



**ANNUAL
REPORT
2021**





LETTER FROM THE CEO

In 2021, as the world started to navigate a post-COVID state, environmental markets continued to grow and evolve. The Taskforce on Scaling Voluntary Carbon Markets (TSVCM) released a landmark report with a blueprint for building a high-integrity, impactful, and transparent voluntary carbon market (VCM).

Other initiatives advanced efforts to rigorously track corporate net-zero targets and other elements of demand. And as a result of COP26 in Glasgow, a

clear policy signal was sent about how the VCM can support countries in achieving their Nationally Determined Contributions (NDCs).

Verra, too, continued to evolve at a fast-moving pace. We increased our staff responsible for processing project requests by more than 130% to meet the increased demands of the carbon market. We also advanced our efforts in nature-based solutions, for example by releasing Version 4 of the Jurisdictional

Front photo: The Bale Mountains Eco-region REDD+ project promotes forest-friendly farming practices that produce diverse and sustainable income streams, for example, beekeeping, producing essential oils, making bamboo furniture, and harvesting wild coffee. Photo by Lisa Murray.

Above photo: In the REDD+ Project for Caribbean Guatemala: The Conservation Coast, hundreds of landowners have joined to protect 675 parcels of forest. "Cayucos" are one of the most common forms of transportation between some of the projects' populations. Photo by FUNDAECO.

Right photo: The mangroves of Cispatá Bay in the Blue Carbon Project Gulf of Morrosquillo, Colombia, store carbon and provide numerous benefits for communities and the environment. Photo by Daniel Uribe, provided by Conservation International.

and Nested REDD+ Framework and registering the first blue carbon project, and expanded important work to support the global energy transition with the development of a methodology and suite of tools for quantifying benefits from carbon capture, utilization, and storage. Over the year we were actively involved in market-wide initiatives, such as the TSVCM, which then became the Integrity Council for Voluntary Carbon Markets (ICVCM) and the Voluntary Carbon Market Integrity Initiative (VCMI), to increase confidence in the market. We also advanced key innovations, including the launch of the VCM Global Dialogue, a new initiative that will put the supply side at the center of discussions about the VCM, and took initial steps to address the emergence of cryptocurrency initiatives.

Market participants again voted us the winner of “Best GHG Crediting Programme” in Environmental Finance’s annual rankings. We remain humbled by this recognition and are committed to earning it every day.

We also helped to advance sustainable development and plastic markets, establishing the groundwork needed to drive increasing levels of finance and investment to help meet the United Nations Sustainable Development Goals (SDGs).

In closing, a heartfelt “thank you” goes to all stakeholders who participated in environmental and social markets for their tireless efforts in advancing climate action and sustainable development. We made a lot of progress in 2021, and I am excited about the opportunities that lie ahead.



David Antonioli
CHIEF EXECUTIVE OFFICER



“In 2022, Verra will continue to focus on our new standards and frameworks ... so we can best support global climate goals while simultaneously achieving our mission to catalyze measurable climate action and sustainable development outcomes.

Dr. Tao Yun, Board Chair

LETTER FROM THE BOARD CHAIR

2021 was characterized by global emergencies, supply chain issues, and substantial demographic shifts due to the ongoing pandemic, economic hardship and natural events that posed challenges for us all and Verra. Against this backdrop, Verra launched a new standard for plastics, updated the VCS program to align with the Paris Agreement, and participated in the Voluntary Carbon Markets Global Dialogue, which will play a significant role in the next strategic period.

The emphasis on the importance of the voluntary carbon market to support countries and companies in achieving their climate goals caused Verra to take steps to improve its systems and tools and expand its team to accommodate the needs of the market.

- Verra contributed to the initial report and consultation of the Taskforce on Scaling the Voluntary Carbon Markets (TSVCM), and Verra's CEO, David Antonioli, was elected as the market's supply-side representative on the Integrity Council of the Voluntary Carbon Market, the governance body formed as the outcome of the TSVCM.
- Verra updated its Verified Carbon Standard (VCS) Program to ensure that it remains aligned with emerging compliance markets, including Article 6.2 of the Paris Agreement and CORSIA. The launch of Version 4 of the Jurisdictional and Nested REDD+ Framework also enabled Verra to credit emission reductions at multiple scales, future-proofing REDD+ activities.

