



# Sustainable Development Verified Impact Standard

A VERRA STANDARD



## Sustainable Development Verified Impact Standard *Project Requirements*

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# 1 Introduction

The Sustainable Development Verified Impact Standard (SD VISTA) is a global standard managed by [Verra](#)~~VCS~~ for projects that generate verifiable *sustainable development benefits*. SD VISTA projects must demonstrate how they will advance the Sustainable Development Goals (SDGs) and deliver *benefits for people, their prosperity and the planet*, in accordance with the United Nations' 2015 resolution *Transforming our World: the 2030 Agenda for Sustainable Development* (hereafter referred to as the *2030 Agenda*).

The two principal documents of the SD VISTA Program are the [Sustainable Development Verified Impact Standard](#) and the [SD VISTA Program Guide](#). ~~The Sustainable Development Verified Impact Standard (this and the SD VISTA Project Requirements. The SD VISTA Program Guide describes the rules and requirements governing the SD VISTA Program and further describes the constituent parts of the program such as the project registration process, the VCS registry system, the methodology approval process and the accreditation requirements for validation/verification bodies. The document)~~ [SD VISTA Project Requirements](#) provides the requirements for developing projects as well as the requirements for validation, monitoring and verification of projects and related claims and assets. ~~It is complemented by the SD VISTA Program Guide, which sets out constituent parts and processes of the program. The SD VISTA Program Guide<sup>4</sup> should be read before using the Sustainable Development Verified Impact Standard~~ [SD VISTA Project Requirements](#).

This Section 1 sets out general information about the SD VISTA Program. Sections 2-5 are requirements for project design and implementation. Section 6 sets out requirements of the [project assessment](#)~~validation and verification~~ process. ~~The glossary is in Section 7, and Section 8 is a list of all resources referred to in this document.~~

## 1.1 Version and Update Schedule

All information about version control under the SD VISTA Program is contained in the [SD VISTA Program Guide](#).

This document will be updated from time-to-time and readers shall ensure that they are using the most current version of the document. The next review and potential update of this document is scheduled for 2020. Where external documents are referenced, and such documents are updated, the most recent version of the document shall be used.

## 1.2 Scope of the SD VISTA Program

The SD VISTA Program sets out rules and requirements for the transparent and credible design, implementation and verification of sustainable development projects. It applies to any kind of project that aims to deliver sustainable development benefits. Example project types include, but are not limited to, the following: *agriculture, forestry and other land use (AFOLU)*, ecosystem-based adaptation, energy efficiency, food security, health care, housing, cooking technologies, infrastructure, renewable energy, sustainable livelihoods, transportation, water access and women's empowerment.

~~Projects that demonstrate compliance with the optional requirements bracketed and designated M/V/G in this document prove that their beneficiaries include at least one marginalized and/or vulnerable group.~~

The scope of the SD VISTA Program does not include creation of credits for GHG emission reductions and removals (ERR), or cover carbon footprint assessments or carbon neutrality claims. These credits and claims may be generated by using another program, such as the [Verified Carbon Standard](#)~~Verified Carbon Standard~~ (VCS) for GHG ERRs, concurrently with SD VISTA. ~~The concurrent application of SD~~

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<sup>4</sup>The [SD VISTA Program Guide](#) is still under development. It will be open for review during the second SD VISTA public consultation period, which is planned for mid-2018.

~~VISTa and the VCS will be facilitated through combined templates and validation/verification procedures. VCS would also welcome opportunities to work with other programs on similar streamlining.~~

### 1.3 Language

1.3.1 The operating language of the SD VISTa Program is English. SD VISTa Program documents may be translated into other languages to facilitate local use. However, the English versions of SD VISTa Program documents, and the interpretation of same, shall take precedence over any other language translations.

1.3.2 The project description, validation report, monitoring report, verification report and all other documentation (including any and all appendices) required under the SD VISTa Program shall be written in English. For projects located in countries for which English is not a widely used language among project *stakeholders*<sup>2</sup>, the project proponent shall develop at least a summary of the project description and/or monitoring report in a relevant local or regional language. This shall be the same summary disseminated to project stakeholders (as described in Section 2.2.2~~4~~).

### 1.4 Definitions

Definitions as set out in the document *SD VISTa Program Definitions* shall apply to all SD VISTa Program documentation. Note that defined terms in the SD VISTa Program documents, in common with ISO convention, are used without capital first letters.<sup>3</sup>

## 2 Project Design

This section is for the demonstration of the project's objectives and plans for achieving them, including stakeholder engagement and rights.

### 2.1 Project Goals, Context~~Design~~ and Long-term Viability

#### *Concept*

The project has clear sustainable development objectives and is designed to meet these objectives. Opportunities and threats are identified and managed to generate and maintain project benefits within and beyond the life of the project. Causal chains, which map the cause-and-effect relationships resulting from the project's activities, are used to describe the project's outputs, outcomes and impacts (positive and negative, intended and unintended) for people, their prosperity and the planet.

#### Requirements~~Indicators~~

#### Project Overview

~~2.1.1 The project shall have clearly defined~~~~Identify and provide contact details for the project proponent(s).~~

~~2.1.2 Define the project's~~ sustainable development objective(s). These objectives shall include

~~2.1.3 Identify~~ at least one United Nations Sustainable Development Goal (SDG) Target for which the project will demonstrate positive *impact*.

<sup>2</sup> Throughout the SD VISTa Program, unless otherwise specified, the term 'stakeholder' means those stakeholders in the geographic vicinity of the project who could potentially be affected by project activities. Other potentially interested stakeholders—e.g. local or international NGOs—are identified as such.

<sup>3</sup> This consultation version of the document has a glossary; however, when the SD VISTa Program is released the glossary will be removed to a separate *SD VISTa Program Definitions* document.

1 ~~2.1.2 One~~ Provide one or more *causal chains* ~~describing to map the cause and effect relationships~~  
2 ~~resulting from the project's activities. These chains shall describe the project's outputs, outcomes and~~  
3 ~~impacts of the (intended and unintended) for people, their prosperity and the planet.~~

4 ~~2.1.4.1 Activities intended to generate the project's predicted sustainable development activities~~ benefits,  
5 ~~including the SDG Target(s) identified in Section 2.1.3, shall be submitted at validation and~~  
6 ~~updated/monitored (and this monitoring described in Section 3.3 and/or 4.3, as necessary at each~~  
7 ~~verification appropriate).~~ If the project will generate an SD VISTA asset, the asset creation process shall  
8 be included in the causal chain(s).

9 ~~2.1.3 Precautions to avoid~~ ~~4.2 All potentially~~ negative outputs, outcomes and impacts ~~identified/described~~  
10 ~~in the causal chain(s) where possible. If it is directly caused by project activities, any negative output,~~  
11 ~~outcome or impact shall be monitored (and this monitoring described in Section 3.3 and/or 4.3, as~~  
12 ~~appropriate) and mitigated. (per Sections 3.2.2 and 3.2.3 and/or 4.2.3 and 4.2.4, as appropriate).~~

13 2.1.4 Note: If the project's causal chain(s) do not indicate any significant negative or positive impacts of  
14 *project activities* on stakeholders, the project is exempted from the requirements of Section 3 (Benefits for  
15 People and Prosperity). If causal chain(s) do not indicate any significant negative or positive impacts of  
16 project activities for *natural capital* and *ecosystem services*, the project is exempted from the  
17 requirements of Section 4 (Benefits for the Planet). The project proponent shall demonstrate that project  
18 activities have generated net positive impacts by meeting the requirements of Section 3 or Section 4 or  
19 both.

20 2.1.5 Project location shall be specified in ~~Provide a map specifying~~ the project description/location as  
21 follows:

22 2.1.5.1 Project location for non-AFOLU projects shall be specified by a single geodetic coordinate.  
23 Where there are multiple *project activity instances*, the following applies:

- 24 a. Where it is reasonable to do so, a geodetic coordinate shall be provided for each instance  
25 and provided in a KML file; or  
26 b. Where there are a large number project activity instances (e.g., for cookstoves or energy  
27 efficient light bulb distribution), at least one geodetic coordinate shall be provided, together  
28 with sufficient additional geographic information (with respect to the location of the instances)  
29 to enable appropriate sampling by the *validation/verification body*.

30 2.1.5.2 Project location for grouped projects shall be specified using geodetic polygons to delineate  
31 the project's geographic area or areas and provided in a KML file.

32 2.1.5.3 Project location for AFOLU projects shall be specified using geodetic polygons to delineate  
33 the geographic area of each AFOLU project activity and provided in a KML file.

34 2.1.6 If the project's sustainable development benefits will be experienced outside the project location (as  
35 identified in Section 2.1.5), those areas shall be specified by impact using geodetic polygons to delineate  
36 the geographic area and provided in a KML file.

37 2.1.7 Define the project start date shall be the date on which activities that lead to the generation of  
38 sustainable development benefits are implemented.

39 ~~2.1.8 The~~ and project shall have lifetime, and, if the project will generate one or more SD VISTA assets,  
40 define and justify a defined/chosen crediting period. ~~Define an~~ implementation schedule, indicating key  
41 dates and milestones in the project's development.

## 42 Stakeholder Identification

43 2.1.9 The project shall use locally appropriate methods ~~8 Explain the process of stakeholder identification~~  
44 and analysis used to identify and assess all stakeholders and ~~all stakeholder groups~~ that could potentially  
45 be affected by the project.

1 2.1.10 Stakeholder ~~9~~ List the stakeholder groups shall be described identified using the process explained  
2 in the project description. 2.1.6. All project stakeholders shall must be part of at least one stakeholder  
3 group. Stakeholders who have rights to resources [M/V/G: Clearly identify at least one marginalized and/or  
4 land that may be affected by project activities shall be clearly identified. vulnerable group from among the  
5 project's stakeholders.]

#### 6 Threat Management and Long-term Viability

7 2.1.11 Likely ~~10~~ Identify likely natural and human-induced threats to the expected sustainable  
8 development benefits during the project lifetime shall be identified. Measures and outline measures  
9 needed and taken to mitigate these threats shall be described. Threats may include. Include shorter and  
10 longer term threats (those within the project lifetime and beyond the project lifetime, respectively), threats  
11 related to continued stakeholder willingness to participate in the project, threats related to the ability to  
12 adapt to climate change and climate variability, etc.

13 2.1.12 Measures shall be identified ~~11~~ Describe the measures needed and taken to maintain and enhance  
14 the sustainable development benefits beyond the project lifetime.

15 2.1.13 The ~~12~~ Demonstrate that the financial mechanisms utilized by the project, including actual and  
16 projected revenues from sustainable development claims, units or other sources, shall provide an  
17 adequate flow of funds for project implementation to achieve the project's sustainable development  
18 benefits.

#### 19 Grouped Projects

20 ~~Sections 2.1.13-2.1.15 only apply to grouped projects. Grouped projects are projects structured to~~  
21 ~~facilitate the expansion of a project activity subsequent to project validation. Validation is based upon the~~  
22 ~~initial project activity instances identified in the project description. The project description sets out the~~  
23 ~~geographic areas within which new project activity instances may be developed and the eligibility criteria~~  
24 ~~for their inclusion. New instances meeting these pre-established criteria may then be added to the project~~  
25 ~~subsequent to project validation, as set out in the sections below.~~

26 2.1.13 Clearly define one or more geographic areas within which project activity instances may be  
27 developed and stakeholders that may affect or be affected by the project. Identify any new land area(s)  
28 and stakeholders that have been included in the project since the last SD-VISa validation or verification.

29 2.1.14 Specify the eligibility criteria and process for project expansion under the grouped project.  
30 Demonstrate that these have been met for any new land area(s) and stakeholder groups that have been  
31 included in the project since the last SD-VISa validation or verification.

32 These eligibility criteria shall ensure that new project activity instances:

- 33 a. ~~Adopt the project activities specified in the project description.~~
- 34 b. ~~Implement the project activities in the same manner as specified in the project description.~~
  - 35 ~~1) Are subject to the same scenarios at project start with respect to stakeholders and natural capital~~  
36 ~~and ecosystem services as determined for initial project instance(s).~~
  - 37 ~~2) Are subject to the same processes for stakeholder engagement described in Section 2.2.~~
- 38 c. ~~Are subject to the same processes for respect for rights to lands, territories and resources~~  
39 ~~including free, prior and informed consent described in Section 2.5.~~
  - 40 ~~3) Have similar monitoring elements.~~

41 2.1.15 Establish scalability limits, if applicable, and describe measures needed and taken to address any  
42 threats to sustainable development benefits if the project expands beyond these limits.

1 **2.2 Stakeholder Engagement**

2 *Concept*

3 Project stakeholders are involved in the project on an ongoing basis through full and *effective consultation*  
4 and participation, including access to information, participation in decision-making and implementation,  
5 and free, prior and informed consent. Timely and adequate information is accessible in a language and  
6 manner understood by each stakeholder group. Effective and timely consultations are conducted with all  
7 relevant stakeholders and participation is ensured, as appropriate, of those who want to be involved.

8 Effective feedback and grievance redress procedures are established.

9 Best practices are adopted for worker relations and safety.

10 Requirements/Indicators

11 Access to Information

12 2.2.1 ~~Full~~ Describe how full project documentation, including project description and monitoring reports as  
13 they become available, ~~shall behas been made~~ accessible to all stakeholders. ~~[MVG: Special attention~~  
14 ~~shallshould~~ be paid to providing access to full project documentation by those stakeholders who are that  
15 are vulnerable (lacking ability to anticipate, cope with, resist and recover from stresses or shocks due to  
16 physical, social, economic and environmental factors or processes) and/or marginalized (unable to  
17 participate fully in economic, social, political and cultural life).

18 2.2.2 Summary ~~Describe how summary~~ project documentation (including how to access full  
19 documentation) ~~shall behas been~~ actively disseminated to all stakeholder groups in relevant local or  
20 regional languages and ~~how~~ widely publicized information meetings ~~shall behave been~~ held with all  
21 stakeholder groups.

22 2.2.1.1 Summary documentation disseminated to stakeholders prior to validation shall include at  
23 least the information in Section 2.1.

