

## 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](http://www.carboncreditquality.org)

Criterion:	<a href="#">5.3 Robust third-party auditing</a>
Carbon crediting program:	<a href="#">Verified Carbon Standard</a>
Assessment based on carbon crediting program documents valid as of:	<a href="#">30 June 2021</a>
Date of final assessment:	<a href="#">20 May 2022</a>
Score:	<a href="#">3.85</a>

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# Assessment

## Indicator 5.3.1

### Relevant scoring methodology provisions

The program requires that accredited third-party validation and verification entities assess the adherence of a project against all program provisions, including whether the design of the activity and the determination of emission reductions or removals conforms with all program provisions. This auditing must take place prior to the issuance of carbon credits.

### Information sources considered

- 1 VCS Standard, v4.1, 22 April 2021. Available: [https://verra.org/wp-content/uploads/2021/04/VCS-Standard\\_v4.1.pdf](https://verra.org/wp-content/uploads/2021/04/VCS-Standard_v4.1.pdf).
- 2 VCS Program Guide, v4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/VCS\\_Program\\_Guide\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/VCS_Program_Guide_v4.0.pdf).
- 3 VCS Registration and Issuance process. Version 4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/Registration\\_and\\_Issuance\\_Process\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/Registration_and_Issuance_Process_v4.0.pdf).
- 4 Program website: Validation & Verification (<https://verra.org/project/vcs-program/validation-verification/>), last accessed on 19 July 2021.

### Relevant carbon crediting program provisions

- Provision 1 Source 1, section 4.1, page 51: “Validation is the independent assessment of the project by a validation/verification body that determines whether the project complies with the VCS Program rules. Verification is the periodic ex-post independent assessment by a validation/ verification body of the GHG emission reductions and removals that have occurred as a result of the project during the monitoring period, conducted in accordance with the VCS Program rules.”
- Provision 2 Source 1, section 4.1.11, page 53: “Where the project does not meet the criteria for validation or verification, the validation/verification body shall produce a negative validation conclusion and provide the validation or verification report and project description, or monitoring report, to Verra. The project shall be ineligible for registration until such time as corrective action is taken and the (same) validation/verification body has provided a positive validation or verification.”
- Provision 3 Source 2, section 5, page 14: “Validation/verification bodies are eligible to provide validation and verification services under the VCS Program if they have signed the required agreement with Verra and are:
- 1) Accredited under a VCS-approved GHG program; or
  - 2) Accredited under ISO 14065:2013 for scope VCS by an accreditation body that is a member of the International Accreditation Forum.”

- Provision 4 Source 2, section 2.5.6, page 8: “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.”
- Provision 5 Source 3, section 4.1.1, page 8: “The requirements for validation and verification, including the requirements for validation/ verification bodies, are set out in the VCS Standard and the VCS Program Guide. Projects must complete validation prior to requesting registration and projects must complete verification prior to requesting VCU issuance.”
- Provision 6 Source 4: “Under the VCS Program, auditors known as validation/verification bodies (VVBs) are tasked with assessing projects against the VCS Program rules and the requirements of the applied methodology. VVBs are qualified, independent third parties which are approved by VCS to perform validation and verification. This independent assessment process is critical to ensuring the integrity of the projects registered with the VCS Program.

Currently, more than twenty VVBs located across five continents are approved under the VCS Program. VVBs are accredited to work in specific sectoral scopes, meaning their expertise is geared directly toward the types of projects they audit.

VVBs are eligible to provide validation and verification services under the VCS Program if they have signed the required agreement with VCS and are accredited by a VCS-recognized accreditation body.” (VCS program website, <https://verra.org/project/vcs-program/validation-verification/>)

## Assessment outcome

Yes (3 Points).

## Justification of assessment

The VCS Standard and the program website specify that projects are assessed by independent third-party validation and verification entities against the VCS Program rules and the requirements of the applied methodology (Provision 1, 2, and 6). The VCS Standard further defines the requirement to produce a negative report if the project is not in line with the criteria for validation or verification (Provision 2). The Registration and Issuance process clarifies that projects “must complete validation prior to requesting registration and projects must complete verification prior to requesting VCU issuance” (Provision 6). The eligibility requirements of third-party validation and verification entities are set out in the VCS Standard (Provision 1) and the VCS Program Guide (Provision 3, 4, and 5). This indicator is completely fulfilled.

## Indicator 5.3.2

### Relevant scoring methodology provisions

Validation and verification entities are accredited by an International Accreditation Forum (IAF) member body or the CDM Executive Board (EB). The eligibility requirements of third-party validation and verification entities are available on the program’s website.

## Information sources considered

- 1 VCS Program Guide, v4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/VCS\\_Program\\_Guide\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/VCS_Program_Guide_v4.0.pdf).
- 2 VCS Standard, v4.1, 22 April 2021. Available: [https://verra.org/wp-content/uploads/2021/04/VCS-Standard\\_v4.1.pdf](https://verra.org/wp-content/uploads/2021/04/VCS-Standard_v4.1.pdf).
- 3 Program website: Validation & Verification (<https://verra.org/project/vcs-program/validation-verification/become-a-vvb/>), last accessed on 20 July 2021.
- 4 CDM accreditation standard. CDM-EB46-A02-STAN. Version 07.0, 1 March 2018. Available: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20180323155152132/accr\\_stan01.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20180323155152132/accr_stan01.pdf).
- 5 JI program website: Accredited independent Entities (AIEs) (<https://ji.unfccc.int/AIEs/index.html>), last accessed on 21 July 2021.
- 6 CAR Program website: Verification Body Requirements (<https://www.climateactionreserve.org/how/verification/how-to-become-a-verifier/>), last accessed on 24 June 2021.

