complaints procedure:

1) The complaint shall include the following information:

- a) Name of the complainant.
- b) Name of organization, where relevant.
- c) Contact information for the complainant.
- d) Details of the complaint.
- e) Declaration of any conflict of interest in submitting the complaint.

2) The complaint shall be addressed to the appropriate program manager listed on the Verra website and emailed to secretariat@verra.org with the word complaint in the subject line. An email response is provided to the complainant from Verra acknowledging receipt of the complaint.

3) Verra appoints an appropriate person to handle the complaint, who will organize an analysis (involving external experts, as required) and determine any appropriate action required.

4) Verra prepares a written response and provides this to the complainant. The response to the complaint is brought to the attention of and approved by the Verra Chief Executive Officer (CEO).

5) All information submitted by the complainant with respect to the complaint is kept confidential by Verra.

Complaints by stakeholders about a project proponent or its partners shall be pursued with the respective entity. Similarly, complaints about entities (by the clients of such entities) that provide services under the relevant Verra program, such as assessors, shall be pursued via the respective entity. In either of the cases above, where the complaint is not resolved to the satisfaction of the complainant and the complaint is in relation to the respective entity's interpretation of the relevant program rules, the complainant may submit a complaint to Verra." (Verra Complaints and Appeals Policy, page 1-2).

Where a complaint, submitted as set out in Section 1 above, has not been resolved to the satisfaction of the complainant, complainants are provided with the following appeals procedure:

- 1) The appeal shall include the following information:
 - a) Name of the appellant.
 - b) Name of the organization, where relevant.
 - c) Contact information for the appellant.
 - d) Details of the appeal, including reference to the original complaint.
- 2) The appeal shall be addressed to the Verra CEO with the word appeal in the subject line. An email response is provided to the appellant from the CEO acknowledging receipt of the appeal.
- 3) The CEO presents the appeal to the Verra Board, which organizes an analysis, involving external experts (as required).
- 4) The Verra Board prepares a written response and the Verra CEO provides this to the appellant. The Verra Board's decision is final and binding.
- 5) All information submitted by the appellant with respect to the appeal is kept confidential by Verra and the Verra Board."

Assessment outcome

Yes (1 Point).

Justification of assessment

The above documentation clearly specifies that the indicator is fulfilled.

Indicator 5.1.12

Relevant scoring methodology provisions

Potential issues with the program's provisions as identified through public consultation or complaints by any carbon crediting program stakeholders, are addressed and the process for doing so is clearly defined in the normative program documents.

Information sources considered

- 1 VCS Methodology Approval Process. v4.0, 19 September 2019. Available: https://verra.org/wp-content/uploads/2019/09/Methodology_Approval_Process_v4.0.pdf.
- 2 Verra website Governance & Development. <https://verra.org/project/vcs-program/governance-development/> Last accessed 10 December, 2021.
- 3 ISEAL Standard-Setting Code of Good Practice Version 6.0, December 2014. Available: <https://www.isealalliance.org/defining-credible-practice/iseal-codes-good-practice>

Relevant carbon crediting program provisions

Provision 1 Source 1, section 4.4.1-4.4.3, page 13: “Step 3: Public Stakeholder Consultation

Verra posts the methodology documentation on the Verra website for a period of 30 days, for the purpose of inviting public comment. As part of the consultation process, Verra may also host a presentation of the methodology. Any comments shall be submitted to Verra at secretariat@verra.org and respondents shall provide their name, organization, country and email address.

At the end of the public comment period, Verra provides all and any comments received to the developer. The developer shall take due account of such comments, which means it will need to either update the methodology or demonstrate the insignificance or irrelevance of the comment. It shall demonstrate to the validation/verification body what action it has taken.

All and any comments received are posted by Verra on the Verra website, alongside the methodology information.”

Provision 2 Source 2: “Verra is committed to making certain that the VCS Program reflects the latest scientific research and is continually improved with respect to the consistency and accuracy of GHG emissions accounting. We follow ISEAL’s Codes of Good Practice in the ongoing development of the VCS Program.

Previous versions of the VCS Program can be found here.

The current version, VCS Version 4, was developed through a consultative process comprising two 60-day public consultations and engagement with many individual stakeholders, including project developers, methodology developers, validation/verification bodies, trade associations, NGOs, and other market participants.

VCS Version 4 incorporates several changes to existing VCS Program rules and requirements. The VCS Version 4 Rules Map outlines where specific requirements from the VCS Version 3 program documents can be found in the VCS Version 4 program documents, and whether substantive changes to existing requirements were made or new requirements added.

All VCS Version 4 documents are effective on the issue date, unless otherwise stated in the VCS Version 4 Summary of Effective Dates.

Issues Currently Under Development

Verra is considering several updates to the VCS Program documents intended to strengthen or expand the scope of the program and to ensure that projects deliver real, permanent, and additional emission reductions and removals. The updates include:

November 2021 Updates

Introducing requirements to make sustainable development reporting mandatory

Consultation Document: Proposed updates to the VCS Program, November 2021

These updates were open for consultation from 04 November to 05 December 2021. We are revising all input received and will post a summary of contents in early January 2022. We plan to finalize and release the updates to the VCS Program documents in Q1 2022.

On November 18 2021 at 11:00 EST, Verra held a 1-hour webinar to provide an overview of the proposed change.”