24 2.2.1.2 Summary documentation disseminated to stakeholders prior to verification shall at least  
25 include information on monitoring results showing the following:

- 26 1) That the project has delivered net positive impacts for people or their prosperity  
27 (Section 3) and/or for the planet (Section 4).  
28 2) If the project has not generated net positive impacts in Section 3 or Section 4, that it  
29 has done no harm in the section where it did not achieve net positive impact.  
30 3) The project's contributions to the SDG Target(s) identified in Section 2.1. ~~13~~.

31 2.2.3 Relevant ~~2- Explain how relevant~~ and adequate information about potential costs, risks and benefits  
32 to all stakeholders ~~shall behas been~~ provided to them in a form they understand and in a timely manner  
33 prior to any decision they may be asked to make with respect to participation in the project.

34 Costs, risks and benefits to all stakeholder groups ~~shallshould~~ be identified using a participatory and  
35 transparent process. All assessment of costs, risks and benefits shall include those that are direct and  
36 indirect and include those related to social, cultural, environmental and economic aspects and to human  
37 rights and rights to lands territories and resources. Costs include those related to responsibilities and also  
38 opportunity costs.

39 2.2.4 ~~The~~ ~~3- Describe the measures taken, and communications methods used, to explain to project~~  
40 ~~stakeholders the~~ process for SD VISa validation and/or verification by an independent  
41 validation/verification body shall be communicated to stakeholders using culturally appropriate and  
42 gender sensitive methods. Stakeholders shall receive, providing them with timely information about the  
43 validation/verification body's site visit before the site visit occurs and the project proponent shall

1 ~~facilitate~~ facilitating direct and independent communication between them or their representatives and the  
2 validation/verification body.

### 3 Consultation

4 2.2.5 ~~Effective consultation shall be used to enable~~ 4 Describe how project stakeholders, including all  
5 stakeholder groups, ~~to influence~~ have influenced project design and implementation. ~~This through~~  
6 ~~effective~~ consultation ~~shall have, particularly with a~~ particular emphasis on ~~view to~~ optimizing benefits for  
7 ~~marginalized and/or vulnerable groups~~ if relevant, and respecting local customs, values and institutions.

8 2.2.5.1 Project proponents shall document consultations and indicate if and how the project  
9 design and implementation has been revised based on such input. ~~[MVG: Consultations with at~~  
10 ~~least one marginalized and/or vulnerable group shall be documented.]~~

11 2.2.5.2 A plan shall be developed and implemented to continue communication and consultation  
12 between the project proponents and all stakeholder groups about the project and its impacts to  
13 facilitate *adaptive management* throughout the life of the project. Different stakeholder groups  
14 may require different ~~[MVG: A communication and consultation~~ methods plan for marginalized  
15 ~~and/or vulnerable groups in particular shall be identified and implemented.]~~

16 2.2.6 ~~All~~ 5 Demonstrate that all consultations and participatory processes ~~shall be~~ have been undertaken  
17 with stakeholders directly or through their legitimate representatives, ensuring adequate levels of  
18 information sharing with the members of the groups.

### 19 Participation in Decision-making and Implementation

20 2.2.7 ~~Measures shall be~~ 6 Describe the measures needed and taken to enable effective participation, as  
21 appropriate, of all stakeholder groups that want and need to be involved in project design,  
22 implementation, monitoring and evaluation throughout the project lifetime. ~~These measures shall be, and~~  
23 ~~describe how they have been~~ implemented in a culturally appropriate and gender sensitive manner.

### 24 Anti-Discrimination

25 2.2.8 Appropriate ~~7 Describe the~~ measures ~~shall be~~ needed and taken to ensure that the project  
26 proponent and all other entities involved in project design and implementation are not involved or  
27 complicit in any form of discrimination or sexual harassment with respect to the project.

### 28 Grievance Redress Procedure

29 2.2.9 A ~~8 Demonstrate that a~~ clear feedback and grievance redress procedure ~~shall be~~ has been  
30 established to address disputes with stakeholders that may arise during project planning, implementation  
31 and evaluation with respect but not limited to, free, prior and informed consent, rights to lands, territories  
32 and resources, benefit sharing, participation, discrimination and sexual harassment.

33 The feedback and grievance redress procedure shall include a process for receiving, hearing, responding  
34 to and attempting to resolve grievances within a reasonable time period. The feedback and grievance  
35 redress procedure shall take into account traditional methods that stakeholders use to resolve conflicts.

36 The feedback and grievance redress procedure shall have three stages with reasonable time limits for  
37 each of the following stages:

- 38 1) The project proponent shall attempt to amicably resolve all grievances and provide a written  
39 response to the grievances in a manner that is culturally appropriate.
- 40 2) Any grievances that are not resolved by amicable negotiations shall be referred to mediation by a  
41 neutral third party.
- 42 3) Any grievances that are not resolved through mediation shall be referred either to a) arbitration, to  
43 the extent allowed by the laws of the relevant jurisdiction or b) competent courts in the relevant

1 jurisdiction, without prejudice to a party's ability to submit the grievance to a competent  
2 supranational adjudicatory body, if any.

3 2.2.109 The feedback and grievance redress procedure shall be publicized and accessible to all project  
4 stakeholders, including any *interested stakeholder*. Grievances and project responses, including any  
5 redress, shall be documented and made publicly available.

## 6 Worker Relations

7 2.2.11 ~~Measures shall be~~ Describe measures needed and taken to provide orientation and training for  
8 the project's *workers* and relevant individual stakeholders involved in carrying out project activities with an  
9 objective of building locally useful skills and knowledge to increase local participation in project  
10 implementation. These capacity building efforts should target a wide range of people from among the  
11 stakeholders. Training shall be identify how training is passed on to new workers when there is staff  
12 turnover, so that local capacity will not be lost. ~~[M/VG: Special attention shall be given to marginalized~~  
13 ~~and/or vulnerable people.]~~

14 2.2.12 ~~All~~ Demonstrate that stakeholders shall be given an equal opportunity to fill all work positions  
15 (including management) if the job requirements are met. Members Explain how workers are selected for  
16 positions. ~~[M/VG: Describe the measures needed and taken to ensure that members of local communities~~  
17 ~~shall be~~ marginalized and/or vulnerable groups are given a fair chance to fill positions for which they can  
18 be trained.]

19 2.2.13 The project proponent shall submit ~~Submit~~ a list in the project description of all relevant laws  
20 and regulations covering workers' worker's rights in the host country. ~~Describe measures needed and the~~  
21 ~~project shall meet or exceed these. The project proponent~~ taken to inform workers about their rights.  
22 ~~Provide assurance that the project meets or exceeds all applicable laws and/or regulations covering~~  
23 ~~worker rights and, where relevant, demonstrate how compliance is achieved. Project proponents~~ shall  
24 demonstrate conformity with and uphold the principles and rights of work addressed in the Core Labour  
25 Conventions of the International Labour Organization (ILO)<sup>4</sup>; this may be done at least in part by  
26 demonstrating the degree to which ILO requirements are addressed in national and regional regulations.  
27 Measures shall be taken to inform workers about their rights.

28 2.2.14 The project proponent shall comprehensively ~~Comprehensively~~ assess situations and  
29 occupations that might arise through the implementation of the project and pose a substantial risk to  
30 worker or other stakeholder safety. Measures shall be Describe measures needed and taken to inform  
31 workers and relevant stakeholders of risks and to explain how to minimize such risks. Where worker or  
32 stakeholder safety cannot be guaranteed, project proponents shall show how the risks are minimized  
33 using best work practices in line with stakeholders' culture and customary practices.

## 34 2.3 Management Capacity

### 35 Concept

36 The project can ensure sustainable has adequate human and financial resources for effective ~~benefit~~  
37 delivery implementation.

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<sup>4</sup> The ILO Core Labour conventions are the Forced Labour Convention, 1930 (No. 29), Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), Right to Organise and Collective Bargaining Convention, 1949 (No. 98), Equal Remuneration Convention, 1951 (No. 100), Abolition of Forced Labour Convention, 1957 (No. 105), Discrimination (Employment and Occupation) Convention, 1958 (No. 111), Minimum Age Convention, 1973 (No. 138) and the Worst Forms of Child Labour Convention, 1999 (No. 182).

1 Requirements~~Indicators~~

2 2.3.1 The project shall maintain~~Describe the project's~~ governance structures and roles and  
3 responsibilities of all the entities involved in project design and implementation. For grouped projects,  
4 identify any new entities involved in the project since the last SD VISTA validation or verification.

5 2.3.2 The project shall have on its staff~~Document~~ key technical skills required to implement the project  
6 successfully, including stakeholder engagement, natural capital and ecosystem services assessment and  
7 management and, if appropriate, measurement and monitoring skills for the project-specific claim(s) and  
8 asset(s).

9 2.3.3 Document the management team's expertise and prior experience implementing this type and scale  
10 of project. If relevant experience is lacking, the proponents shall either demonstrate how other  
11 organizations are partnered with to support the project or they have a recruitment strategy to fill the gaps.

12 2.3.4 Measures shall be enforced to ensure~~Document the financial health of the implementing~~  
13 ~~organization(s).~~

14 ~~2.3.5 Provide assurance~~ that the project proponent and any of the other entities involved in project design  
15 and implementation ~~shall~~are not ~~be~~ involved in or ~~are not~~ complicit in any form of corruption such as  
16 bribery, embezzlement, fraud, favoritism, cronyism, nepotism, extortion, and collusion, ~~and describe any~~  
17 ~~measures needed and taken to be able to provide this assurance.~~

18 **2.4 Legal Status and Rights**

19 *Concept*

20 The project is based on an internationally accepted legal framework, complies with relevant statutory and  
21 customary requirements and has necessary approvals from the appropriate national, sub-national (e.g.  
22 state), local and indigenous authorities.

23 The project recognizes, respects and supports rights to lands, territories and resources, including the  
24 statutory and *customary rights of Indigenous Peoples* and others within its stakeholders. The free, prior  
25 and informed consent (as described in Section 2.4.52) of relevant *property rights holders* has been  
26 obtained at every stage of the project.

27 Project activities do not lead to involuntary removal or relocation of property rights holders from their  
28 lands or territories and do not force them to relocate activities important to their culture or livelihood. Any  
29 proposed removal or relocation occurs only after obtaining free, prior and informed consent from the  
30 relevant property rights holders.

31 Requirements~~Indicators~~

32 Respect for Rights to Lands, Territories and Resources and Free, Prior and Informed Consent

33 2.4.1 Statutory~~Describe and map statutory~~ and customary tenure/use/access/management rights to  
34 lands, territories and resources affected by project activities, including individual and collective rights and  
35 including overlapping or conflicting rights, shall be described and mapped in. ~~If applicable, describe~~  
36 ~~measures needed and taken by the project~~ description.

37 2.4.2 Traditional communities should be supported in securing traditional ~~to help to secure~~ statutory rights.

38 2.4.3 All~~Demonstrate that all~~ *property rights* shall be recognized, respected and supported.

39 ~~2.4.2 Demonstrate with documented consultations and agreements that:~~

40 ~~2.4.2.1~~ The project shall~~will~~ not encroach uninvited on private property, community property, or  
41 government property.

1 2.4.~~52-2~~ The free, prior and informed consent ~~shall be has been~~ obtained of those whose property rights  
2 are affected by the project through a transparent, agreed process.

3 Free, Prior and Informed Consent is defined as:

- 4 1) Free means no coercion, intimidation, manipulation, threat and bribery;  
5 2) Prior means sufficiently in advance of any authorization or commencement of activities and  
6 respecting the time requirements of their decision-making processes;  
7 3) Informed means that information is provided that covers (at least) the following aspects:  
8 a. The nature, size, pace, reversibility and scope of any proposed project or activity;  
9 b. The reason/s or purpose of the project and/or activity;  
10 c. The duration of the above;  
11 d. The locality of areas that will be affected;  
12 e. A preliminary assessment of the likely economic, social, cultural and environmental  
13 impact, including potential risks and fair and equitable benefit sharing in a context that  
14 respects the precautionary principle;  
15 f. Personnel likely to be involved in the execution of the proposed project (including  
16 Indigenous Peoples, private sector staff, research institutions, government employees  
17 and others); and  
18 g. Procedures that the project may entail.
- 19 4) Consent means that there is the option of withholding consent and that the parties have  
20 reasonably understood that option.

21 Collective rights holders shall be able to participate through their own freely chosen  
22 representatives or institutions following a transparent process for obtaining their ~~free, prior~~Free,  
23 ~~Prior~~ and ~~informed consent~~Informed Consent that they have defined.

24 2.4.~~62-3~~ Appropriate restitution or compensation ~~shall be has been~~ allocated to any parties whose lands  
25 have been or will be affected by the project.

26 2.4.7 ~~Project 3 Demonstrate that project~~ activities ~~shall de~~ not lead to involuntary removal or relocation of  
27 property rights holders from their lands or territories and ~~shall de~~ not force property rights holders to  
28 relocate activities important to their culture or livelihood. If any relocation of habitation or activities  
29 important to their culture or livelihood is undertaken within the terms of an agreement, the project  
30 proponents shall demonstrate that the agreement was made with the free, prior and informed consent of  
31 those concerned and includes provisions for just and fair compensation.

32 2.4.8 ~~Any4 Identify any~~ illegal activities taking place (e.g. illegal logging) that could affect the project's  
33 sustainable development impacts ~~shall be monitored and, if necessary, and describe~~ measures ~~shall~~  
34 ~~be needed and~~ taken to mitigate or reduce these activities so that project benefits are not derived from  
35 illegal activities.

36 2.4.9 ~~Any5 Identify any~~ ongoing or unresolved conflicts or disputes over rights to lands, territories and  
37 resources and also any disputes that were resolved during the last ten years, or last twenty years where  
38 such records exist, ~~shall be specified in the project description.~~ If applicable, ~~describe~~ measures ~~shall~~  
39 ~~be needed and~~ taken to resolve conflicts or disputes. ~~No~~~~Demonstrate that no~~ activity ~~shall be is~~ undertaken  
40 by the project that could prejudice the outcome of an unresolved dispute over lands, territories and  
41 resources affected by project activities.