- Verra also launched the Plastic Waste Reduction Standard (Plastic Standard), which is poised to play a role in the growing circular economy. The Plastic Standard aims to drive investment into projects that increase the collection and recycling of plastic waste.

On behalf of the Board and the Vice Chair, I want to thank our stakeholders for providing their unwavering support and bearing with us through challenges created by the demand of a fast-growing market. You are an important driving force to keep improving Verra every year.

I would like to thank the Verra staff for their commitment, adaptability, and ability to evolve, which has enabled Verra to make great progress toward our key objectives.

Looking forward to the future, Verra will continue to focus on our new standards and frameworks by listening to the needs of our stakeholders, so we can best support their climate goals while simultaneously achieving our mission to catalyze measurable climate action and sustainable development outcomes.



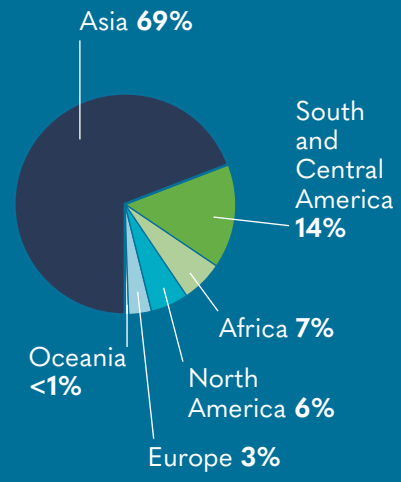
Dr. Tao Yun
BOARD CHAIR



1,775 projects

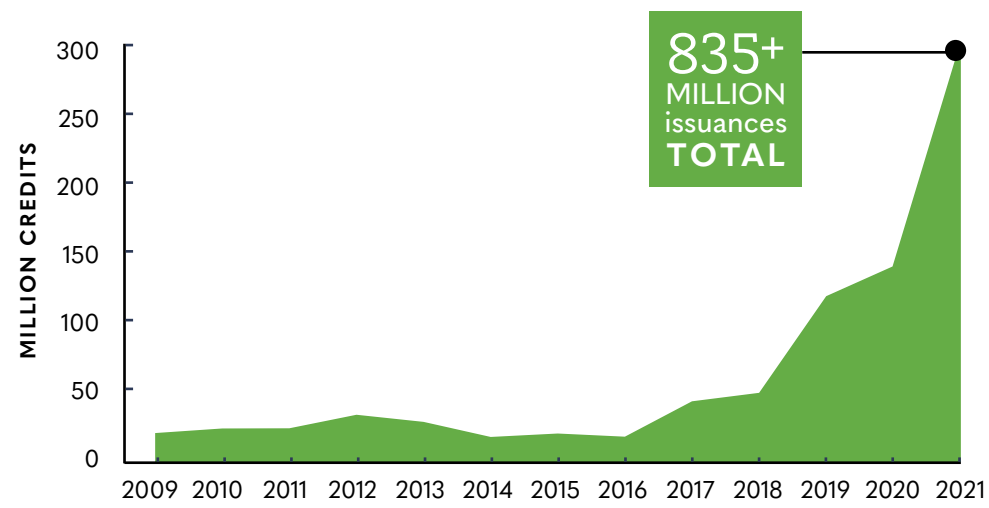
AT THE END OF 2021

PROJECTS BY REGION

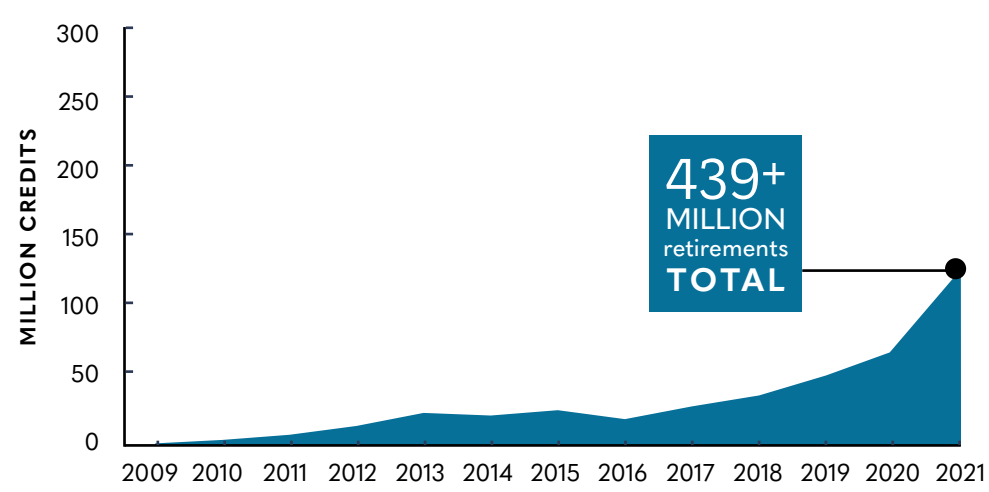


THE VCS PROGRAM IN NUMBERS

CREDIT ISSUANCES



CREDIT RETIREMENTS



The above figures are based on publicly reported data in the Verra Registry (<https://registry.verra.org>). Please visit the Verra Registry for up-to-date information about credit issuances and retirements.

VERRA - HIGHLIGHTS



INNOVATIONS

- Released **Version 4 of the Jurisdictional and Nested REDD+ (JNR) Framework**. Two years in the making, this version facilitates closer integration (“nesting”) of jurisdictional (i.e., government-led) programs and project-based REDD+. It also reflects the latest science and best practices by providing new tools to establish project baselines based on jurisdictional data. Version 4 establishes the highest-quality, market-ready framework for accounting and crediting emission reductions at multiple scales, helping to future-proof REDD+ activities.