## Relevant carbon crediting program provisions

- Provision 1 Source 1, section 5, page 14: “Validation/verification bodies are eligible to provide validation and verification services under the VCS Program if they have signed the required agreement with Verra and are:
- 1) Accredited under a VCS-approved GHG program<sup>3</sup>; or
  - 2) Accredited under ISO 14065:2013 for scope VCS by an accreditation body that is a member of the International Accreditation Forum;
- [<sup>3</sup> Note that accreditation under an approved GHG program shall be recognized only until such time as Verra determines that a sufficient number of validation/verification bodies are accredited under other recognized accreditation pathways, or two years from the date of release of VCS Version 4, whichever is earlier. After such date, all validation/verification bodies must be accredited through another approved accreditation pathway.]”
- Provision 2 Source 2, section 3.19, page 45: “Projects may be registered under both the VCS Program and another GHG program (which may be an approved GHG program such as CDM, JI or the Climate Action Reserve, or any other GHG program).”
- Provision 3 Source 3: “The growth of the voluntary carbon market has fuelled demand for new validation/verification bodies (VVBs). New VVBs may be located anywhere in the world and have two main pathways to receive VCS authorization:
- Approval under a VCS-approved GHG program such as the United Nations Clean Development Mechanism (CDM) as a Designated Operational Entity (DOE)

- Accreditation by an International Accreditation Forum (IAF) member body such as the American National Standards Institute (ANSI), the Organismo Nacional de Acreditación de Colombia (ONAC) and the Standards Council of Canada (SCC) for ISO 14065 scope VCS

Once accreditation is achieved via one of the above pathways, organizations are then invited to complete and submit VVB Application Form found on our Program Document page.

International Accreditation Forum (IAF) member bodies are encouraged to develop accreditation programs for ISO 14065 scope VCS. Interested IAF bodies should contact Verra directly.”

Provision 4 Source 4, paragraph 8, page 7: “Designated operational entity (DOE)-an entity designated by the CMP, based on the recommendation by the [Executive] Board, as qualified to perform validation and/ or verification/ certification functions;”

Provision 5 Source 5: “An accredited independent entity (AIE) is an independent auditor accredited by the Joint Implementation Supervisory Committee (JISC) to determine project proposals or verify whether implemented projects have achieved planned greenhouse gas emission reductions. [...] The JISC at its 37th meeting decided that as of 2 August 2016, the JI accreditation relies on the CDM accreditation system, and agreed that CDM designated operational entities (DOEs) may act as accredited independent entities (AIEs) for the same sectoral scopes for which they are designated.”

Provision 6 Source 6: “The Climate Action Reserve has partnered with the American National Standards Institute (ANSI) to accredit independent third party Verification Bodies under ISO14065:2007, ISO 14064-3:2006, and the International Accreditation Forum, Inc. (IAF) MD 6:2009 for specific project sector groupings in accordance with ANSI Scoping Policy [GHG-PR-706](#). This coordinated effort streamlines the accreditation process for Verification Bodies in North America and create consistency with international practice.

Only Verification Bodies currently accredited or enrolled in the ANSI accreditation program may provide verification services to Reserve project developers. The Reserve no longer accredits Verification Bodies. ANSI is currently accepting applications for the GHG accreditation program.

To successfully gain approval to conduct verification activities for the Climate Action Reserve, verification bodies and Lead Verifiers must meet the following requirements. [...]”

### Assessment outcome

Yes (1 Point).

### Justification of assessment

The VCS allows using VVBs accredited under approved programs or those that are members of the International Accreditation Forum (Provision 1). Under the VCS, the CDM, the JI, and the CAR are

approved programs (Provision 2). As for the CDM, validation and verification is conducted by designated operational entities (DOEs) which are independent auditors accredited by the CDM Executive Board (Provision 4). The JI accreditation relies on the CDM accreditation system (Provision 5). Under the CAR, only verification bodies currently accredited or enrolled in the ANSI accreditation program (International Accreditation Forum (IAF) member) may perform verification. For these reasons, this indicator is fulfilled (Provision 6).

### Indicator 5.3.3

#### Relevant scoring methodology provisions

The program has in place standards, procedures or guidance that validation and verification entities must comply with in performing their auditing functions (e.g., validation and verification standards and procedures, audit manuals) to ensure consistent auditing practices under the program.

#### Information sources considered

- 1 VCS Standard, v4.1, 22 April 2021. Available: [https://verra.org/wp-content/uploads/2021/04/VCS-Standard\\_v4.1.pdf](https://verra.org/wp-content/uploads/2021/04/VCS-Standard_v4.1.pdf).
- 2 VCS Program Guide, v4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/VCS\\_Program\\_Guide\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/VCS_Program_Guide_v4.0.pdf).
- 3 VCS Registration and Issuance process. Version 4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/Registration\\_and\\_Issuance\\_Process\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/Registration_and_Issuance_Process_v4.0.pdf).
- 4 Validation and Verification Manual, v3.2. Document issued in October 2016. Available: [https://verra.org/wp-content/uploads/2018/03/VCS\\_Validation\\_Verification\\_Manual\\_v3.2.pdf](https://verra.org/wp-content/uploads/2018/03/VCS_Validation_Verification_Manual_v3.2.pdf)
- 5 VCS Validation Report Template, online available at: <https://verra.org/wp-content/uploads/2019/09/VCS-Validation-Report-Template-v4.0.docx>.
- 6 VCS Verification Report Template, online available at: <https://verra.org/wp-content/uploads/2019/09/VCS-Verification-Report-Template-v4.0.docx>.
- 7 Program website: Rules & Requirements (<https://verra.org/project/vcs-program/rules-and-requirements/>), last accessed on 24 June 2021.

#### Relevant carbon crediting program provisions

- Provision 1 Source 4, section 4.1, page 40: “The VCS Program ensures consistent VVB reporting by requiring the use of validation and verification report templates. Guidance is contained within each template to assist VVBs in properly documenting processes, findings and conclusions. [...] When preparing a validation or verification report, VVBs must address, at minimum, the specific items detailed within the VCS templates (VCS Validation Report Template and VCS Verification Report Template, respectively) and adhere to the structure of the template. However, VVBs can provide additional information. VVBs are encouraged to include additional documentation as annexes to the reports where needed.”
- Provision 2 Source 7: “Templates and forms are provided to ensure that users of the VCS Program have a consistent structure to work from when completing certain

documents. These templates are required for the completion of project descriptions, monitoring reports, verification reports and other required documentation.”

### Assessment outcome

Yes (1 Point).