#### 42 Legal Status

43 2.4.10 ~~The project proponent shall submit in the project description~~ ~~6 Submit~~ a list of all national, sub-  
44 national and *local laws* and regulations in the host country that are relevant to the project activities.  
45 ~~Evidence shall be provided of the project's~~ ~~Provide assurance that the project is complying with these and,~~  
46 ~~where relevant, demonstrate how~~ compliance ~~with these is~~ achieved.

1 2.4.11 The project description shall be accompanied by one or more type of evidence establishing  
2 Document that the project has approval from the appropriate authorities, including the established formal  
3 and/or traditional authorities customarily required by stakeholders.

4 2.4.12 The project description shall be accompanied by~~8 Demonstrate by providing~~ one or more of the  
5 following types of evidence establishing that the project ownership (proponent(s) has the unconditional,  
6 undisputed and unencumbered ability to claim that the project will or did generate or cause the project's  
7 sustainable development benefits) accorded to the project proponent(s):

8 2.4.128.1 Project ownership arising or granted under statute, regulation or decree by a competent  
9 authority.

10 2.4.128.2 Project ownership arising under law.

11 2.4.128.3 Project ownership arising by virtue of a statutory, property or contractual right in the  
12 plant, equipment or process that generates sustainable development benefits (where the project  
13 proponent has not been divested of such project ownership).

14 2.4.128.4 Project ownership arising by virtue of a statutory, property or contractual right in the  
15 land, vegetation or conservational or management process that generates sustainable  
16 development benefits (where the project proponent has not been divested of such project  
17 ownership).

18 2.4.1254-8.5 An enforceable and irrevocable agreement with the holder of the statutory, property  
19 or contractual right in the plant, equipment or process that generates sustainable development  
20 benefits which vests project ownership in the project proponent.

21 2.4.128.6 An enforceable and irrevocable agreement with the holder of the statutory, property or  
22 contractual right in the land, vegetation or conservational or management process that  
23 generates sustainable development benefits which vests project ownership in the project  
24 proponent.

25 2.4.128.7 Project ownership arising from the implementation or enforcement of laws, statutes or  
26 regulatory frameworks that require activities be undertaken or incentivize activities that generate  
27 sustainable development benefits.

## 28 2.5 Grouped Projects

### 29 Concept

30 Sections 2.5.1-2.5.5 only apply to grouped projects. Grouped projects are projects structured to facilitate  
31 the expansion of a project activity subsequent to project validation. Validation is based upon the initial  
32 project activity instances identified in the project description.

### 33 Requirements

34 2.5.1 One or more geographic areas within which project activity instances may be developed and  
35 stakeholders that may affect or be affected by the project shall be set out in the project description.

36 2.5.2 Grouped projects shall include one or more sets of eligibility criteria for the inclusion of new project  
37 activity instances. At least one set of eligibility criteria for the inclusion of new project activity instances  
38 shall be provided for each combination of project activity and geographic area specified in the project  
39 description. and process for project expansion under the grouped project.

40 A set of eligibility criteria shall ensure that new project activity instances:

- 41 1) Adopt and implement the project activities in the same manner as specified in the project  
42 description.

- 1) If appropriate, meet the applicability conditions of the SD VISa asset methodology applied to the project.
- 2) Are subject to the same scenarios at project start with respect to stakeholders and natural capital and ecosystem services as determined for initial project instance(s).
- 3) Are subject to the same processes for stakeholder engagement described in Section 2.2.
- 4) Are subject to the same processes for respect for rights to lands, territories and resources--including free, prior and informed consent--described in Section 2.4.5.
- 5) Have similar monitoring elements.

2.5.3 Establish scalability limits, if applicable, and describe measures needed and taken to address any threats to sustainable development benefits if the project expands beyond those limits.

2.5.4 Grouped projects provide for the inclusion of new project activity instances subsequent to the initial validation of the project. New project activity instances shall:

- 1) Occur within one of the designated geographic areas specified in the project description.
- 2) Comply with at least one complete set of eligibility criteria for the inclusion of new project activity instances. Partial compliance with multiple sets of eligibility criteria is insufficient.
- 3) Be included in the monitoring report with sufficient technical, financial, geographic and other relevant information to demonstrate compliance with the applicable set of eligibility criteria and enable sampling by the validation/verification body.
- 4) Be validated at the time of verification against the applicable set of eligibility criteria.
- 5) Have evidence of project ownership, in respect of each project activity instance, held by the project proponent from the respective start date of each project activity instance (i.e., the date upon which the project activity instance implemented activities that lead to the generation of sustainable development benefits).
- 6) Have a start date that is the same as or later than the grouped project start date.

2.5.5 A grouped project shall be described in a single project description, which shall contain the following (in addition to the content required for non-grouped projects):

- 1) A delineation of the geographic area(s) within which all project activity instances shall occur. Such area(s) shall be defined by geodetic polygons as set out in Section 2.1.5.
- 2) One or more determinations of the without-project for the project activity in accordance with the requirements of the methodology applied to the project.
- 3) If appropriate, one or more demonstrations of additionality for the project activity in accordance with the requirements of the methodology applied to the project.
- 4) One or more sets of eligibility criteria for the inclusion of new project activity instances at subsequent verification events.
- 5) A description of the central monitoring and management system.

Note – Where the project includes more than one project activity, the above requirements shall be addressed separately for each project activity, except for the delineation of geographic areas and the description of the central monitoring and management system, which shall be addressed for the project as a whole.

## **2.6 Project Description Deviations**

### Concept

Deviations from the project description are permitted at verification. The procedures for documenting the deviation depend on whether the deviation the appropriateness of the without-project scenario or the applicability of the methodology.

### Requirements

2.6.1 Procedures for a project description deviation are as follows:

- 1) Where the deviation impacts the appropriateness of the without-project scenario or the applicability of the methodology, the deviation shall be described and justified in a revised version of the project description. This shall include a description of when the changes occurred, the reasons for the changes and how the changes impact the appropriateness of the without-project scenario or the applicability of the methodology.
- 2) Where the deviation does not impact the appropriateness of the without-project scenario or the applicability of the methodology, and the project remains in compliance with the applied methodology, the deviation shall be described and justified in the monitoring report. This shall include a description of when the changes occurred and the reasons for the changes. The deviation shall also be described in all subsequent monitoring reports. Examples of such deviations include changes in the procedures for measurement and monitoring, or project design changes that do not have an impact on the appropriateness of the without-project scenario or the applicability of the methodology.

Note that project proponents may apply project description deviations for the purpose of switching to the latest version of the methodology, or switching to a different methodology. For example, a project proponent may want to switch to the latest version of a methodology where such version includes additional types of carbon pools or project activities.

2.6.2 The deviation shall be assessed by a validation/verification body and the process, findings and conclusions shall be reported in the verification report. The assessment shall determine whether the deviation is appropriately described and justified, and whether the project remains in compliance with the SD VISa rules. The deviation shall also be reported on in all subsequent verification reports. Project description deviations are not considered to be precedent setting.

2.6.3 The validation/verification body assessing the project description deviation shall be accredited for the validation, recognizing that assessment of project description deviations is a validation activity, as further set out in Section 6.4.

## 3 Benefits for People and Prosperity

This section is for the demonstration of a project's impacts on all stakeholders. ~~[MVG: Stakeholders include at least one marginalized and/or vulnerable group.]~~ If no outcomes or impacts primarily related to stakeholders have been identified in the project's causal chain(s) or by stakeholders (through ongoing communication and consultation, per Section 2.2.54.2), Section 3 does not apply.

Note: If the project has no significant negative or positive impacts on stakeholders, the project shall demonstrate that it has generated net positive impacts for natural capital and/or ecosystem services using Section 4 Benefits for the Planet.

For this section, project proponents must choose to demonstrate net benefits by using either the *scenario method* (a comparison of a without-project scenario with a with-project scenario where separate without- and with-project scenarios are defined and estimated) or the *deemed estimates method* (A method of quantifying the change resulting from an activity or set of activities where the change is estimated directly without separately defining and estimating without- and with-project scenarios). ~~See~~ the Guidance for this section for more information about these methods.)

### 3.1 Stakeholders at Project Start

#### Concept

Original conditions of stakeholder *well-being* and, optionally, expected changes under the *without-project scenario* are described.

1 Requirements~~Indicators~~

2 3.1.1 ~~The following shall be~~ Describe stakeholders (listed in Section 2.1.7) at the start of the project  
3 description for each of the ~~and significant changes in stakeholder groups identified in Section 2.1.10~~ in the  
4 past, including stakeholder well-being information and any community characteristics:

5 1) ~~Condition at~~ Describe the start of the project.

6 2) Significant changes in the past.

7 4)3) ~~Social~~ social, economic and cultural diversity within and between the stakeholder groups and the  
8 interactions between stakeholder groups.

9 3.1.2 If a project is using the scenario method ~~to~~ for quantifying the impact of project activities, describe  
10 the expected changes in stakeholder well-being under the without-project scenario ~~shall be set out in the~~  
11 project description. The ~~include a~~ without-project scenario shall include impacts for all SDG Targets  
12 identified in Section 2.1.13 associated with people or their prosperity and any stakeholder well-being  
13 impacts that will be used as SD VISTa claims or SD VISTa assets (as identified in Section 5.2:1 or 5-3.2).

14 **3.2 Impact on Stakeholders**

15 *Concept*

16 The project generates net positive impacts on ~~or does no harm to the well-being of~~ any stakeholder  
17 group.

18 Requirements~~Indicators~~

19 3.2.1 ~~The project proponent shall use~~ Use appropriate methodologies to assess the impacts,  
20 including expected and actual, direct and indirect benefits, costs and threats, on each of the stakeholder  
21 groups identified in Section 2.1.10~~6~~ resulting from project activities under the *with-project scenario*. The  
22 assessment of the type and magnitude of impacts shall include changes in stakeholder well-being due to  
23 project activities and an evaluation of impacts by the affected groups.

24 3.2.1.1 This assessment shall be based on clearly defined and defensible assumptions.

25 3.2.1.2 The evaluation of well-being changes shall at least include changes that are based on  
26 activities that comply with statutory laws or conform with customary rights.

27 3.2.1.3 This assessment shall include any SDG Target(s) associated with people and their  
28 prosperity identified in Section 2.1.13 and any stakeholder well-being impacts that will be used as  
29 SD VISTa claims or assets.

30 3.2.2 ~~Measures shall be~~ Describe measures needed and taken to mitigate any negative impacts on  
31 stakeholder groups consistent with the precautionary principle.

32 3.2.3 ~~Net~~ Demonstrate that the net stakeholder well-being impacts of the project ~~shall be~~ positive for all  
33 stakeholder groups. An exception may be made if a stakeholder group is not significantly affected by, or  
34 participating in, the project, in which case, net well-being impacts must not be negative for that group.

35 Note: If using the scenario method, net benefit should be demonstrated by comparing the projected or  
36 present situation with stakeholders' anticipated well-being conditions under the without-  
37 project development scenario. If using the deemed estimates method, estimate the impact by multiplying  
38 the number of activities implemented by the project by deemed estimate values that represent the change  
39 per activity taken (such values will be different for different activities).

### 1 3.3 Monitoring of Impact on Stakeholders

#### 2 *Concept*

3 Stakeholder impact monitoring assesses changes in stakeholder well-being resulting from project  
4 activities for all stakeholder groups.

#### 5 Requirements~~Indicators~~

6 3.3.1 The project proponent shall develop~~Develop~~ and implement a monitoring plan that identifies  
7 the stakeholder groups to be monitored, the types of measurements, the sampling methods and the  
8 frequency of monitoring and reporting. Monitoring variables shall be directly linked to the project's  
9 objectives for stakeholder groups and to expected outputs, outcomes and impacts (negative and positive)  
10 identified in the project's causal chain related to the well-being of stakeholders (described in Section  
11 2.1.24). Monitoring shall assess differentiated impacts, including any benefits, costs and risks, for each of  
12 the stakeholder groups and shall include an evaluation by the affected stakeholders.

13 The monitoring plan shall be designed to collect data sufficient to demonstrate the impact of project  
14 activities on any SDG Target(s) associated with people and their prosperity identified in Section  
15 2.1.13 and any impacts on stakeholder well-being that will be used as SD VISTA claims or assets.

16 Where possible, the data monitored by the project should be aligned with that monitored by the national  
17 government with respect to the SDGs.

18 3.3.2 The Disseminate the~~Disseminate the~~ monitoring plan, and any results of monitoring undertaken in accordance with  
19 the monitoring plan shall be,~~ensuring that they are~~ made publicly available on the internet and  
20 summaries disseminated~~are communicated~~ to stakeholders~~stakeholders~~ through appropriate means.

## 21 4 Benefits for the Planet

22 This section is for the demonstration of a project's impacts on natural capital and ecosystem services. If  
23 no outcomes or impacts primarily related to natural capital or ecosystem services have been identified in  
24 the project's causal chain(s) or by stakeholders (through ongoing communication and consultation, per  
25 Section 2.2.54.2), Section 4 does not apply.

26 Note: If the project has no significant negative or positive impacts on natural capital or ecosystem  
27 services, the project shall demonstrate that it has generated net positive impacts for stakeholders by  
28 using Section 3 Benefits for People and Prosperity.

29 For this section, project proponents must choose to demonstrate net benefits by using either the scenario  
30 method or the deemed estimates method (see the guidance for Section 3 Benefits for People and  
31 Prosperity for more information about these methods).

### 32 4.1 Natural Capital and Ecosystem Services at Project Start

#### 33 *Concept*

34 Original natural capital and ecosystem services that will~~to~~ be affected by the project and, optionally,  
35 expected changes under the without-project scenario are described.

#### 36 Requirements~~Indicators~~

37 4.1.1 Natural~~Describe natural~~ capital and ecosystem services at the start of the project in areas  
38 potentially affected by the project and possible threats to these natural capital and ecosystem services  
39 shall be described in the project description using appropriate methodologies.