- Published **Version 4.1 of the VCS Standard**. This version will channel additional finance to climate action. It continues to support corporations in achieving their ambitious climate targets. It also ensures alignment between the VCS Standard and emerging mechanisms, such as CORSIA and Article 6.2 of the Paris Agreement, by implementing specific Verified Carbon Unit (VCU) labels. The labels demonstrate that the respective VCUs adhere to the requirements of the VCS Standard and these mechanisms.
- Launched the **Plastic Waste Reduction Standard**. This new standard program creates incentives for companies to invest in new or

scaled-up collection and recycling projects that reduce plastic pollution and greenhouse gas emissions, help improve livelihoods, and protect marine ecosystems.

- Saw the **first methodology under the Sustainable Development Verified Impact Standard (SD VISta) Program** open for public comment. The new “Methodology for Coastal Resilience Benefits from Restoration and Protection of Tidal Wetlands” will assess how many people benefit from reduced flood risk due to the restoration or protection of coastal ecosystems. These benefits will be expressed in coastal resiliency assets, the sale of which will drive finance to restoration and protection projects, making them more viable and more likely to be developed.





INTERNAL OPERATIONS

- Elected **Dr. Tao Yun and Dr. Anne-Marie Warris** as Chair and Vice Chair of the Board of Directors. Both moved into these roles as Verra is entering a time of transition and continues to broaden its scope of activities. Both bring a wealth of valuable experience with Dr. Yun's background in building businesses and Dr. Warris's involvement in governance across different types of organizations.
- Filled senior staff positions, including Robin Rix as Chief Legal, Policy, and Markets Officer. In total, the **Verra team more than doubled by growing from 45 to 92** to enable Verra to carry out the broadened scope of our standards programs and respond to new opportunities for our existing programs and areas of expertise (e.g., nature-based solutions).
- We also earned the **LEED Silver certification** under the U.S. Green Building Council for our newly renovated office in Washington D.C. We earned this certification for demonstrating that we have implemented strategies and solutions that result in water savings, increased energy efficiency, lower carbon emissions, and more to create a healthier workplace for our staff.