### Justification of assessment

Procedures, provisions and guidance directed at validation and verification entities are included in the VCS Program Guide, the VCS Standard, the VCS Registration and Issuance Process, and the Validation and Verification Manual. The Validation and Verification Manual specifies how VVBs should conduct auditing services (Provision 1). In addition, templates are provided to ensure that VVBs use a consistent structure in their assessments (Provisions 1 and 2). All documents are publicly available on the VCS website.

### Indicator 5.3.4

#### Relevant scoring methodology provisions

The validation and verification entities’ auditing functions extend to the review of stakeholder consultations by evaluating whether public comments have been duly considered by the project.

#### Information sources considered

- 1 VCS Validation Report Template, online available at: <https://verra.org/wp-content/uploads/2019/09/VCS-Validation-Report-Template-v4.0.docx>.
- 2 VCS Verification Report Template, online available at: <https://verra.org/wp-content/uploads/2019/09/VCS-Verification-Report-Template-v4.0.docx>.
- 3 Validation and Verification Manual, v3.2. Document issued in October 2016. Available: <https://verra.org/wp-content/uploads/2018/03/VCS Validation Verification Manual v3.2.pdf>

#### Relevant carbon crediting program provisions

Provision 1 Source 1, section 3.2.2, page 7: “Summarize any stakeholder input received during the local stakeholder consultation. Assess whether the project proponent has taken due account of all and any input, and provide an overall conclusion regarding local stakeholder input.

Include the project proponent’s response to all input, describe any resultant changes to the project design and provide an explanation of how the project proponent’s responses are appropriate.

For AFOLU projects, identify, discuss and justify a conclusion regarding whether the project communicated information about the project design and implementation, risks, costs and benefits, relevant laws and regulations and the process of VCS Program validation.”

Provision 2 Source 1, section 3.2.4, page 8: “Summarize any public comments submitted during the public comment period. Assess whether the project proponent has taken due account of all and any comments, and provide an overall conclusion regarding public comments.

Include the project proponent’s response to each comment, describe any resultant changes to the project design and provide an explanation of how the project proponent’s responses are appropriate.”

Provision 3 Source 2, section 4.2.2, page 9: “Summarize any stakeholder input received during ongoing communication with local stakeholders. Assess whether the project proponent has taken due account of all and any input, and provide an overall conclusion regarding local stakeholder input.

Include the project proponent’s response to all input, describe any resultant changes to the project design and provide an explanation of how the project proponent’s responses are appropriate.

For AFOLU projects, identify, discuss and justify a conclusion regarding whether the project continues to communicate the necessary relevant information about the project implementation, risks, costs and benefits, relevant laws and regulations and the process of VCS Program verification during the monitoring period.”

Provision 4 Source 3, section 4.1, page 40: “When preparing a validation or verification report, VVBs must address, at minimum, the specific items detailed within the VCS templates (VCS Validation Report Template and VCS Verification Report Template, respectively) and adhere to the structure of the template.”

### Assessment outcome

Yes (1 Point).

### Justification of assessment

The VCS Validation Report Template and Verification Report Template specify how comments provided via public stakeholder consultations must be addressed (Provisions 1, 2, and 3). The Validation and Verification Manual requires validation and verification entities to address all items detailed in these templates (Provision 4). The indicator is therefore fulfilled.

## Indicator 5.3.5

### Relevant scoring methodology provisions

The program has in place provisions which restrict a project owner’s use of the same validation and verification entity. These restrictions, sometimes referred to as “rotation” provisions, may limit the frequency of audits (e.g., if an auditor provided the initial verification, then that auditor may not provide the subsequent verification), the total number of audits (e.g., an auditor may only perform verification for six consecutive years of the project, thereafter another auditor must perform verification), or the types of audits which may be performed by the same entity for the same project (e.g., if an auditor performed the validation, another auditor must perform verification). Programs



may provide exceptions to such provisions as long as such exceptions are only granted in circumstances specified by the program. For example, geographic scarcity of auditors may necessitate the use of the same auditor for multiple verifications.

### Information sources considered

- 1 VCS Standard, v4.1, 22 April 2021. Available: [https://verra.org/wp-content/uploads/2021/04/VCS-Standard\\_v4.1.pdf](https://verra.org/wp-content/uploads/2021/04/VCS-Standard_v4.1.pdf).

### Relevant carbon crediting program provisions

Provision 1 Source 1, section 4.1.20, page 54-55: “Rotation of validation/verification bodies is required in respect of validation and verification, as follows:

- 1) Validation (including project crediting period renewal validation) and the first verification of a project (in a given project crediting period) may be undertaken by the same validation/verification body. However, the subsequent verification shall be undertaken by a different validation/verification body. For example, if validation and verification were undertaken at the same time, the subsequent verification would have to be undertaken by a different validation/verification body. If validation were undertaken first (i.e., separately), the first verification could be undertaken by the same validation/verification body, but the subsequent verification would have to be undertaken by a different validation/verification body.

Note –The gap validation of a project registered under an approved GHG program may be disregarded when assessing adherence to these requirements.

A validation/verification body may not verify more than six consecutive years of a project’s GHG emission reductions or removals. The validation/verification body may undertake further verification for the project only when at least three years of the project’s GHG emission reductions or removals have been verified by a different validation/verification body. Additionally, where a validation/verification body verifies the final six consecutive years of a project crediting period, the project crediting period renewal validation shall be undertaken by a different validation/verification body. Notwithstanding these rules, where AFOLU projects have verification periods longer than six years, a validation/verification body is permitted to verify more than six consecutive years of a project’s GHG emission reductions or removals, and the subsequent verification shall be undertaken by a different validation/verification body

Note –Validations and verifications performed under other GHG programs shall be counted when assessing adherence to these requirements.”

### Assessment outcome

Yes (1 Point).

### Justification of assessment

The above documentation clearly specifies that the indicator is fulfilled.

## Indicator 5.3.6

### Relevant scoring methodology provisions

The program provisions as set out in the standards, procedures or guidance for validation and verification entities, or otherwise indicated in the normative program documents, require that audit reports from validation and verification entities include at least:

- Details of audit dates
- Locations and scope of auditing
- The team composition of the validation and verification body
- Main findings
- Corrective action requests.