1 4.1.2 If a project is using the scenario method for quantifying the impact of project activities, ~~describe how~~  
2 natural capital and ecosystem services conditions potentially affected by the project would be affected in  
3 the without-project scenario. ~~Include the without-project scenario shall be set out in the project~~  
4 ~~description. The without-project scenario~~ for all SDG Targets identified in Section 2.1.13 associated  
5 with the planet and any natural capital and ecosystem services impacts that will be used as SD VISTa  
6 claims or assets (as identified in Section 5.2-1 or 5.2) ~~shall be included.3-2).~~

## 7 4.2 Impact on Natural Capital and Ecosystem Services

### 8 *Concept*

9 The project generates net positive impacts ~~for on or does no harm to~~ natural capital and ecosystem  
10 services.

### 11 *Requirements/Indicators*

12 4.2.1 ~~The project proponent shall use~~Use appropriate methodologies to estimate changes in natural  
13 capital and ecosystem services, including assessment of expected and actual, positive and negative,  
14 direct and indirect impacts, resulting from project activities under the with-project scenario.

15 4.2.1.1 This estimate shall be based on clearly defined and defensible assumptions.

16 4.2.1.2 This estimate shall include any SDG Target(s) associated with the planet identified in  
17 Section 2.1.13 and any natural capital and ecosystem services impacts that will be used as SD  
18 VISTa claims or assets.

19 4.2.2 ~~The Demonstrate that the~~ project's net impacts on natural capital and ecosystem services ~~is~~ directly  
20 affected ~~by project activities shall be~~ ~~are~~ positive.

21 Note: If using the scenario method, net benefit should be demonstrated by comparing the projected or  
22 present situation with stakeholders' anticipated well-being conditions under the without-  
23 project development scenario. If using the deemed estimates method, estimate the impact by multiplying  
24 the number of activities implemented by the project by deemed estimate values that represent the change  
25 per activity taken (such values will be different for different activities).

26 4.2.3 ~~Measures shall be~~Describe measures needed and taken to mitigate negative impacts on natural  
27 capital and ecosystem services consistent with the precautionary principle.

28 4.2.4 ~~Any Evaluate any~~ unmitigated negative impacts on natural capital and ecosystem services indirectly  
29 affected by the project ~~shall be evaluated and compared~~compare them with ~~its direct~~ benefits of the  
30 project for the same. ~~The natural capital and ecosystem services it directly affects. Justify and~~  
31 ~~demonstrate that the~~ net effect of the project on natural capital and ecosystem services ~~shall be~~  
32 positive.

33 4.2.5 ~~Any use of If relevant, describe possible adverse effects of alien species~~ shall be justified. Negative  
34 impacts ~~used by the project on the region's environment, including impacts on native species and disease~~  
35 introduction or facilitation, ~~on. Justify any use of alien species over~~ native species shall be avoided.

36 4.2.6 ~~Any If relevant, describe the possible adverse effects of, and justify the use of,~~ fertilizers, chemical  
37 pesticides, biological control agents and other inputs used for the project ~~shall be justified. Negative~~  
38 impacts of these inputs must be mitigated.

39 4.2.7 ~~The project shall have~~ ~~all relevant, describe the~~ process for identifying, classifying and managing all  
40 waste products and pollution resulting from project activities.

## 1 **4.3 Monitoring of Impact on Natural Capital and Ecosystem Services**

### 2 *Concept*

3 Natural capital and ecosystem services impact monitoring assesses the changes in natural capital and  
4 ecosystem services resulting from project activities directly and indirectly affected by project activities.

### 5 *Requirements*~~Indicators~~

6 4.3.1 The project proponent shall develop~~Develop~~ and implement a monitoring plan that identifies natural  
7 capital and ecosystem services variables to be monitored, the areas to be monitored, the sampling  
8 methods and the frequency of monitoring and reporting. Monitoring variables shall be directly linked to the  
9 project's natural capital and ecosystem services objectives and to expected activities, outcomes and  
10 impacts (negative and positive) identified in the project's causal chain related to natural capital and  
11 ecosystem services (described in Section 2.1.24).

12 The monitoring plan shall be designed to collect data sufficient to demonstrate the impact of project  
13 activities on any SDG Target(s) associated with the planet identified in Section 2.1.13 and any natural  
14 capital and ecosystem services impacts that will be used as SD VISTa claims or assets.

15 Where possible, 4.3.3 Disseminate the data monitored by the project should be aligned with that  
16 monitored by the national government with respect to the SDGs.

17 4.3.2 The monitoring plan and any~~the~~ results of monitoring undertaken in accordance with the monitoring  
18 plan shall be,~~ensuring that they are~~ made publicly available on the internet and summaries  
19 disseminated~~are communicated~~ to stakeholders through appropriate means.

## 20 **5 Claims and Assets**

21 Projects that earn validation and verification to SD VISTa may also make claims on individual elements of  
22 sustainable development and generate, register and transact related social and environmental assets.

### 23 **5.1 OPTIONAL: SD VISTa Claims**

#### 24 *Concept*

25 An SD VISTa claim is a user-defined statement about a specific sustainable development benefit directly  
26 resulting from project design and implementation, validated and verified by an SD VISTa-accredited  
27 auditor. Such claims are noted along with the project's SD VISTa validated or verified status in the  
28 validation/verification body's report and statement.

29 ~~SD VISTa claim(s) shall be verified at each verification audit.~~

#### 30 ~~Concept~~

31 ~~An SD VISTa claim can be established for any net positive sustainable development impact directly~~  
32 ~~resulting from project design and implementation.~~ The claim(s) and its/their justification are identified by  
33 project proponents in the project ~~design~~-description. SD VISTa claim(s) shall be verified at each  
34 verification audit.

#### 35 *Requirements*~~Indicators~~

36 5.1.1 The project proponent shall identify in the project description~~Identify~~ any distinct benefits to people  
37 and their prosperity (associated with Section 3) or the planet (associated with Section 4) intended for use  
38 as claims, including those related to SDG Target(s). ~~The –~~

1 ~~5.1.2 Justify claims by demonstrating clear attribution of the~~ benefit described in the claim shall be clearly  
2 attributed to the project through its~~project's~~ monitored outputs, outcomes and impacts, referring to actions  
3 taken and data collected to meet the requirements of Sections 3 and 4 of this document as appropriate.

4 5.1.~~2~~<sup>3</sup> To make a general claim of net positive greenhouse gas mitigation impact, the project should use  
5 the ~~forthcoming~~ SD VISa Climate Module (see

6

1 [Appendix 1. SD VISa Climate Module](#)

2

1 ~~Appendix 1. SD VISTa Climate Module).~~ No credit for GHG emission reductions and removals (ERR),  
2 carbon footprint assessment or carbon neutrality can be claimed as the result of using the SD VISTa  
3 Climate Module. See Section 5.3 for requirements on creating GHG ERR credits using established  
4 programs such as the Verified Carbon Standard.

## 5 **5.2 OPTIONAL: SD VISTa Assets**

6 ~~An SD VISTa asset is a user-defined environmental or social unit that is recorded on and, if desired,~~  
7 ~~transacted through the VCS registry system. SD VISTa assets may be sold and/or retired. All assets~~  
8 ~~associated with SD VISTa shall be generated using a methodology approved by VCS. Details on the SD~~  
9 ~~VISTa methodology approval process can be found in the SD VISTa Program Guide. Approved~~  
10 ~~methodologies are [will be] available on the VCS website.~~

11 ~~An account of SD VISTa assets shall be verified at one or more audits.~~

12 ~~Note: Requirements for the SD VISTa methodology development and approval process will be set out in~~  
13 ~~the SD VISTa Program Guide. Such methodologies will be developed by users and be approved~~  
14 ~~according to a set of criteria. VCS aims to support the development of methodologies for a broad~~  
15 ~~spectrum of assets, but where it makes sense will encourage the use and expansion, revision and/or~~  
16 ~~consolidation of existing methodologies in order to avoid proliferation of methodologies with only minor~~  
17 ~~differences, and to promote coalescence around broadly accepted asset types.~~

### 18 **Concept**

19 ~~A project may choose to create an~~ An SD VISTa asset: is generated and documented using a user-defined  
20 environmental or social unit methodology that is recorded on and has the potential to be transacted  
21 through the Verra registry system. ~~been approved for use with SD VISTa assets may be sold and/or~~  
22 ~~retired by VCS.~~ The asset and justification for its creation are identified by project proponents in the  
23 project description. To aid in readability, in this Section 5.2 the term methodology refers to SD VISTa asset  
24 methodologies.

25 Note – Details on the SD VISTa asset methodology requirements can be found in Appendix 2. SD VISTa  
26 Asset Methodology Requirements~~Appendix 2. SD VISTa Asset Methodology Requirements~~ and in SD  
27 VISTa Program Guide. ~~Approved methodologies are available on the Verra website.~~ -

### 28 Requirements~~Indicators~~

29 5.2.1 The project proponent shall identify any distinct benefits to people and their prosperity (associated  
30 with Section 3) or the planet (associated with Section 4) intended for use as SD VISTa assets.

31 5.2.2 All assets associated with SD VISTa shall be generated using a methodology approved by Verra.  
32 Methodologies shall be applied in full, including the full application of any tools or modules referred to by  
33 a methodology. The list of methodologies and their validity periods is available on the Verra website.

34 ~~5.2.1 For user-defined assets with no existing methodology, set out a methodology and apply for approval~~  
35 ~~according to the criteria and procedure described in the SD VISTa Program Guide. The methodology must~~  
36 ~~be approved prior to the project's validation.~~

37 ~~5.2.2 Provide the title and version number of the VCS-approved methodology for quantification of an SD~~  
38 ~~VISTa asset applied to the project.~~

39 ~~5.2.3 Project~~ Demonstrate and justify how the project activities shall meet each of the methodology's  
40 applicability conditions. Address each applicability condition separately.

41 5.2.4 Where SD VISTa assets are created for offset purposes, projects shall apply a methodology that  
42 includes a procedure for the determination of additionality in order to ensure the asset creation is beyond  
43 business-as-usual.

44 5.2.5 SD VISTa assets shall be verified at one or more audits.

1 Methodology Revisions and Deviations

2 5.2.6 Deviations from the applied methodology are permitted where they represent a deviation from the  
3 criteria and procedures relating to monitoring or measurement set out in the methodology (i.e., deviations  
4 are permitted where they relate to data and parameters available at validation, data and parameters  
5 monitored, or the monitoring plan). Methodology deviations shall~~5.2.4 Describe and justify any~~  
6 methodology deviations. Include evidence to demonstrate the following:

- 7 ~~• The deviation will not negatively impact the conservativeness of the quantification of the~~  
8 ~~quantification of the benefit. Deviations relating to being quantified.~~

9 ~~The deviation relates only to the criteria and procedures for monitoring or measurement, and does not~~  
10 ~~relate to any other part of the methodology shall not be permitted.~~

11 5.2.7 Methodology deviations shall be permitted at validation or verification and their consequences shall  
12 be reported in the validation or verification report, as applicable, and all subsequent verification reports.  
13 Methodology deviations are not considered to be precedent setting.

14 5.2.8 Where the project does not fully comply with its chosen methodology, the validation/verification  
15 body shall determine whether this represents a methodology deviation or a methodology revision (in  
16 accordance with the specifications for each), and the case shall be handled accordingly.

17 5.2.9 Methodology revisions are appropriate where a project activity is broadly similar to the project  
18 activities eligible under an existing methodology and such project activity can be included through  
19 reasonable changes to that methodology. Methodology revisions are also appropriate where an existing  
20 methodology can be materially improved. Materially improving a methodology involves comparing the  
21 existing and proposed methodologies so as to show that the changes will deliver material improvements  
22 that will result in greater accuracy of measurement of sustainable development impacts, improved  
23 conservatism and/or reduced transaction costs.

24 5.2.10 Methodology revisions shall be prepared using the *SD VISTa Methodology Template* and shall be  
25 managed via the methodology approval process (as set out in the *SD VISTa Program Guide*). They may  
26 be prepared and submitted to the methodology approval process by the developer of the original  
27 methodology or any other entity.

28 5.2.11 Where the project applies a revision to an approved asset methodology and the version of the  
29 (underlying) methodology referenced by the methodology revision is no longer current, the  
30 validation/verification body shall determine whether material changes have occurred to the underlying  
31 methodology that affect the integrity of the methodology revision. Where such material changes have  
32 occurred, the project shall not be approved.

33 Crediting Period

34 5.2.12 The project shall identify a *crediting period* for SD VISTa assets that is a minimum of 10 years up to  
35 a maximum of 50 years, which may be renewed at most four times with a total project crediting period not  
36 to exceed 100 years. Where projects fail to renew the project crediting period, the project crediting period  
37 shall end and the project shall be ineligible for further crediting.

38 5.2.13 The following shall apply with respect to the renewal of the project crediting period:

- 39 1) The validity of the original without-project scenario shall be demonstrated, or where invalid a new  
40 without-project scenario shall be determined, when renewing the project crediting period, as  
41 follows:  
42 a) The validity of the original without-project scenario shall be assessed. Such assessment shall  
43 include an evaluation of the impact of new~~5.2.5 Demonstrate how the methodology has been~~  
44 adhered to as relevant national and/or sectoral policies and circumstances on the validity of  
45 the without-project scenario.

- 1 b) Where it is determined that the original without-project scenario is still valid, the sustainable  
2 development impacts associated with the original without-project scenario shall be  
3 reassessed.  
4 c) Where it is determined that the original without-project scenario is no longer valid, the current  
5 without-project scenario shall be established in accordance with the SD VISTA rules.  
6 d) The project description, containing updated information with respect to the without-project,  
7 the estimated SD VISTA assets and the monitoring plan, shall be submitted for validation.  
8 Such updates shall be based upon the latest approved version of the methodology or its  
9 replacement. Where the project does not in project design and implementation, referring to  
10 actions taken and data collected to meet the requirements of the latest approved version of  
11 the methodology or its replacement, the project proponent shall select another applicable  
12 approved methodology (which may be a new methodology or methodology revision it has had  
13 approved via the methodology approval process), or shall apply a methodology deviation  
14 (where a methodology deviation is appropriate). Failing this, the project shall not be eligible  
15 for renewal of its project crediting period.