Provision 3 Source 3, clause 5.4, page 12-14: “Public Consultation

1.
 - a. The public consultation phase for standards development or revision shall include at least one round of 60 days for comment submissions by stakeholders.
 - b. For new standards development, a second round of consultation of at least 30 days shall be included.
 - c. Where substantive, unresolved issues persist after the consultation round(s), or where insufficient feedback was received, the standard-setting organisation shall carry out additional rounds of consultation, as necessary
2. The standard-setting organisation shall ensure that participation in the consultation process: a. is open to all stakeholders; and b. aims to achieve a balance of interests in the subject matter and in the geographic scope to which the standard applies.
3. The standard-setting organisation shall provide stakeholders with appropriate opportunities to contribute to the development or revision of a standard.
4. The standard-setting organisation shall: a. identify stakeholder groups that are not adequately represented; and b. proactively seek their contributions. This shall include addressing constraints faced by disadvantaged stakeholders.
5. The standard-setting organisation shall:
 - a. compile all comments received during a consultation period;

- b. prepare a written synopsis of how each material issue has been addressed in the standard revision;
- c. make the synopsis publicly available; and
- d. send it to all parties that submitted comments.

Aspirational Good Practice 6. The standard-setting organisation shall make original comments received during a consultation period publicly available.”

Assessment outcome

Yes (1 Point).

Justification of assessment

The above documentation clearly specifies that the indicator is fulfilled.

Indicator 5.1.13

Relevant scoring methodology provisions

“The procedure for handling stakeholder disputes and complaints has defined time-bound requirements for the program to respond to disputes or complaints.”

Information sources considered

- 1 Verra’s Complaints and Appeals Policy, 22 January 2019. Available: <https://verra.org/wp-content/uploads/2019/01/Verra-Complaints-and-Appeals-Policy-v1.0.pdf>.

Relevant carbon crediting program provisions

Provision 1 Source 1, page 1: “Project proponents, assessors, methodology element developers and other stakeholders (including interested stakeholders) may submit enquiries to Verra at any time. In addition, Verra provides a complaints procedure and an appeals procedure that applies to all standards and programs managed by Verra.”

Provision 2 Source 1, section1, page 1-2: “A complaint is an objection to a decision taken by Verra or an aspect of how it operates a program(s) managed by Verra, or a claim that relevant program rules have had an unfair, inadvertent or unintentional adverse effect.

Stakeholders are provided with the following complaints procedure:

- 1) The complaint shall include the following information:
 - a) Name of the complainant.
 - b) Name of organization, where relevant.
 - c) Contact information for the complainant.
 - d) Details of the complaint.

e) Declaration of any conflict of interest in submitting the complaint.

2) The complaint shall be addressed to the appropriate program manager listed on the Verra website and emailed to secretariat@verra.org with the word complaint in the subject line. An email response is provided to the complainant from Verra acknowledging receipt of the complaint.

3) Verra appoints an appropriate person to handle the complaint, who will organize an analysis (involving external experts, as required) and determine any appropriate action required.

4) Verra prepares a written response and provides this to the complainant. The response to the complaint is brought to the attention of and approved by the Verra Chief Executive Officer (CEO).

5) All information submitted by the complainant with respect to the complaint is kept confidential by Verra.

Complaints by stakeholders about a project proponent or its partners shall be pursued with the respective entity. Similarly, complaints about entities (by the clients of such entities) that provide services under the relevant Verra program, such as assessors, shall be pursued via the respective entity. In either of the cases above, where the complaint is not resolved to the satisfaction of the complainant and the complaint is in relation to the respective entity's interpretation of the relevant program rules, the complainant may submit a complaint to Verra." (Verra Complaints and Appeals Policy, page 1-2).

Where a complaint, submitted as set out in Section 1 above, has not been resolved to the satisfaction of the complainant, complainants are provided with the following appeals procedure:

1) The appeal shall include the following information:

- a) Name of the appellant.
- b) Name of the organization, where relevant.
- c) Contact information for the appellant.
- d) Details of the appeal, including reference to the original complaint.

2) The appeal shall be addressed to the Verra CEO with the word appeal in the subject line. An email response is provided to the appellant from the CEO acknowledging receipt of the appeal.

3) The CEO presents the appeal to the Verra Board, which organizes an analysis, involving external experts (as required).

4) The Verra Board prepares a written response and the Verra CEO provides this to the appellant. The Verra Board's decision is final and binding.

5) All information submitted by the appellant with respect to the appeal is kept confidential by Verra and the Verra Board."

Assessment outcome

No (0 Points).

Justification of assessment

The requirements for handling disputes and complaints are not time bound. Therefore, the indicator is not fulfilled.

Indicator 5.1.14

Relevant scoring methodology provisions

There is no evidence that the current program staff have ever engaged in fraud on behalf of the program or that key personnel have been convicted of fraud. Web searches or other publicly accessible information may inform this indicator.

Information sources considered

Web searches did not reveal any relevant findings.

Assessment outcome

Yes (1 Point).

Justification of assessment

Web searches or other publicly accessible information have not revealed any fraudulent activity by the VCS program staff.

Indicator 5.1.15

Relevant scoring methodology provisions

The program has never been sanctioned by a regulator or other relevant authority for noncompliance with relevant laws and regulations, or for not complying with its own provisions. Web searches or other publicly accessible information may inform this indicator.

Information sources considered

Web searches did not reveal any relevant findings.

Assessment outcome

Yes (1 Point).

Justification of assessment

Web searches or other publicly accessible information have not revealed any cases of noncompliance with laws or regulations or sanctions levied against the program.

Scoring results

According to the above assessment, the carbon crediting program receives 14 out of 16 achievable points. Applying the scoring approach of the methodology, this results in a score of 4.38.