### Information sources considered

- 1 VCS Standard, v4.1, 22 April 2021. Available: [https://verra.org/wp-content/uploads/2021/04/VCS-Standard\\_v4.1.pdf](https://verra.org/wp-content/uploads/2021/04/VCS-Standard_v4.1.pdf).
- 2 VCS Validation Report Template, online available at: <https://verra.org/wp-content/uploads/2019/09/VCS-Validation-Report-Template-v4.0.docx>.
- 3 VCS Verification Report Template, online available at: <https://verra.org/wp-content/uploads/2019/09/VCS-Verification-Report-Template-v4.0.docx>.
- 4 Validation and Verification Manual, v3.2. Document issued in October 2016. Available: [https://verra.org/wp-content/uploads/2018/03/VCS\\_Validation\\_Verification\\_Manual\\_v3.2.pdf](https://verra.org/wp-content/uploads/2018/03/VCS_Validation_Verification_Manual_v3.2.pdf)

### Relevant carbon crediting program provisions

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|-------------|---|
| Provision 1 | Source 1, section 4.1.13, page 53: “The validation report describes the validation process, any findings raised during validation and their resolutions, and the conclusions reached by the validation/ verification body.”       |
| Provision 2 | Source 1, section 4.1.14, page 53: “The verification report describes the verification process, any findings raised during verification and their resolutions, and the conclusions reached by the validation/ verification body.” |
| Provision 3 | Source 2, section 1.2, page 5: “Describe the scope and criteria of the validation.”   |
| Provision 4 | Source 2, section 2.5, page 6: “Describe the process for the resolution of findings (corrective actions, clarifications or other findings) raised by the validation team during the validation.                                   |

State the total number of corrective action requests, clarification requests, forward action requests and other findings raised during the validation.

Provide a summary of each finding, including the issue raised, the response(s) provided by the project proponent, and the final conclusion and any resulting changes to project documents. Unless this fits on one page, put all findings in an appendix.”

- Provision 5 Source 3, page 2: “Work carried out by: Individuals who conducted this validation”
- Provision 6 Source 4, page 2: “Work carried out by: Individuals who conducted this verification”
- Provision 7 Source 4, section 4,1, page 40-41: “Overview.

The VCS Program ensures consistent VVB reporting by requiring the use of validation and verification report templates. Guidance is contained within each template to assist VVBs in properly documenting processes, findings and conclusions.

#### Key Elements.

When preparing a validation or verification report, VVBs must address, at minimum, the specific items detailed within the VCS templates (VCS Validation Report Template and VCS Verification Report Template, respectively) and adhere to the structure of the template. However, VVBs can provide additional information. VVBs are encouraged to include additional documentation as annexes to the reports where needed.

The report templates have been developed to ensure both a minimum level of transparency in reporting and consistency in work undertaken by different VVBs. Both templates are structured in a similar manner covering the following key areas:

- Introduction: Covers objectives, scope, criteria, level of assurance and project description.
- Process: Addresses methods, objectives and criteria, including the sampling plan used to undertake the validation nor verification.
- Findings: Identifies, discusses and justifies findings in specific areas identified in the templates
- Conclusions: Provides a clear statement of conclusions, addressing specific items identified in the templates.

The verification template also includes a section for reporting on the validation process, findings and conclusions, which VVBs need to complete where a methodology deviation or project description deviation is applied to the project or where new project activity instances are added to a grouped project. In some cases, verification may also include gap validation of a project that is registered sequentially under the VCS and another approved GHG program.”

- Provision 8 Source 4, section 4.2, page 41-42: “Overview.

A sufficient level of information and detail must be provided in validation and verification reports to allow readers to understand the validation or verification process and draw informed conclusions about the project.

#### Key Elements.

Understanding the appropriate level of detail for reporting is a common challenge for VVBs. Reporting is simplified through various report templates where VVBs are instructed whether to provide more descriptions or more detailed discussion and justification.

All sections of the templates, other than validation or verification findings, require only a description. VVBs must indicate the activities conducted, methods used, criteria

applied and other information as appropriate. Descriptions should be succinct, while providing enough detail for the reader to understand what approaches were taken. VVBs are not required to include details on why they pursued a chosen course of action.

In contrast, the validation and verification findings sections of the templates require the identification, discussion and justification of all conclusions. VVBs must not only indicate findings but must also provide details on the following:

- Project proponent assertions;
- Types and amounts of evidence sampled and tested;
- Material and non-material discrepancies identified and how they were addressed; and
- Results of data testing that support the validation or verification conclusions.

VVBs must also ensure that reports contain an itemized breakdown of GHG emission reductions and removals where appropriate. For example, where the net emission reductions and removals is the sum of emission reductions and removals from changes in soil carbon, changes in both belowground biomass and aboveground biomass, as well as emission reductions and removals from each of the carbon pools must be stated and verified separately.

Where the monitoring report includes vintage breakdowns, the verification report must verify the emission reduction and removal volume for each vintage period specifying the exact start dates and end dates of the vintage period. This is required if VCUs are to be issued according to any vintage period breakdown in the monitoring report.

It is not necessary to provide detailed information such as the results of individual recalculations, notes from interviews and meetings, or detailed observations from site visits. This detailed information should still be retained outside of the validation or verification report in the form of validation and verification records. Such records assist VVBs in demonstrating conformance to ISO 14064-3 and ISO 14065 (e.g., as part of accreditation assessment and surveillance). VCSA may also request such records as part of program oversight.”

### **Assessment outcome**

Yes (1 Point).

### **Justification of assessment**

The Validation and Verification Manual requires validation and verification entities to address all items detailed in the VCS Validation Report Template and the VCS Verification Report Template (Provision 6). These templates must include location and dates of site inspections, a brief description of the validation and verification and the project, the individuals who conducted the validation or verification, the purpose and scope of validation and verification, the method and criteria used for validation and verification, corrective actions and validation and verification findings (Provisions 3-8). The indicator is therefore fulfilled.

## Indicator 5.3.7

### Relevant scoring methodology provisions

“The program has procedures in place to perform oversight of the validation and verification entities that have been approved under the program. Oversight should include review of individual project validation or verification reports and systematic monitoring of the validation and verification entity’s job performance.”