- 16 2) The updated project description shall be validated in accordance with the SD VISTA rules. In  
17 addition, the project shall be validated against the (current) scope of the SD VISTA. Such  
18 validation report shall be issued after the end of the (previous) project crediting period but within  
19 two years after the end of the (previous) project crediting period.

20 Projects switching to a new SD VISTA methodology and completing such validation within one  
21 year of the approval of the methodology by Verra may complete such validation within three years  
22 of the end of the (previous) project crediting period~~Sections 3 and 4 of this document as~~  
23 appropriate.

### 24 **5.3 Claims and Assets from Other Programs**

#### 25 *Concept*

26 The project identifies any claims or assets (sometimes referred to as credits or units) it has generated  
27 under programs other than SD VISTA. ~~Assets created using SD VISTA~~ assets cannot be double counted  
28 with those created under other programs.

#### 29 *Requirements*~~Indicators~~

30 5.3.1 Projects may be ~~Indicate whether the project has been registered or is seeking registration under~~  
31 both the SD VISTA Program and another program for issuing sustainable development ~~any other program~~  
32 related credits, be they the same or different than the SD VISTA asset(s) issued by the project. The rules  
33 and requirements set out in the sections below apply. Project proponents shall not claim credit for the  
34 same sustainable development benefit(s) under the SD VISTA Program and another program. Projects  
35 issuing SD VISTA assets using the same methodology under both the SD VISTA Program and another  
36 program shall also comply with the rules and requirements set out in Section 5.3.2 below.

37 5.3.2 Projects may generate other forms of sustainable development-related credits, such as renewable  
38 energy certificates (RECs), Verified Carbon Units (VCUs), or W+ units, though the specific to its  
39 sustainable development benefits presented for SD VISTA asset issuance shall not also be recognized as  
40 a similar form of sustainable development-related credit.

41 The requirements set out in Sections 5.3.3 and 5.3.4 below assist the Verra registry administrator in  
42 confirming that this requirement has been met at the point of the issuance request (i.e., the registry  
43 administrator uses the information disclosed in (e.g., the Verified Carbon Standard, the Climate,  
44 Community & Biodiversity Standards, the W+ Standard, etc.). Where the project documents to perform its  
45 checks).

46 Therefore, project proponents interested in issuing (sequentially) both SD VISTA assets and another  
47 sustainable development-related credit should consider which periods of time they wish to issue one  
48 credit or the other. Project proponents should also investigate whether such other sustainable  
49 development-related credits can be cancelled from the relevant program, in case such credits have

1 ~~already has been issued~~ for periods where the project proponent wishes to issue VCUs. Note that  
2 additional requirements regarding evidence that no double issuance has occurred are set out in Section  
3 5.3.6 below.

4 5.3.3 Where projects have sought or received another form of sustainable development-related credit, the  
5 following information shall be provided to the validation/verification body:

- 6 1) Name and contact information of the relevant crediting program.
- 7 2) Details of the project as registered under the crediting~~another~~ program (e.g., project title and;  
8 ~~provide its~~ identification number as listed~~and status~~ under the~~that~~ program).
- 9 3) Monitoring periods for which sustainable development-related credits were sought. ~~If no~~  
10 registration exists or received under the crediting program.
- 11 4) Details of all sustainable development-related credits sought or received under the environmental  
12 credit program (e.g., volumes and serial numbers).

13 ~~will exist, Sections 5.3.2-5.3.4~~ Where projects are eligible to participate under one or more programs to  
14 create another form of sustainable development-related credit, but are ~~do not~~ currently doing so, a list of  
15 such programs shall be provided to the validation/verification body. ~~apply.~~

16 5.3.5 Projects rejected by other project level certification programs due to procedural or eligibility  
17 requirements can be considered under the SD VISTa Program. The project description (where the other  
18 program has rejected the project before SD VISTa validation) or monitoring report (where the other  
19 program has rejected the project after SD VISTa validation) shall clearly state programs to which the  
20 project has applied for registration and the reason(s) for rejection. Such information shall not be deemed  
21 as<sup>2</sup> Indicate whether the project has been rejected by, attempted certification (including validation and/or  
22 verification) unsuccessfully or withdrawn from any other programs. Where any of these situations has  
23 occurred, provide the relevant information, including the reason(s) for the rejection and justification of  
24 eligibility under the SD VISTa Program.

25 ~~5.3.6~~ Indicate whether the project will be or has issued credits under any other program that will use the  
26 SD VISTa label.

27 ~~5.3.4~~ Where claims and assets generated by the project under other programs cover the same or similar  
28 benefits as SD VISTa claims and SD VISTa assets, the relationship between such benefits shall be  
29 explained.

30 For example, where a wind power project makes an SD VISTa claim about its contribution to SDG Target  
31 7.2 (increase substantially the share of renewable energy in the global energy mix) and  
32 generates ~~Verified Carbon Units (VCUs)~~ under the Verified Carbon Standard, it shall explain how the SD  
33 VISTa claim and the VCUs are related.

34 ~~5.3.7~~ Specify how double counting of assets created under other programs with SD VISTa ~~claims and SD~~  
35 VISTa assets is avoided, particularly for offsets or for assets that may be used in a compliance  
36 mechanism.

37 For example, because a renewable energy certificate (REC) from the US or Canada represents property  
38 rights to the environmental, social and other non-power attributes of renewable electricity generation,  
39 where projects have created renewable energy certificates (RECs), evidence shall be provided to the  
40 Verra registry administrator demonstrating that the MWh (and its associated environmental, social and  
41 other non-power attributes) presented for SD VISTa asset issuance has not also been recognized as a  
42 REC, or that any such RECs have not been used and have been cancelled under the relevant program.

43 ~~5.3.8~~ 6 All assets for which an SD VISTa label exists shall be designated by that label. For example,  
44 where a project generates VCUs under the Verified Carbon Standard for a period of time completely  
45 encompassed within a period for which that project has been verified to SD VISTa, those VCUs must be

1 designated by the SD VISTa label. For more information on labeling, see the *SD VISTa Program Guide*. A  
2 list of programs that support SD VISTa labeling is available on the Verra website.<sup>5</sup>

## 3 6 SD VISTa Validation and Verification Requirements for the Project 4 Assessment

5 The SD VISTa certification process involves two steps: validation and verification. Validation is the  
6 independent assessment of the project by a validation/verification body that determines whether the  
7 project complies with the SD VISTa rules. Verification is the periodic ex-post independent assessment by  
8 a validation/verification body, conducted in accordance with the SD VISTa rules, of the sustainable  
9 development outcomes and impacts that have occurred as a result of the project during the monitoring  
10 period. Validation and verification may be undertaken concurrently.

11 A validation audit will cover the requirements in this document related to the project~~project's~~ design. A  
12 verification audit will assess those requirements related to the project's ongoing implementation of the  
13 project and the monitored results of project activities. Certain~~Some~~ requirements will be assessed only at  
14 validation, others only at verification, while certain~~Some~~ requirements will be assessed at both validation  
15 and verification, such as stakeholder engagement~~a project's communications with stakeholders~~.

### 16 6.1 General Requirements

17 6.1.1 The criteria for validation and verification shall be *SD VISTa Version 1*. This means the validation or  
18 verification shall ensure conformance of the project with the SD VISTa rules and, if appropriate, the  
19 methodology applied to the project.

20 6.1.2 Validation and verification is a risk-based process. The validation/verification body shall select  
21 samples of data and information to be validated or verified to provide a reasonable level of assurance and  
22 to meet the materiality requirements of the specific project. Quantitative materiality demands that the  
23 threshold for materiality with respect to the aggregate of errors, omissions and misrepresentations,  
24 individually or in the aggregate, for each reported SD VISTa claims and/or SD VISTa assets shall be  
25 limited five percent. Qualitative materiality demands that the validation and verification determine whether  
26 the project conforms to program rules and methodological requirements. Professional judgement shall be  
27 used to determine whether non-compliances with the program rules or methodological requirements is  
28 material. All material errors must be addressed for a project to receive a positive validation or verification  
29 opinion. Non-material errors should be addressed where practicable.

30 6.1.3 The level of assurance of validation and verification shall be reasonable, with respect to material  
31 errors, omissions and misrepresentations, for both validation and verification.

32 6.1.4 The project proponent shall assist with the validation/verification audit by providing the  
33 validation/verification body with the necessary documentation and other evidence to show how the project  
34 satisfies the SD VISTa rules. In a timely manner, the project proponent shall submit additional evidence as  
35 needed and requested, respond to questions and findings from the validation/verification body, and assist  
36 in arranging meetings with stakeholders as requested and required. The burden of proof in the  
37 validation/verification process ultimately rests with the project proponent.

38 6.1.5 A project shall be verified under the SD VISTa Program within five years of issuance of the latest  
39 validation or verification statement.

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<sup>5</sup>~~Further information on labeling will be provided in the *SD VISTa Program Guide*.~~

1 **6.2 Validation/Verification Body Requirements**

2 6.2.1 The project shall be validated and its sustainable development benefits verified by an approved  
3 validation/verification body. To be approved by Verra, auditors and organizations must meet the following  
4 requirements:

- 5 1) Accreditation by:  
6 a) A body in compliance with the latest version of ISO/IEC 17011 Conformity assessment --  
7 Requirements for accreditation bodies accrediting conformity assessment bodies (currently  
8 ISO/IEC 17011:2017); OR  
9 b) An accreditation body that is a member of ISEAL.  
10 2) Demonstration of sufficient organization and staff competencies for managing the validation and  
11 verification activities for, at minimum, one of the SD VISTa scopes:  
12 a) Agriculture, forestry and other land use (AFOLU),  
13 b) Climate change adaptation,  
14 c) Education,  
15 d) Energy (conservation, renewable, etc.),  
16 e) Food (provision, nutrition, security),  
17 f) Health,  
18 g) Housing,  
19 h) Infrastructure,  
20 i) Livelihoods,  
21 j) Transport,  
22 k) Water, and;  
23 l) Women's empowerment.

24 Competencies may be demonstrated by approval to certify a reputable sustainability standard  
25 falling within a certain scope.

- 26 3) Demonstration of operational policies for assessment and demonstration of technical  
27 competencies in the SD VISTa rules, including a regular internal audit of compliance with such  
28 policies by the organization and its personnel.  
29 4) Liability insurance in the amount specified in the SD VISTa Validation/Verification Body  
30 Agreement.

31 6.2.2 Validation and verification of the project may be undertaken by the same validation/verification  
32 body, noting the rules on rotation of validation/verification bodies set out in Section 6.2.4 below. Validation  
33 may occur before the first verification or at the same time as the first verification.

34 6.2.3 The validation/verification body and validation and verification team shall meet the competence  
35 requirements set out below:

- 36 1) Relevant sectoral experience in the project country or region.  
37 2) Relevant social and cultural expertise.

38 If the project is using a methodology that sets out more specific details in either of these categories, the  
39 requirements of the methodology apply.

40 6.2.4 Rotation of validation/verification bodies is required in respect of validation and verification, as  
41 follows:

- 42 1) Validation and the first verification of a project may be undertaken by the same  
43 validation/verification body. However, the subsequent verification shall be undertaken by a  
44 different validation/verification body. For example, if validation and verification were undertaken at  
45 the same time, the subsequent verification would have to be undertaken by a different  
46 validation/verification body. If validation were undertaken first (i.e., separately), the first  
47 verification could be undertaken by the same validation/verification body, but the subsequent  
48 verification would have to be undertaken by a different validation/verification body.

1 2) A validation/verification body may not verify more than six consecutive years of a project's  
2 sustainable development impacts. The validation/verification body may undertake further  
3 verification for the project only when at least three years have been verified by a different  
4 validation/verification body. Where a project is also registered under the Verified Carbon  
5 Standard Program and undergoing a join verification, the VCS rules for verification, including  
6 those related to VVB rotation, shall take precedent.

7 Note -- validations and verifications (or other types of assessment) performed under other programs  
8 that are not concurrent with an SD VISTa validation or verification shall be counted when assessing  
9 adherence to these requirements.

### 10 **6.3 Grouped Projects**

11 6.3.1 Validation and verification of grouped projects shall assess conformance of the project with the  
12 requirements for grouped projects set out in the SD VISTa rules (below in this section and in Section 2.5  
13 above.

14 6.3.2 New project activity instances shall be validated, based on the information reported in the  
15 monitoring report, against the applicable set of eligibility criteria. The validation/verification body shall  
16 specify which instances meet the eligibility criteria for inclusion in the project. Such validation may be  
17 reported in the verification report or a separate validation report.

18 6.3.3 Where, due to the number of project activity instances, it is unreasonable to undertake an individual  
19 assessment of each initial or new instance, the validation/verification body shall document and explain the  
20 sampling methods employed for the validation of such instances. Such sampling methods shall be  
21 statistically sound. The number of instances included in the project eligible for monitoring, quantification in  
22 SD VISTa claims and generation of SD VISTa assets shall be proportional to the percentage of sampled  
23 instances found to be in compliance by the validation/verification body.

24 6.3.4 The verification report for grouped projects shall document and explain the sampling methods  
25 employed by the validation/verification body for the verification of SD VISTa claims or SD VISTa assets  
26 generated by the project. Such methods shall be statistically sound. Any subsequent changes to the  
27 sampling method(s) required as a result of the verification findings shall be documented.

### 28 **6.4 Validation of Project Description Deviations**

29 6.4.1 Project description deviations shall be validated at the time of verification.

30 6.4.2 The public comment period and, if necessary, the validation/verification body's site visit for the  
31 validation of the project description deviation may be concurrent with the public comment period and site  
32 visit for the verification.

33 6.4.3 Only the sections of the project description changed through the project description deviation will  
34 undergo public comment.

35 6.4.4 A new validation statement shall be issued concurrent with the verification statement. The new  
36 validation statement shall be completed using the SD VISTa *Validation Statement Template* and shall  
37 include the following:

- 38 1) Reference to the original validation of the project and the validation of any previous project  
39 description deviations, including dates of each; and,  
40 2) Reference the *Sustainable Development Verified Impact Standard* and project description  
41 sections updated through the project description deviation.