### Information sources considered

- 1 VCS Program Guide, v4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/VCS\\_Program\\_Guide\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/VCS_Program_Guide_v4.0.pdf).
- 2 Verra VVB Agreement Template v1.2, 30 November 2021. Available: <https://verra.org/wp-content/uploads/2021/11/Verra-VVB-Agreement-Template-v1.2.docx>

### Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.5.6, page 8: “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 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.”

Provision 2 Source 2, section 1.1, page 3: ““VVB Oversight Procedures” means the procedures to ensure the quality of work undertaken by VVBs as set out in the relevant Verra Program Rules and guidance documents and notified to the Service Provider by Verra from time to time.”

Provision 3 Source 2, section 3.1, page 5: “The Service Provider shall at all times conduct its performance of the Services in compliance with the relevant Verra Program Rules and VVB Oversight Procedures and, where Verra’s approval of the Service Provider under this Agreement to provide the Services is based on the Service Provider’s accreditation under an Accreditation Program as set out in the Verra Program Rules, the rules and principles of that Accreditation Program, as relevant.”

Provision 4 Source 2, section 4.1, page 6: “4.1 Right of Verra to Review the Service Provider

Verra may, at its discretion (and, for the avoidance of doubt, either itself or through any agent it may appoint from time to time), conduct individual or periodic reviews of the Service Provider’s performance of the Services to seek evidence as to whether the Service Provider has complied and is in compliance with its obligation under Clause 3.1. Such reviews may include, but are not limited to, desk reviews of the Service Provider’s work, visits to the Service Provider’s offices, witnessing the Service Provider undertaking the Services and visits to Projects. The Service Provider shall use all reasonable efforts to cooperate with such reviews, visits and witnessing, and shall comply with any reasonable request of Verra for information, copies of documents or access to documents or data in connection with such reviews (only to

the extent that these are not publicly available, the Service Provider has reasonable access to such documents or data and the provision of (or the disclosure of information contained in or of the fact of the existence of or the grant of access to) such documents does not breach or conflict with any duty of confidence or related contractual obligation owed by the Delivering Party to any third party). All reviews conducted by Verra under this clause 4.1 shall be at Verra's sole cost and expense.”

Provision 5 Source 2, section 4.2, page 6: “4.2 Referral to the Relevant Body

If Verra becomes aware, whether in the course of a review in accordance with Clause 4.1 or otherwise, of any evidence that the Service Provider may not have complied in any respect with the rules or principles of any Accreditation Program for which the Service Provider is accredited, as relevant, Verra may, at its discretion, provide such evidence of non-compliance to the relevant Accreditation Program or body recognized by the respective Verra Program Rules, as relevant, without the prior approval of or notification to the Service Provider.”

Provision 6 Source 2, section 5.1, page 7: “5.1 Automatic Suspension of the Service Period

If, at any time during the Service Period, the relevant accreditation of the Service Provider expires or is withdrawn, suspended or cancelled, then the Service Period for that Service shall be immediately suspended. Where such expiry, withdrawal, suspension or cancellation relates to a subset of the Services, the Service Period shall be automatically suspended only for the same subset of the Services, though Verra reserves the right to suspend the Service Period in relation to all Services. For the avoidance of doubt, where the Service Provider holds multiple relevant accreditations, the expiry, withdrawal, suspension or cancellation of any one of such accreditations shall result in such automatic full or partial suspension of the Service Period, as appropriate and as contemplated in this Clause 5.1.”

Provision 7 Source 2, section 5.2, page 7: “5.2 Discretionary Suspension of the Service Period

If Verra becomes aware, whether in the course of a review in accordance with Clause 4.1 or otherwise, of any evidence that the Service Provider may not have complied in any respect with its obligation under Clause 3.1, Verra may, in its absolute discretion, decide to partially suspend the Service Period for one or more Services, by suspending the Service Period in respect of specific scopes and/or functions, or fully suspend the Service Period, by suspending the Service Period in respect of the whole of the subject matter of this Agreement. If Verra decides to suspend the Service Period pursuant to this Clause 5.2, it shall notify the Service Provider at least 15 Business Days in advance of the starting date of such suspension and provide the Service Provider with a copy or detailed description of the evidence upon which it has based its decision.”

Provision 8 Source 2, section 5.3, page 7: “5.3 Prohibition on Providing Services during Suspension

During the period of any suspension of the Service Period pursuant to Clause 5.1 or Clause 5.2, the Service Provider shall not issue any reports or other documentation in connection with the suspended Services, except with the agreement of Verra. During such period, Verra may indicate in the list of Validation/Verification Bodies on its website that the Service Period has been suspended for the relevant Service.“

## Assessment outcome

Yes (1 Point).

## Justification of assessment

The VCS program guide specifies that “Verra is also responsible for overseeing the validation/verification bodies operating under the VCS Program” and “may provide feedback and require the validation/verification body to address non-conformities” where Verra identifies shortcomings in a validation/verification body’s performance. The Verra Agreement Template v1.2 identifies the types of review and oversight Verra is permitted to conduct and that Verra may take action against the VVB by reporting non-compliance to the accreditation body (Provision 4 and Provision 5). The Verra Agreement Template v1.2 further identifies that action may be taken against the VVB if they are out of line with clause 3.1: Verra Program Rules (Provision 3). This clause also identifies the VVB Oversight Procedures as defined in Provision 2 which reference the Verra Program Rules. Provision 3 identifies that review of the VVBs work and job performance are to be reviewed, but the public availability of the VVB Oversight Procedures would add confidence to this assessment. The indicator is, however, considered to be fulfilled.

## Indicator 5.3.8

### Relevant scoring methodology provisions

“The program has procedures in place for reporting identified non-compliances to the validation and verification entity and its accreditation body(ies).”

### Information sources considered

- 3 VCS Program Guide, v4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/VCS\\_Program\\_Guide\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/VCS_Program_Guide_v4.0.pdf).
- 4 Verra VVB Agreement Template v1.2, 30 November 2021. Available: <https://verra.org/wp-content/uploads/2021/11/Verra-VVB-Agreement-Template-v1.2.docx>

### Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.5.6, page 8: “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 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.”

Provision 2 Source 2, section 1.1, page 3: ““VVB Oversight Procedures” means the procedures to ensure the quality of work undertaken by VVBs as set out in the relevant Verra Program Rules and guidance documents and notified to the Service Provider by Verra from time to time.”

- Provision 3 Source 2, section 3.1, page 5: “The Service Provider shall at all times conduct its performance of the Services in compliance with the relevant Verra Program Rules and VVB Oversight Procedures and, where Verra's approval of the Service Provider under this Agreement to provide the Services is based on the Service Provider's accreditation under an Accreditation Program as set out in the Verra Program Rules, the rules and principles of that Accreditation Program, as relevant.”
- Provision 4 Source 2, section 4.1, page 6: “4.1 Right of Verra to Review the Service Provider  
Verra may, at its discretion (and, for the avoidance of doubt, either itself or through any agent it may appoint from time to time), conduct individual or periodic reviews of the Service Provider's performance of the Services to seek evidence as to whether the Service Provider has complied and is in compliance with its obligation under Clause 3.1. Such reviews may include, but are not limited to, desk reviews of the Service Provider's work, visits to the Service Provider's offices, witnessing the Service Provider undertaking the Services and visits to Projects. The Service Provider shall use all reasonable efforts to cooperate with such reviews, visits and witnessing, and shall comply with any reasonable request of Verra for information, copies of documents or access to documents or data in connection with such reviews (only to the extent that these are not publicly available, the Service Provider has reasonable access to such documents or data and the provision of (or the disclosure of information contained in or of the fact of the existence of or the grant of access to) such documents does not breach or conflict with any duty of confidence or related contractual obligation owed by the Delivering Party to any third party). All reviews conducted by Verra under this clause 4.1 shall be at Verra's sole cost and expense.”
- Provision 5 Source 2, section 4.2, page 6: “4.2 Referral to the Relevant Body  
If Verra becomes aware, whether in the course of a review in accordance with Clause 4.1 or otherwise, of any evidence that the Service Provider may not have complied in any respect with the rules or principles of any Accreditation Program for which the Service Provider is accredited, as relevant, Verra may, at its discretion, provide such evidence of non-compliance to the relevant Accreditation Program or body recognized by the respective Verra Program Rules, as relevant, without the prior approval of or notification to the Service Provider.”
- Provision 6 Source 2, section 5.1, page 7: “5.1 Automatic Suspension of the Service Period  
If, at any time during the Service Period, the relevant accreditation of the Service Provider expires or is withdrawn, suspended or cancelled, then the Service Period for that Service shall be immediately suspended. Where such expiry, withdrawal, suspension or cancellation relates to a subset of the Services, the Service Period shall be automatically suspended only for the same subset of the Services, though Verra reserves the right to suspend the Service Period in relation to all Services. For the avoidance of doubt, where the Service Provider holds multiple relevant accreditations, the expiry, withdrawal, suspension or cancellation of any one of such accreditations shall result in such automatic full or partial suspension of the Service Period, as appropriate and as contemplated in this Clause 5.1.”
- Provision 7 Source 2, section 5.2, page 7: “5.2 Discretionary Suspension of the Service Period



If Verra becomes aware, whether in the course of a review in accordance with Clause 4.1 or otherwise, of any evidence that the Service Provider may not have complied in any respect with its obligation under Clause 3.1, Verra may, in its absolute discretion, decide to partially suspend the Service Period for one or more Services, by suspending the Service Period in respect of specific scopes and/or functions, or fully suspend the Service Period, by suspending the Service Period in respect of the whole of the subject matter of this Agreement. If Verra decides to suspend the Service Period pursuant to this Clause 5.2, it shall notify the Service Provider at least 15 Business Days in advance of the starting date of such suspension and provide the Service Provider with a copy or detailed description of the evidence upon which it has based its decision.”

Provision 8 Source 2, section 5.3, page 7: “5.3 Prohibition on Providing Services during Suspension

During the period of any suspension of the Service Period pursuant to Clause 5.1 or Clause 5.2, the Service Provider shall not issue any reports or other documentation in connection with the suspended Services, except with the agreement of Verra. During such period, Verra may indicate in the list of Validation/Verification Bodies on its website that the Service Period has been suspended for the relevant Service.“

### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

The VCS provides for oversight of VVBs. The element that is not fulfilled by the program is the requirement to report non-compliances by VVBs. The current language from Provision 4 section 4.2 identifies that “Verra may, in its absolute discretion...” refer the infraction to the accreditation program and Verra does not need to notify the VVB that this is happening. Such reporting is thus not systematically occurring. Therefore, this indicator is not fulfilled.

### **Indicator 5.3.9**

#### **Relevant scoring methodology provisions**

The accreditation bodies recognized by the carbon crediting program, or the carbon crediting program if it itself accredits validation and verification entities, have monitoring procedures in place to regularly assess the performance of validation and verification entities in providing auditing services to the relevant carbon crediting program (e.g., through regular accreditation surveillance, requirements for re-accreditation).

#### **Information sources considered**

- 1 Decision 3/CMP.1: Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol. ANNEX Modalities and procedures for a clean development mechanism. Available at [https://cdm.unfccc.int/Reference/COPMOP/08a01\\_abbr.pdf](https://cdm.unfccc.int/Reference/COPMOP/08a01_abbr.pdf).

- 2 Procedure: Performance monitoring of designated operational entities. CDM-EB58-A01-PROC. Version 04.0, 12 June 2020. Available: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20200617103751365/Accr\\_proc02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20200617103751365/Accr_proc02.pdf).
- 3 ANSI program website (<https://anab.ansi.org/greenhouse-gas-validation-verification/how-to-apply>), last accessed on 21 July 2021.
- 4 Accreditation Policy for ANAB Greenhouse Gas Validation / Verification Body Accreditation Program. PUBLIC POLICY GHG-PL-701. Revision 3, 4 March 2021. Available: <https://anabpd.ansi.org/Accreditation/environmental/greenhouse-gas-validation-verification/DocumentDetail?DRId=119>.