### 42 **6.5 Validation and Verification Reporting**

43 6.5.1 The validation report describes the validation process, any findings raised during validation and their  
44 resolutions, and the conclusions reached by the validation/verification body. The validation/verification  
45 body shall use the *SD VISTa Validation Report Template*, *SD VISTa Joint Validation & Verification Report*

1 Template, SD VISTa & VCS Validation Report Template or the CCB & SD VISTa & VCS Validation Report  
2 Template, as appropriate, and adhere to all instructional text within the template. The validation report  
3 shall be accompanied by a validation representation, which shall be prepared using the SD VISTa  
4 Validation Deed of Representation Template.

5 6.5.2 The verification report describes the verification process, any findings raised during verification and  
6 their resolutions, and the conclusions reached by the validation/verification body. The  
7 validation/verification body shall use the SD VISTa Verification Report Template, SD VISTa Joint Validation  
8 & Verification Report Template, SD VISTa & VCS Verification Report Template or the CCB & SD VISTa &  
9 VCS Verification Report Template, as appropriate, and adhere to all instructional text within the template.  
10 The verification report shall be accompanied by a verification representation, which shall be prepared  
11 using the SD VISTa Verification Deed of Representation Template.

## 12 **6.6 Validation and Verification Statement**

13 6.6.1 The validation report and the verification report shall be accompanied by a validation statement and  
14 a verification statement, respectively.

15 6.6.2 Validation and verification statements shall:

- 16 1) Describe the level of assurance of the validation or verification.
- 17 2) Describe the objectives, scope and criteria of the validation or verification.
- 18 3) Describe whether the data and information supporting the project's compliance with the SD VISTa  
19 rules and any SD VISTa claims and/or SD VISTa assets were hypothetical, projected and/or  
20 historical in nature.
- 21 4) Include the validation/verification body's conclusion on the project's compliance with the SD VISTa  
22 rules and any SD VISTa claims and/or SD VISTa assets, including any qualifications or limitations.

23 6.6.3 The verification statement shall state, as appropriate:

- 24 1) Any and all SD VISTa claims generated during the monitoring period that have been verified.
- 25 2) Any and all quantities of SD VISTa assets generated during the monitoring period that have been  
26 verified.

## 27 **6.7 Negative Audit Conclusions**

28 6.7.1 Where the project does not meet the criteria for validation or verification, the validation/verification  
29 body shall produce a negative validation conclusion and provide the validation, or verification, report and  
30 project description, or monitoring report to Verra. With the consent of the project proponent, these  
31 documents will be posted to the project record on the Verra project database.

32 6.7.2 The project shall be ineligible for registration until such time as corrective action is taken and the  
33 (same) validation/verification body has provided a positive validation or verification. The  
34 validation/verification body shall determine whether a new site visit is needed in order to close the  
35 corrective actions.

## 36 **6.8 Records of Validation and Verification**

37 The validation/verification body shall keep all documents and records in a secure and retrievable manner  
38 for at least two years after the end of the project lifetime, even where the SD VISTa project validation  
39 expires (further information on validation expiration date can be found in the SD VISTa Program Guide).

40  
41 ~~Note: The final version of this document will identify specifically which requirements are to be assessed at~~  
42 ~~validation, verification or both.~~

43 Additional requirements with respect to the validation and verification process are set out in the *SD VISTa*  
44 *Program Guide* and shall be adhered to.

## 1 7 Glossary

2 **Adaptive Management:** A systematic approach for improving resource management by learning from  
3 management outcomes

4 **Agriculture, Forestry and Other Land Use (AFOLU):** The sectoral scope that covers sustainable  
5 development benefits from project or program activities in the agriculture, forestry, and other land  
6 use/land use change sectors (adapted from the 2006 Intergovernmental Panel on Climate Change  
7 *Guidelines for National Greenhouse Gas Inventories*, where it describes a category of activities which  
8 contribute to anthropogenic greenhouse gas emissions)

9 **Alien Species:** A species, subspecies, or lower taxon occurring outside of its natural past or present  
10 distribution (i.e. outside the range it occupies naturally or could not occupy without direct or indirect  
11 introduction or care by humans); includes any part, gametes or propagule of such species that might  
12 survive and subsequently reproduce (definition from the Convention on Biological Diversity and IUCN)

13 **Benefits for People, their Prosperity and the Planet:** Benefits for people are defined as alleviation of  
14 poverty and hunger and enhancements to dignity, equality or healthy environment resulting from project  
15 activities. Benefits for people's prosperity are defined as increases in prosperity or life fulfillment or  
16 advances in economic, social and technological progress in harmony with nature resulting from project  
17 activities. Benefits for the planet are defined as protection of the planet from degradation by maintenance  
18 or enhancement of natural resources and ecosystem services resulting from project activities.

19 **Causal Chain:** A conceptual diagram tracing the process by which an activity leads to positive and  
20 negative impact(s) through a series of interlinked logical and sequential stages of cause-and-effect  
21 relationships

22 **Crediting Period:** The time period for which the SD VISa assets generated by the project are eligible for  
23 issuance

24 **Customary Rights:** Patterns of long-standing community lands, territories and resource usage in  
25 accordance with Indigenous Peoples' and local communities' customary laws, values, customs and  
26 traditions, including seasonal or cyclical use, rather than formal legal title to lands, territories and  
27 resources issued by the State

28 **Deemed Estimates Method:** A method of quantifying the change resulting from an activity or set of  
29 activities where the change is estimated directly without separately defining and estimating without-  
30 baseline and with-project scenarios (sometimes called a "deemed savings" or "unit savings"  
31 approach)

32 **Defensible Methodological Approach (for GHG accounting):** An approach that includes procedures  
33 for delineating the conditions under which the methodological approach can be applied: defining the  
34 project boundary including any GHG sources, sinks and reservoirs; conservatively estimating without-  
35 project GHG ERRs (including leakage); monitoring GHG ERRs over the project lifetime and that follows  
36 the principles of relevance, completeness, consistency, transparency and conservativeness

37 **Ecosystem Services:** The benefits people obtain from ecosystems. Ecosystem services include  
38 provisioning services such as food, water, timber, and fiber; regulating services that affect climate, floods,  
39 disease, wastes and water quality; cultural services that provide recreational, aesthetic and spiritual  
40 benefits; and supporting services such as soil formation, photosynthesis and nutrient cycling (definition  
41 from the Millennium Ecosystem Assessment).

42 **Effective Consultation:** A process by which the project proponent uses socially and culturally  
43 appropriate methods to enable transparent sharing of information with stakeholders and their meaningful  
44 participation in decision making, dispute resolution and/or other subjects of consultation

45 **Grouped Project:** A project to which additional instances of the project activity, which meet pre-  
46 established eligibility criteria, may be added subsequent to project validation

1 **Impact:** Any result of the project activities that itself lasts beyond the project lifetime or leads to another  
2 outcome or impact of equal or longer duration. In the context of SD VISTa, impacts include benefits, costs  
3 and risks, including those that are direct and indirect, those related to social, cultural, environmental and  
4 economic aspects, those related to human rights and those related to rights to lands territories and  
5 resources.

6 **Indigenous Peoples:** (a) tribal peoples in independent countries whose social, cultural and economic  
7 conditions distinguish them from other sections of the national community, and whose status is regulated  
8 wholly or partially by their own customs or traditions or by special laws or regulations; (b) peoples in  
9 independent countries who are regarded as indigenous on account of their descent from the populations  
10 which inhabited the country, or a geographical region to which the country belongs, at the time of  
11 conquest or colonization or the establishment of present state boundaries and who, irrespective of their  
12 legal status, retain some or all of their own social, economic, cultural and political institutions. (Definition  
13 of peoples to whom the International Labour Organization's Indigenous and Tribal Peoples Convention,  
14 1989 (No. 169) applies.)

15 **Interested Stakeholder:** Any person, group of persons, or entity that has shown an interest, or is known  
16 to have an interest, in the activities of the project but that will not be materially affected by those activities  
17 (similar to the UNFCCC term "global stakeholder"; adapted from the FSC-STD-01-002 FSC Glossary of  
18 Terms)

19 **Local Laws:** All norms given by organisms of government whose jurisdiction is less than the national level  
20 (e.g. departmental, municipal and customary norms)

21 **Marginalized and/or Vulnerable Groups:** See "Marginalized People or Groups" and "Vulnerable People  
22 or Groups"

23 **Marginalized People or Groups:** Those people and groups unable to participate fully in economic,  
24 social, political and cultural life (also called socially excluded people or groups) (definition adapted from  
25 United Nations Department of Economic and Social Affairs)

26 **Materiality:** The concept applied to determine if errors, omissions and misstatements in information could  
27 affect the net sustainable development impact assertion and influence decisions resulting from it

28 **Methodology:** A specific set of criteria and procedures, which apply to specific project activities, for  
29 identifying the project boundary, determining the baseline scenario, demonstrating additionality (if an  
30 asset is being used for offsetting purposes), quantifying net sustainable development impacts, and  
31 specifying monitoring procedures

32 **Methodology Deviation:** A deviation from the criteria and procedures for monitoring or measurement set  
33 out in a methodology applied to the project

34 **Methodology Revision:** A revision to the criteria and procedures of an existing methodology

35 **Monitoring Report [SD VISTa Monitoring Report]:** The document that records data to allow the  
36 assessment of the sustainable development benefits, SD VISTa claims and SD VISTa assets generated by  
37 the project during a given time period in accordance with the monitoring plan set out in the project  
38 description, and which is prepared using the *SD VISTa Monitoring Report Template* or a Verra-approved  
39 template for projects conducting monitoring concurrently for SD VISTa and another program

40 **Native Species:** A species, subspecies, or lower taxon, occurring within its natural range (past or  
41 present) and dispersal potential (i.e. within the range it occupies naturally or could occupy without direct  
42 or indirect introduction or care by humans) (definition from IUCN)

43 **Natural Capital:** Earth's systems, geological resources and ecosystem stocks, including climate and  
44 hydrological systems, mineral and energy resources, land, soil resources, timber resources, aquatic  
45 resources, biological resources other than timber and aquatic resources, water resources (surface,

1 groundwater and soil water resources), and ecosystem assets (including, but not limited to, assets that  
2 provide regulating and cultural services) (definition adapted from The London Group)

3 **Project Activity:** The specific set of technologies, measures and/or outcomes that alter the conditions  
4 that exist at the start of the project and which result in sustainable development benefits

5 **Project Activity Instance:** A particular set of implemented technologies and/or measures that constitute  
6 the minimum unit of activity necessary to comply with the criteria and procedures applicable to the project  
7 activity under the methodology applied to the project

8 **Project Boundary:** Identifies the spheres of influence (both primary and secondary, intended and  
9 unintended) where project activities must be assessed to identify and determine positive benefit.

10 **Project Description [SD VISTa Project Description]:** The document that describes the project's  
11 sustainable development activities and that uses either the SD VISTa Project Description Template or a  
12 Verra-approved project description template for projects to meet both SD VISTa and another program's  
13 rules

14 **Project Description Deviation [SD VISTa Project Description Deviation]:** A deviation from the project  
15 design, procedures and other specifications set out in the project description

16 **Project Lifetime:** The time period over which project activities are implemented; starts on the project start  
17 date

18 **Project Ownership:** The legal right to control and operate the project activities

19 **Project Proponent:** The individual or organization that has overall control and responsibility for the  
20 project, or an individual or organization that together with others, each of which is also a project  
21 proponent, has overall control or responsibility for the project. The entity(s) that can demonstrate project  
22 ownership in respect of the project.

23 **Project Start Date:** The date on which activities that lead to the generation of sustainable development  
24 benefits are implemented

25 **Property Rights:** Statutory and customary tenure/use/access/management rights to lands, territories and  
26 resources

27 **Property Rights Holders:** Entities that have individual or collective property rights

28 **Reasonable Level of Assurance:** A degree of assurance whereby the validator or verifier provides a  
29 reasonable, but not absolute, level of assurance that the responsible party's sustainable development  
30 benefit assertion is materially correct

31 **Registration [SD VISTa Registration]:** Enrollment on the Verra project database of a project that has  
32 been validated under the SD VISTa Program

33 **Renewable Energy Certificate (REC):** A market-based instrument that represents the property rights to  
34 the environmental, social and other non-power attributes of renewable electricity generation; issued when  
35 one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable  
36 energy resource

37 **Scalability Limit:** The scale beyond which, if new project activities are added, the project may not  
38 benefits deliver benefits to people, prosperity and/or the planet, such as capacity limits, economic and  
39 managerial constraints, and thresholds for project expansion beyond which there may be negative  
40 impacts on people, prosperity or planet

41 **Scenario Method:** A comparison of a without-project scenario with a with-project scenario where  
42 separate without- and with-project scenarios are defined and estimated

1 **SD VISTa Asset:** A user-defined environmental or social unit that is generated according to a validated  
2 SD VISTa methodology, verified by an accredited auditor, recorded and has the potential to be, if desired,  
3 transacted on the VerraVCS registry system

4 **SD VISTa Claim:** A user-defined statement about a specific sustainable development benefit validated  
5 and verified by an accredited auditor

6 **SDG Indicator:** An indicator for any Sustainable Development Goal Target that is any of the following: 1)  
7 Approved as part of the global indicator framework, accessible at  
8 <https://unstats.un.org/sdgs/Requirements/Requirementsindicators/indicators-list/>; 2) approved as part of a  
9 regional or national indicator framework; or 3) approved by Verra. VerraVCS. VCS-approved SDG  
10 RequirementsIndicators are listed on the VerraVCS website

11 **Stakeholder:** Any person who can potentially be affected by the project; similar to the UNFCCC term  
12 "local stakeholder".- In identification of stakeholders, it is permitted to consider significance of user  
13 populations and how deeply affected they may be by the project such that distant or intermittent user  
14 groups who will be affected in very limited ways by the project need not be defined as stakeholders. Note:  
15 Any reference in these requirements to stakeholders that does not explicitly refer to interested  
16 stakeholders is limited to this group of potentially affected stakeholders.

17 **Stakeholder Group:** Groups whose members derive similar income, livelihood, well-being and/or cultural  
18 values from the project and whose values are different from those of other groups; such as Indigenous  
19 Peoples, women, youth or other social, cultural and economic groups. Every individual stakeholder must  
20 belong to at least one stakeholder group.