### Relevant carbon crediting program provisions

- Provision 1 Source 1, paragraph 20, page 11: “The Executive Board shall:
- (a) Accredite operational entities which meet the accreditation standards contained in appendix A below;
  - (b) Recommend the designation of operational entities to the COP/MOP;
  - (c) Maintain a publicly available list of all designated operational entities;
  - (d) Review whether each designated operational entity continues to comply with the accreditation standards contained in appendix A below and on this basis confirm whether to reaccredit each operational entity every three years;
  - (e) Conduct spot-checking at any time and, on the basis of the results, decide to conduct the above-mentioned review, if warranted.”
- Provision 2 Source 2, paragraph 5, page 4: “This procedure is not intended to provide for comparative ranking of DOEs, but to indicate the level of performance and compliance of individual DOEs with the CDM requirements. Its implementation should be complemented with system-wide analysis and improvement.”
- Provision 3 Source 3: “Surveillance:
- Surveillance of accredited V/VBs provides confidence about the full implementation and effectiveness of the V/VBs system. The intent of regular surveillance is to assure stakeholders of the quality of the services provided. Surveillance occurs every year annually at the date of initial accreditation.”
- Provision 4 Source 4, clause 10.1: “GHG Program operates based on a 5-year cycle. Therefore, reassessment activities shall be conducted during year 5 of the V/VB’s accreditation in accordance with the GHG Program procedures. Reassessment shall proceed similar to initial assessment except that experience gained during previous assessments shall be taken into account.”
- Provision 5 Source 4, clause 10.2: “Surveillance assessment on accredited V/VBs shall be conducted every year in accordance with the GHG Program procedures other than the years during which the V/VB undergoes reassessment per clause 10.1. The purpose of surveillance assessments is to monitor the continued conformance of accredited V/VBs with the international standards, appropriate guidance documents and ANAB policies and procedures.”

- Provision 6 Source 4, clause 10.3: “Surveillance assessment shall be less comprehensive than initial assessments and reassessments but shall include document review, onsite assessment and at least one witness assessment. Specific number of witness assessments and sites to be visited shall be determined by ANAB staff in consultation with technical assessor(s) if necessary. Surveillance onsite assessments shall be planned taking into account other surveillance activities.”
- Provision 7 Source 4, clause 10.4: “All V/VB premises from which one or more key activities are performed shall be assessed at least once within the accreditation cycle.”

### Assessment outcome

No (0 Points).

### Justification of assessment

The CDM Executive Board is one of the eligible accreditation bodies under the VCS. The CDM has procedures in place to regularly assess the performance of its accredited validation and verification entities. These assessments however, only cover the performance of accredited entities with regard to their auditing functions under the CDM (Provisions 1 and 2). The performance of these entities outside the CDM is not assessed. This criterion is therefore not fulfilled. Besides the CDM Executive Board, Active VVBs under the VCS program are accredited by the American National Standards Institute (ANSI). ANSI has appropriate procedures in place to periodically assess the performance of validation and verification bodies (Provisions 3-7).

### Indicator 5.3.10

#### Relevant scoring methodology provisions

The program has procedures in place for program personnel to perform their own quality control reviews of individual projects seeking registration and carbon credit issuance requests. Examples of quality control reviews of project compliance may include desk reviews of submitted project documentation, interviews with project owners, and/or in-person site visits.

#### Information sources considered

- 1 VCS Registration and Issuance process. Version 4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/Registration\\_and\\_Issuance\\_Process\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/Registration_and_Issuance_Process_v4.0.pdf).

#### Relevant carbon crediting program provisions

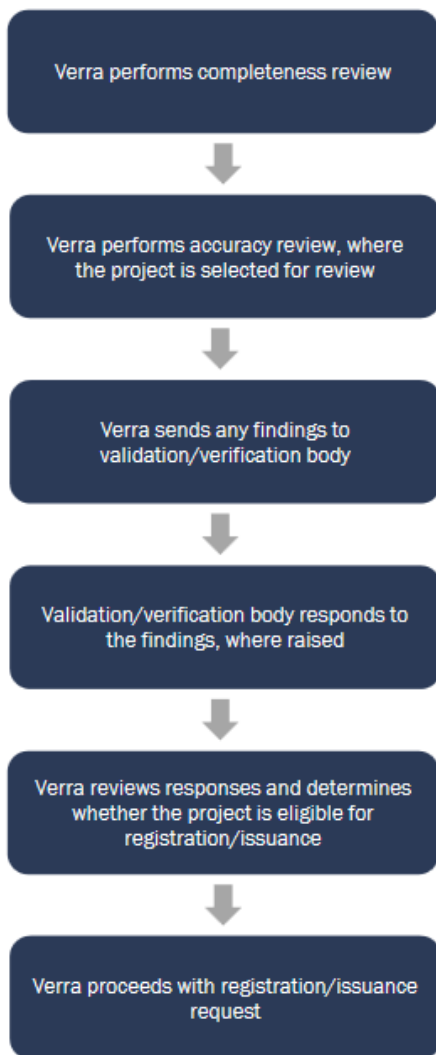
- Provision 1 Source 1, section 6.1.1, page 33: “Verra may, at its discretion, review registered projects and issued VCUs where it has concerns about adherence of the project to the VCS Program rules and the applied methodology. A review may be triggered by any of the following:
- 1) A validation/verification body performing a verification of a registered project identifies an error or quality issue in a previous validation or verification.
  - 2) A project proponent identifies an error or quality issue after the registration or issuance of the project.

- 3) A stakeholder has concerns about a registered project.
- 4) Verra itself identifies an error or quality issue, as part of routine operations.”

Provision 2 Source 1, section 4.3, page 14-15: “The project review is a two-part process consisting of a completeness review and an accuracy review (undertaken at Verra’s discretion) of the project registration, VCU issuance or project crediting period renewal request. The project review process is set out in Diagram 5 below. Verra notifies the project proponent (or its authorized representative) and the validation/verification body at the start and completion of each review. Note that the project review process is triggered when the relevant documentation for registration, issuance or project crediting period renewal is submitted to the Verra registry. As such, project proponents are encouraged to submit their documentation to the Verra registry as soon as it is ready, so that the project review process may be completed at an early stage.

[...]

Diagram 5: Review of Project Registration and VCU Issuance Request



Provision 3 Source 1, section 4.3.8, page 17-18: “Where Verra determines that the project has failed to comply with the VCS Program rules, Verra shall inform the project proponent (or its authorized representative) and the validation/verification body that the project

fails to demonstrate compliance with the VCS Program rules and is ineligible for registration or issuance, stating the reasons. Upon request by the project proponent or its authorized representative, Verra shall return the project documents to the project proponent or its authorized representative.”

### Assessment outcome

Yes (1 Point).

### Justification of assessment

Section 4.3 of the VCS Registration and Issuance Process contains provisions for a completeness review and an accuracy review of the project registration, VCU issuance or project crediting period renewal request undertaken by Verra (Provisions 1 and 2). The indicator is therefore fulfilled.

### Indicator 5.3.11

#### Relevant scoring methodology provisions

The program and/or the accreditation bodies recognized by the program have procedures in place to apply sanctions against validation and verification entities in cases of performance issues, including suspension or increased oversight (e.g., spot checks). Sanctions could be in response to accreditation lapses or other non-compliances identified by the program.

#### Information sources considered

- 1 VCS Program Guide, v4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/VCS\\_Program\\_Guide\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/VCS_Program_Guide_v4.0.pdf).
- 2 VCS Registration and Issuance process. Version 4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/Registration\\_and\\_Issuance\\_Process\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/Registration_and_Issuance_Process_v4.0.pdf).
- 3 Accreditation Policy for ANAB Greenhouse Gas Validation / Verification Body Accreditation Program. PUBLIC POLICY GHG-PL-701. Revision 3, 4 March 2021. Available: <https://anabpd.ansi.org/Accreditation/environmental/greenhouse-gas-validation-verification/DocumentDetail?DRId=119>.
- 4 Decision 3/CMP.1: Modalities and procedures for a clean development mechanism as defined in Article 12 of the Kyoto Protocol. ANNEX Modalities and procedures for a clean development mechanism. Available at [https://cdm.unfccc.int/Reference/COPMOP/08a01\\_abbr.pdf](https://cdm.unfccc.int/Reference/COPMOP/08a01_abbr.pdf).
- 5 Procedure: Performance monitoring of designated operational entities. CDM-EB58-A01-PROC. Version 04.0, 12 June 2020. Available: [https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20200617103751365/Accr\\_proc02.pdf](https://cdm.unfccc.int/sunsetcms/storage/contents/stored-file-20200617103751365/Accr_proc02.pdf)

#### Relevant carbon crediting program provisions

Provision 1 Source 1, section 2.5.6, page 8: “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 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."

- Provision 2 Source 2, section 6.1.4, table 4, page 34: "Where significant performance issues are found, and as appropriate, disciplinary action shall be taken against the validation/verification body."
- Provision 3 Source 3, clause 11.1: "The V/VB may apply to request extension of the scope of ANAB accreditation. ANAB shall conduct due assessment based on the requirements of the new scope(s) which may include an onsite assessment."
- Provision 4 Source 3, clause 11.2: "Decision on extension of scope of accreditation shall be made by the GVAC in accordance with GHG Program procedures once the V/VB has satisfactorily closed all the NCRs related to the new scopes and paid all the fees related to scope extension."
- Provision 5 Source 3, clause 11.3: "Based on GHG Program procedures, accreditation of the V/VB may be reduced, suspended, or withdrawn by the GVAC for a persistent failure of the accredited V/VB to abide by relevant standards and ANAB policies and procedures."
- Provision 6 Source 3, clause 11.4: "The V/VB may request ANAB to reduce or suspend its scope of accreditation or voluntarily withdraw from accreditation."
- Provision 7 Source 4, paragraph 21, page 11: "The Executive Board may recommend to the COP/MOP to suspend or withdraw the designation of a designated operational entity if it has carried out a review and found that the entity no longer meets the accreditation standards or applicable provisions in decisions of the COP/MOP. The Executive Board may recommend the suspension or withdrawal of designation only after the designated operational entity has had the possibility of a hearing. The suspension or withdrawal is with immediate effect, on a provisional basis, once the Executive Board has made a recommendation, and remains in effect pending a final decision by the COP/MOP. The affected entity shall be notified, immediately and in writing, once the Executive Board has recommended its suspension or withdrawal. The recommendation by the Executive Board and the decision by the COP/MOP on such a case shall be made public."
- Provision 8 Source 5, paragraph 44, page 15: "8.3.2. Activation of spot-checks.  
The CDM-AP shall initiate a spot-check of a DOE, if the DOE is in the red zone of indicators I2 and I3 in the first iteration report if such report covers 95 per cent of the requests, or in the second iteration report if the first iteration report does not cover 95 per cent of the requests."
- Provision 9 Source 5, paragraph 45, page 15: "8.4. Actions to be undertaken by the CDM Executive Board.  
The Board, based on the information reported by the secretariat, shall take note of the performance of DOEs."

Provision 10 Source 5, paragraph 46, page 15: “The Board may also, based on the analysis provided by the secretariat, identify any measures to improve its regulatory framework.”

### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

VCS has procedures in place to perform oversight on VVBs and to take disciplinary action against VVBs that are out of compliance with the VCS Program requirements as defined in the VCS Registration and Issuance process (Provisions 1-2). The American National Standards Institute (ANSI) as one of the eligible accreditation bodies that regularly accredit VVBs approved under the VCS program also has appropriate procedures in place to apply sanctions against validation and verification entities in cases of performance issues (Provision 3-6). The CDM Executive Board is one of the eligible accreditation bodies under the VCS. The CDM has procedures in place to regularly assess the performance of its accredited validation and verification entities and for the Executive Board to take entities' performance into their decisions about accreditation (Provision 7-10). These assessments, however, only cover the performance of accredited entities with regard to their auditing functions under the CDM (Provision 7). The performance of these entities outside the CDM is not assessed. The indicator is therefore not fulfilled.

### **Scoring results**

According to the above assessment, the carbon crediting program receives 10 out of 13 achievable points. Applying the scoring approach of the methodology, this results in a score of 3.85.