21 **Sustainable Development Benefits:** A project's benefits for people, for their prosperity and for the  
22 planet

23 **Uncertainty:** A parameter associated with the result of measurement that characterizes the dispersion of  
24 the values that could be reasonably attributed to the measured amount

25 **Validation Report [SD VISTa Validation Report]:** The written report of validation prepared by the  
26 validation/verification body in accordance with the SD VISTa rules

27 **Validation Representation [SD VISTa Validation Representation]:** The deed issued by the  
28 validation/verification body, referencing the validation report to which it relates, containing a unilateral  
29 representation that it has validated the project's compliance with the applicable SD VISTa rules, and which  
30 is prepared using the *SD VISTa Validation Deed of Representation*

31 **Validation/Verification Body:** An organization approved by Verra~~the VCS~~ to act as a  
32 validation/verification body in respect of providing validation and/or verification services in accordance  
33 with the SD VISTa rules and requirements

34 **Verification Report [SD VISTa Verification Report]:** The written report of the verification prepared by  
35 the validation/verification body in accordance with the SD VISTa rules

36 **Verification Representation [SD VISTa Verification Representation]:** The deed issued by the  
37 validation/verification body, referencing the verification report to which it relates, containing a unilateral  
38 representation that it has verified the project's sustainable development benefits, SD VISTa claims and SD  
39 VISTa assets in accordance with the applicable SD VISTa rules, and which is prepared using the *SD VISTa*  
40 *Verification Deed of Representation Template*

41 **Verified Carbon Unit (VCU):** A unit issued by, and held in the Verified Carbon Standard (VCS) registry  
42 representing the right of an accountholder in whose account the unit is recorded to claim the achievement  
43 of a GHG emission reduction or removal in an amount of one (1) metric tonne of CO<sub>2</sub> equivalent that has  
44 been verified by a validation/verification body in accordance with the VCS rules

45 **Verra Website:** [www.verra.org](http://www.verra.org)

1 **Vulnerable People or Groups:** Those people and groups who lack ability to anticipate, cope with, resist  
2 and recover from stresses or shocks due to physical, social, economic and environmental factors or  
3 processes (definition adapted from World Health Organization (Wisner and Adams), United Nations Office  
4 of Disaster Risk Reduction and Climate, Community & Biodiversity Standards *Program Definitions*).

5 **Well-being:** People’s experience of the quality of their lives and may include social, economic,  
6 psychological, spiritual, and medical dimensions. The improvement of well-being may include providing  
7 opportunity, ensuring and enhancing security and empowerment.

8 **With-Project Scenario:** The events or conditions most likely to occur in the presence of project activities

9 **Without-Project Scenario:** The events or conditions most likely to occur in the absence of project  
10 activities

11 **Workers:** People directly working on project activities in return for compensation (financial or otherwise),  
12 including employees, contracted workers, sub-contracted workers and any other stakeholders that are  
13 paid to carry out project-related work

14

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17

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32

## 1 Appendix 1. SD VISa Climate Module

2 This module shall be used to demonstrate a project's net positive climate benefits and not for claiming  
3 greenhouse gas (GHG) emissions reductions and removal (ERR) units that may be used as offsets.

4 For this section, project proponents must choose to demonstrate net benefits by using either the scenario  
5 method or the deemed estimates method.

### 6 **C1. GHG Emissions and Removals at Project Start**

#### 7 Concept

8 GHG sources and sinks that will be affected by the project are described.

#### 9 Requirements

10 C1.1 A defensible methodological approach<sup>6</sup> shall be used to estimate the total GHG ERRs in areas  
11 affected by project activities under the without-project scenario.

12 C1.2 Metric tonnes shall be used as the unit of measure and the quantity of each type of GHG shall be  
13 converted to tonnes of CO<sub>2</sub>e. The six Kyoto Protocol greenhouse gases and ozone-depleting substances  
14 shall be converted using 100 year global warming potentials derived from the most recent assessment by  
15 the Intergovernmental Panel on Climate Change (IPCC).

16 C1.3 The timeframe for this analysis shall be the project lifetime.

17 C1.4 It is allowable for the analysis of the without-project scenario to exclude GHG emissions from  
18 sources such as biomass burning, fossil fuel combustion, synthetic fertilizers, and to exclude non-CO<sub>2</sub>  
19 GHG emissions such as CH<sub>4</sub> and N<sub>2</sub>O gases in cases where this can be justified as conservative. The  
20 analysis of ERRs shall include GHG sinks expected to increase significantly under the without-project  
21 scenario.

### 22 **C2. Net Positive GHG Impacts**

#### 23 Concept

24 Project activities result in net positive difference between ERRs in the without-project scenario (including  
25 CO<sub>2</sub> and non-CO<sub>2</sub> GHG emissions) and total ERRs resulting from project activities.

#### 26 Requirements

27 C2.1 A defensible methodological approach shall be used to estimate the total ERRs expected as a result  
28 of project activities under the with-project scenario. This estimate shall be based on clearly defined and  
29 defendable assumptions about changes in ERRs under the with-project scenario over the project lifetime  
30 or the project GHG accounting period. The GHG emissions estimate must include non CO<sub>2</sub> emissions

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<sup>6</sup> A defensible methodological approach that includes procedures for delineating the conditions under which the methodological approach can be applied: defining the project boundary including any GHG sources, sinks and reservoirs; conservatively estimating without-project GHG ERRs (including leakage); monitoring GHG ERRs over the project lifetime. A defensible methodological approach shall also observe principles of relevance, completeness, consistency, transparency and conservativeness for carbon accounting such as the Intergovernmental Panel on Climate Change's 2006 *Guidelines for National GHG Inventories*.

The principle of conservativeness means that where accounting relies on assumptions, values and procedures with high uncertainty, the most conservative option in the biological range should be chosen so as not overestimate GHG removals or GHG emissions.

1 such as CH<sub>4</sub> and N<sub>2</sub>O and GHG emissions from sources such as biomass burning, fossil fuel combustion,  
2 use of synthetic fertilizers and the decomposition of N-fixing species, etc., if those GHG emissions  
3 sources are cumulatively likely to account for more than 20% of the project's expected total GHG  
4 emissions in the with-project scenario.<sup>7</sup>

5 C2.2 Net ERRs generated by the project shall be positive.

### 6 **C3. GHG Impact Monitoring**

#### 7 Concept

8 Climate impact monitoring assesses changes in project-related carbon pools, project emissions and non-  
9 CO<sub>2</sub> GHG emissions if relevant, resulting from project activities.

#### 10 Requirements

11 C3.1 A defensible methodological approach, including a frequency of monitoring of specific parameters,  
12 shall be used to develop and implement a plan for monitoring changes in relevant carbon pools, non-CO<sub>2</sub>  
13 GHGs and emissions sources. Any sources expected to cumulatively contribute more than 20% of total  
14 GHG emissions in the with-project scenario must be monitored.

15 C3.2 The monitoring plan and any results of monitoring undertaken in accordance with the monitoring  
16 plan shall be made publicly available on the internet and summaries disseminated to stakeholders  
17 through appropriate means.

18

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<sup>7</sup> GHG sources may be excluded from this estimate where cumulatively emissions from those sources are less than 20% of the project's expected total GHG emission in the with-project scenario. GHG sources with the lowest cumulative contribution up to 20% may be excluded from the estimate (i.e., to determine which sources may be excluded, rank sources order of their relative contribution to the total GHG emissions in the with-project scenario, starting with the lowest source and added until the total cumulative level of 20% is reached). The threshold of 20% has been adopted as a reasonable limit for demonstration of net climate benefits so that it is not necessary to measure emissions sources if cumulatively they are clearly lower than this level.

## Appendix 2. SD VISTA Asset Methodology Requirements

This section sets out requirements for SD VISTA asset methodologies. The requirements in this section only apply to projects generating SD VISTA assets. Information on the review and approval process for SD VISTA asset methodologies is can be found in the *SD VISTA Program Guide*.

To aid in readability, this section uses the term *methodology* exclusively in reference to methodologies for SD VISTA assets.

### **M1. General Requirements**

#### *Concept*

Specific sustainable development benefits are measured, monitored and reported as environmental or social units according to benefit-specific methodologies. The list of methodologies approved with the SD VISTA Program, together with their respective validity periods, is available on the Verra website. Methodologies may employ a modular approach in which a framework document provides the structure of the methodology and separate modules and/or tools are used to perform specific methodological tasks. Methodologies may use default factors or proxies as long as they are credible and rigorous.

#### *Requirements*

M1.1 All new methodologies applying for approval under the SD VISTA Program shall use the *SD VISTA Methodology Template*, comply with the requirements set out in this Appendix 2 and any other applicable requirements set out in the VD VISTA rules, and be approved via the methodology approval process set out in the *SD VISTA Program Guide*.

M1.2 Methodologies shall be informed by a comparative assessment of the project and its alternatives in order to identify the without-project scenario. Such an analysis shall include, at a minimum, a comparative assessment of the implementation barriers and net benefits faced by the project and its alternatives.

M1.3 Modular methodologies shall use the *SD VISTA Methodology Template* for the framework document and the *SD VISTA Module Template* for the modules and tools. The framework document shall clearly state how the modules and/or tools are to be used within the context of the methodology.

M1.4 New methodologies shall not be developed where an existing methodology could reasonably be revised (i.e., developed as a methodology revision) to meet the objective of the proposed methodology.

M1.5 Methodologies shall be guided by the principles set out in Section 3 of the *SD VISTA Program Guide*. They shall clearly state the assumptions, parameters and procedures that have significant uncertainty, and describe how such uncertainty shall be addressed. Where applicable, methodology elements shall provide a means to estimate a 90 or 95 percent confidence interval.

M1.6 Where methodologies mandate the use of specific models to simulate processes that generate SD VISTA assets (i.e., the project proponent is not permitted to use other models), the following applies, given the note below:

- 1) Models shall be publicly available, though not necessarily free of charge, from a reputable and recognized source (e.g., the model developer's website).
- 2) Model parameters shall be determined based upon studies by appropriately qualified experts that identify the parameters as important drivers of the model output variable(s).
- 3) Models shall have been appropriately reviewed and tested (e.g., ground-truthed using empirical data or results compared against results of similar models) by a recognized, competent organization, or an appropriate peer review group.
- 4) All plausible sources of model uncertainty, such as structural uncertainty or parameter uncertainty, shall be assessed using recognized statistical approaches.
- 5) Models shall have comprehensive and appropriate requirements for estimating uncertainty, and the model shall be calibrated by parameters to be appropriate for the given location.

1 6) Models shall apply conservative factors to discount for model uncertainty (in accordance with the  
2 requirements set out in Section M1.5), and shall use conservative assumptions and parameters  
3 that are likely to underestimate, rather than overestimate, the SD VISa assets.

4 Note – The criteria set out in (2)-(6) above are targeted at more complex models. For simple models,  
5 certain of these criteria may not be appropriate, or necessary to the integrity of the methodology. Such  
6 criteria may be disregarded, though the onus is upon the methodology developer to demonstrate that they  
7 are not appropriate or necessary.

8 M1.7 Where methodologies use default factors and standards to ascertain sustainable development  
9 impact data and any supporting data for establishing without-project scenarios and demonstrating  
10 additionality, the following applies:

11 1) Where the methodology uses third party default factors and/or standards, such default factors  
12 and standards shall be available from a recognized, credible source and must be reviewed for  
13 publication by an appropriately qualified, independent organization or appropriate peer review  
14 group, or be published by a government agency.

15 2) Where the methodology itself establishes a default factor, the following applies:

16 a) The data used to establish the default factor shall comply with the following requirements:

17 1. Data collected directly from primary sources shall comply with relevant and  
18 appropriate standards, where available, for data collection and analysis, and be  
19 audited at an appropriate frequency by an appropriately qualified, independent  
20 organization.

21 2. Data collected from secondary sources shall be available from a recognized,  
22 credible source and must be reviewed for publication by an appropriately  
23 qualified, independent organization or appropriate peer review group, or be  
24 published by a government agency.

25 3. Data shall be from a time period that accurately reflects available technologies  
26 and/or current practice, and trends, within the sector.

27 4. Where sampling is applied in data collection, the methodology developer shall  
28 demonstrate that sampling results provide an unbiased and reliable estimate of  
29 the true mean value (i.e., the sampling does not systematically underestimate or  
30 overestimate the true mean value).

31 5. Data shall be publicly available or made publicly available. Proprietary data (e.g.,  
32 data pertaining to individual facilities) may be aggregated, and therefore not  
33 made publicly available, where there are demonstrable confidentiality  
34 considerations. However, sufficient data shall be publicly available to provide  
35 transparency and credibility to the dataset. All data shall be made available,  
36 under appropriate confidentiality agreements as necessary, to the VCSA and  
37 each of the validation/verification bodies assessing the proposed performance  
38 benchmark methodology, to allow them to reproduce the determination of the  
39 performance benchmark. Data shall be presented in a manner that enables them  
40 to independently assess the presented data.

41 6. Data shall be appropriate to the methodology's geographic scope and the project  
42 activities applicable under it.

43 7. All reasonable efforts shall be undertaken to collect sufficient data and the use of  
44 expert judgment as a substitute for data shall only be permitted where it can be  
45 demonstrated that there is a paucity of data. Expert judgment may be applied in  
46 interpreting data.

47 b) The methodology shall describe in detail the study or other method used to establish the  
48 default factor.

49 c) The methodology developer shall identify default factors which may become out of date  
50 (i.e., those default factors that do not represent physical constants or otherwise would not  
51 be expected to change significantly over time). Such default factors are subject to  
52 periodic re-assessment.

1 3) Where methodologies allow project proponents to establish a project-specific factor, the  
2 methodology shall provide a procedure for establishing such factors.

3 M1.8 Where proxies are used, it shall be demonstrated that they are strongly correlated with the value of  
4 interest and that they can serve as an equivalent or better method (e.g., in terms of reliability, consistency  
5 or practicality) to determine the value of interest than direct measurement of the value itself.

## 6 **M2 Scope of SD VISTa Methodologies**

### 7 Concept

8 Methodologies must include concepts core to accounting for sustainable development benefits. The WRI  
9 GHG Protocol for Project Accounting shall be used for more detailed guidance on the concepts in M2.2,  
10 substituting GHG emission reductions and removals with sustainable development benefits.

### 11 Requirements

12 M2.1 Methodologies approved by the SD VISTa Program must include the key concepts set out in Section  
13 M2.2. These concepts are important for the determination of sustainable development benefits and  
14 quantification of SD VISTa assets.

15 M2.2 The methodology document shall include, and the scope of the methodology assessment shall  
16 encompass, the following concepts:

- 17 1) Scope and applicability conditions: the methodology shall use applicability conditions to specify  
18 the project activity(s) to which it applies and shall establish criteria that describe the conditions  
19 under which the methodology can (and cannot, if appropriate) be applied. Any applicability  
20 conditions set out in tools or modules used by the methodology shall also apply.
- 21 2) Project boundary: the assessment boundary identifies the spheres of influence (both primary  
22 and secondary, and intended and unintended) where project activities must be assessed,  
23 including any causal chain, to identify and determine positive and negative sustainable  
24 development impacts in order to quantify the overall project benefit. The methodology shall  
25 establish criteria and procedures for describing the project boundary and identifying and  
26 assessing areas or concepts relevant to the project and without-project scenarios. Justification  
27 for all areas or concepts included or excluded shall be provided.
- 28 3) Without-project scenario: a hypothetical description of what activities would have most likely  
29 occurred in the absence of the project scenario. Methodologies shall establish criteria and  
30 procedures for identifying alternative without-project scenarios and determining the most  
31 plausible scenario, taking into account the following:
  - 32 a) The identification of all areas or concepts included in the project boundary.
  - 33 b) Existing and alternative project types, activities and technologies providing equivalent  
34 type and level of activity of products or services to the project
  - 35 c) Data availability, reliability and limitations
  - 36 d) Other relevant information concerning present or future conditions, such as legislative,  
37 technical, economic, socio-cultural, environmental, geographic, site-specific and temporal  
38 assumptions or projections.
- 39 4) Determination of additionality: to produce SD VISTa assets that are eligible to be used as an  
40 offset, projects must exceed the most likely "business-as-usual" scenario to identify that the  
41 sustainable development asset would not occur without revenue from the SD VISTa project.  
42 Where the determination of additionality is required, the methodology shall establish a  
43 procedure for the demonstration and assessment of additionality based upon the following  
44 requirements:
  - 45 a) Regulatory surplus: the project shall not be mandated by any law, statute or other  
46 regulatory framework, or any systematically enforced law, statute or other regulatory  
47 framework.
  - 48 b) Implementation barriers: the project shall face one or more distinct barrier(s) compared  
49 with barriers faced by alternatives to the project, such as investment barriers (projects

1 face capital or investment return constraints), technical barriers (project face technical-  
2 related barriers to implementation), or institutional barriers (project face organization,  
3 cultural, or social barrier that asset revenue stream can help overcome).

4 5) Quantification of sustainable development benefits: the methodologies shall establish criteria  
5 and procedures for quantifying the sustainable development impacts of both the without-project  
6 scenario as well as the project scenario in order to determine the net sustainable development  
7 impact benefit. These procedures must include the necessary equations, parameters, and  
8 finally the ultimate unit for how the sustainable development benefit is measured.

9 6) Monitoring: the methodology shall describe the data and parameters to be reported, including  
10 sources of data and units of measurement. When highly uncertain data and information are  
11 relied upon, conservative values shall be selected that ensure that the quantification does not  
12 lead to an overestimation of sustainable development benefits.

13 The methodology shall establish criteria and procedures for monitoring, which shall cover the  
14 following: purpose of monitoring; Monitoring procedures, including estimation, modeling,  
15 measurement or calculation approaches; procedures for managing data quality; and,  
16 monitoring frequency and measurement procedures.

## Appendix 3. Guidance

Sections that do not have specific guidance are not included in this appendix.

### 2.1 Project Goals, Design and Long-term Viability

#### G 2.1.2.4

The causal chain(s) shall be validated not only at the initial validation but on each verification to ensure that all potential project impacts are considered and, if necessary, monitored. For background on causal chains, see Section 6 of the World Resources Institute Policy and Action Standard. For guidance on developing causal chains, see the Initiative for Climate Action Transparency's draft *Sustainable Development Guidance*. Because both of these documents were developed to address the GHG effects of policies and actions, the term "project activity" should be substituted for "policy or action" when applying either document to SD VISTA contexts.-

#### G 2.1.10.6

Stakeholder identification and analysis should include an assessment of rights, interests and relevance to the project for each stakeholder group. The *Social and Biodiversity Impact Assessment (SBIA) Manual for REDD+ Projects: Part 1 – Core Guidance for Project Proponents* can be used for guidance on stakeholder identification and analysis.

#### 2.1.7

The number of appropriate stakeholder groups will depend on the size and complexity of communities affected by the project. Marginalized and vulnerable groups are not mutually exclusive; some individuals may belong to multiple groups.

### 2.2 Stakeholder Engagement

#### G 2.2.5.4

Effective consultation requires project proponents to inform and engage broadly with stakeholders using socially and culturally appropriate methods to enable meaningful influence on the subject of consultation. Consultations must be gender and inter-generationally sensitive with special attention to vulnerable\_-and/or marginalized people and must be conducted at mutually agreed locations and through representatives who are designated by the groups themselves in accordance with their own procedures. Different approaches may be appropriate for different stakeholder groups.

Stakeholders potentially affected by the project must have an opportunity to evaluate impacts and raise concerns about potential negative impacts, express desired outcomes and provide input on the project design including the theory of change, both before the project design is finalized and during implementation. Consultations must include participatory identification of ecosystem services important for stakeholders, for example through participatory mapping. Consultations must also include an evaluation of the type and magnitude of impacts resulting from project activities and(Section 3.2.1): Consultations must also include a participatory design of feedback and grievance redress procedures. (Section 2.3.8).

In cases where it is unclear whether a project will be implemented or not, it is acceptable to start with preliminary consultations, provided there are plans for appropriate full consultations before the start of the project. Where conformance with the SD VISTA rules is being applied to a project already under implementation, project proponents must either provide documentation of appropriate consultations during the project design phase or demonstrate how more recent consultations have been effective in evaluating stakeholder benefits and adapting project design and implementation to optimize stakeholder benefits and respect local customs.

1 G 2.2.8-7

2 Discrimination may include but is not limited to that based on gender, race, religion, sexual orientation or  
3 other habits.

4 **2.3 Management Capacity**

5 2.3.3

6 Transparency International's Keeping REDD+ Clean: A Step-by-Step Guide to Preventing Corruption can  
7 be used as guidance for this criterion.

8 **2.4 Legal Status and Rights**

9 G Concept:

10 Project proponents must adhere to the United Nations' Protect, Respect and Remedy Framework, as  
11 outlined in the document *Guiding Principles on Business and Human Rights*.

12 Article 10 of the *UN Declaration on the Rights of Indigenous Peoples* sets out Indigenous Peoples' right to  
13 free, prior and informed consent regarding relocation and compensation.

14 Customary rights are defined per the World Bank Operational Manual *OP 4.10 – Indigenous*  
15 *Peoples* as patterns of long-standing community lands, territories and resource usage in accordance with  
16 Indigenous Peoples' and local communities' customary laws, values, customs and traditions, including  
17 seasonal or cyclical use, rather than formal legal title to lands, territories and resources issued by the  
18 State.

19 G 2.4.4-2-1

20 Community property includes lands, territories and resources to which communities have collective rights  
21 (either customary or statutory). Customary collective rights include traditional ownership, occupation or  
22 other use or acquisition whether or not such ownership has been formally recorded.

23 G 2.4.5-2-2

24 For guidance on FPIC, please see the manual *Free Prior and Informed Consent: An indigenous peoples'*  
25 *right and a good practice for local communities*.

26 It is important to note that consultation is not the same as consent. Free, prior and informed consent is  
27 the decision made by a stakeholder group following a consultation. A project proponent must receive  
28 affirmative consent from the relevant property rights holders prior to commencing with project activities.

29 If non-contacted peoples are located or believed to be located in the area(s) which will be impacted by  
30 project activities, their right to remain in isolation should be respected in accordance with local,  
31 national and international laws and recommendations. Unless invited to make contact, implementing  
32 entities should not engage in any activities that may impact these populations, including project activities.  
33 There should be a buffer zone between the area(s) which will be impacted by project activities and  
34 the area in which indigenous populations living in voluntary isolation reside, or are believed to reside. See  
35 the report *Indigenous Peoples in Voluntary Isolation and Initial Contact in the Americas* for  
36 recommendations on respecting the human rights of people in that situation.

37 G 2.4.6-2-3

38 Compensation should include both the financial and non-financial costs of the loss of land (e.g., loss  
39 of culture or loss of business opportunity).

G 2.4.7.3

Article 28 of the *UN Declaration on the Rights of Indigenous Peoples* indicates that unless otherwise agreed upon, compensation should be in the form of lands, territories or resources equivalent in quality, size and legal status to those taken. When such compensation is not available, monetary compensation is appropriate. This principle is consistent Article 16 of the International Labour Organization's *Indigenous and Tribal Peoples Convention, 1989 (No. 169): Convention concerning Indigenous and Tribal Peoples in Independent Countries*.

G 2.4.8.4

If the project enables previously illegal activities to become legal by means of appropriate laws and other means, benefits from these activities may be considered for the net benefit analysis in Sections 3.2 and 4.2.

G 2.4.9.5

According to Principle 25.1 of the FAO's *Voluntary Guidelines on the Responsible Governance of Tenure*, "all parties should take steps to prevent and eliminate issues of tenure of land, fisheries and forests as a cause of conflict and should ensure that aspects of tenure are addressed before, during and after conflict, including in situations of occupation where parties should act in accordance with applicable international humanitarian law".

### 3 Benefits for People and Prosperity

#### Scenario Method

Using the scenario method, users quantify the impact of a project activity by comparing two scenarios:

- The *without-project scenario*, which represents the events or conditions most likely to occur in the absence of the ~~project activity~~policy or action (or package of policies and actions) being assessed; and
- The *with-project scenario*, which represents the events or conditions most likely to occur in the presence of the ~~project activity~~policy or action (or package of policies and actions) being assessed.

#### Deemed Estimates Method

The deemed estimates method (sometimes called a “deemed savings” or “unit savings” approach) is a simplified variation of the scenario method. This method involves calculating the impact of a ~~project activity~~policy or action without separately defining and estimating ~~without-baseline~~ and ~~with-project~~policy scenarios and comparing the two. This method may be appropriate for certain common or homogeneous policies and actions where deemed estimate values are reliable or in cases where the scenario method is not practical.

Table 1. Examples of the scenario and deemed estimates method

Method	Activity	Process for establishing impact
Scenario method	REDD+ project	Use a projection of deforestation over the next 20 years and compare that with projected/actual deforestation taking into account project activities

Deemed estimates method	Retrofit of urban apartment buildings with clean energy	Count number of houses/buildings/facilities with access to clean energy to be installed/resulting from the project
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1

2 For more guidance on options for estimating project impacts, see the Initiative for Climate Action  
3 Transparency's draft *Sustainable Development Guidance* (from which the above text was adapted).

### 4 **3.1 Stakeholders at Project Start**

#### 5 G 3.1.1

6 Community characteristics may include shared language, mythology, history, culture, livelihood systems,  
7 traditional authority structures, institutions, practices, values, relationships with specific sites of historical,  
8 cultural or spiritual significance, relationships with natural resources, or the customary institutions and  
9 rules governing the use of resources and sites.

### 10 **3.2 Impact on Stakeholders**

#### 11 G 3.2.1 The

12 *Social and Biodiversity Impact Assessment (SBIA) Manual for REDD+ Projects: Part 1 – Core Guidance*  
13 *for Project Proponents* is recommended for guidance on appropriate methodologies.

14 Evaluation by the affected stakeholder groups can be undertaken through a documented opportunity for  
15 feedback from communities and their stakeholder groups as part of a participatory rural appraisal,  
16 community meetings or some other process.

#### 17 G 3.2.2

18 The precautionary principle originated in the Convention on Biological Diversity. That document states "in  
19 order to protect the environment, the precautionary approach shall be widely applied by States according  
20 to their capabilities. Where there are threats of serious or irreversible damage, lack of full scientific  
21 certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental  
22 degradation".

### 23 **3.3 Monitoring of Impact on Stakeholders**

#### 24 G 3.3.1

25 Potential stakeholder variables to be monitored may include but are not limited to: income, employment  
26 generation, health, market access, schools, food security and education.

#### 27 G 3.3.2

28 Guidance will be provided to support monitoring within specific stakeholder groups as dictated by the  
29 *SDG Indicator*. E.g., to meet the Target 2.3, Double the productivity and incomes of small-scale food  
30 producers, a project would need to monitor the productivity and incomes of small-scale food producers  
31 among its stakeholders.

## 32 **4 Benefits for the Planet**

33 See Guidance for Section 3.

### 34 **4.1 Natural Capital and Ecosystem Services Planet at Project Start**

1 [G 4.1.1](#)

2 See Guidance for Section 3.2.1.

3 **4.2 Impact on Natural Capital and Ecosystem Services**

4 [G 4.2.6](#)

5 The process of identifying, classifying and managing all waste products resulting from project activities  
6 may include, but is not limited to, the following:

- 7 • Methods of collecting, storing, moving, treating and disposing of animal, plant, food processing,  
8 municipal and industrial wastes
- 9 • Development of products from waste materials, including biofuels
- 10 • Engineering and analysis of projected and existing waste disposal systems and pesticide  
11 containers
- 12 • Recycling pre- and post-consumer wastes
- 13 • Improved methods for mitigating environmental impacts and biosecurity risks from agricultural,  
14 forestry, municipal and industrial wastes, etc.

15 **4.3 Monitoring of Impact on Natural Capital and Ecosystem Services**

16 [G 4.3.1](#)

17 Potential variables may include but are not limited to: species abundance; population size, range, trends  
18 and diversity; habitat area, quality and diversity; landscape connectivity; and forest fragmentation.