Above photo: The Katingan Peatland Restoration and Conservation Project, Indonesia, invests a large amount of its project budget in local community activity, including a women-run nursery in the village of Desa Parupuk. Photo by Katingan Mentaya Project.

Page 6 photo: The Rimba Raya Biodiversity Reserve Project, Indonesia, financially supports all children within the project area and along the project boundary. The project has also built libraries in two villages. Photo by InfiniteEARTH.



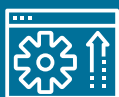
POLICY AND MARKETS

- Launched a new initiative, **VCM Global Dialogue**, that put the supply side into the center of discussion about the design and deployment of global voluntary carbon markets (VCMs). The dialogue identified how the VCM can drive mitigation activities that support national climate plans and local priorities, provide additional benefits for communities and businesses, unlock greater levels of private investment, and help motivate more companies to reduce and neutralize their emissions. The final report sets out a Vision and Action Agenda for maximizing the VCM's contribution to ambitious climate change and development.
 - Showed thought leadership before and after the **COP26 in Glasgow**. In the run-up to the COP, Verra published a thought piece advocating for a decision on corresponding adjustments and national accounting under Article 6 of the Paris Agreement that would enable the VCM to support countries in reaching their NDCs. Following the climate summit, Verra released a commentary on the implications of decisions reached at the COP.
 - During the COP, Verra hosted and participated in events, **connecting with government stakeholders and representatives from the private sector**. We covered topics such as the role of carbon credits in halting deforestation, the future of the VCM, how to scale the VCM, and Article 6 accounting.
- Participated in the **House Agriculture Committee hearing on "Voluntary Carbon Markets in Agriculture and Forestry."** David Antonioli testified how the VCM is evolving in the United States and globally, and how participation in this market can benefit the agriculture and forestry sectors in the U.S.

"The voluntary carbon market provides a route-to-market for American farmers and forest owners. Given the scaling of global demand, the time is ripe to facilitate their access to ready-made infrastructure."

David Antonioli during the House Agriculture Committee hearing

- Actively engaged in market-wide initiatives to scale and increase confidence in the VCM. Released statements on the report and public consultation of the Taskforce on Scaling Voluntary Carbon Markets and commented on a stakeholder survey about incentivizing companies to go beyond their science-based targets to mitigate emissions outside their value chains.
- Took initial steps to address the **emergence of cryptocurrency initiatives** in the VCM.



PROGRAMS

- Initiated registration process for **first project with Verra's Plastic Waste Reduction Program**. The project "Second Life Thailand" combats the problem of plastic pollution by encouraging increased collecting and recycling of plastic waste from ocean and terrestrial ecosystems in remote coastal and island communities. The project will also provide financial incentives, training, and technical support to informal and formal waste collectors and recycling agents, take steps to establish a circular and locally integrated economy, and invest in regional initiatives to boost recycling rates.
- Signed a **memorandum of understanding with the South African National Accreditation System** to cooperate on a domestic accreditation program for validation/verification bodies (VVBs) in the country. Rising demand for carbon credits from domestic projects has significantly increased the number of projects requiring validation and verification. The new accreditation program will accredit VVBs that can validate projects in the VCS Program and verify the emission reductions and removals achieved by these projects.
- Registered the **first blue carbon conservation project**. The Blue Carbon Project Gulf of Morrosquillo "Vida Manglar" (Spanish for "Mangrove Life") will sequester almost one million tonnes of carbon dioxide over 30 years by conserving and sustainably managing 7,561 hectares of coastal mangrove ecosystem, marshes, and associated streams. The project will also rehabilitate and protect the habitat of manatees and other endangered animals, offer alternative livelihood opportunities, introduce sustainable food sources, and strengthen local governance.

2021 FINANCIAL REPORT

All figures are in US dollars.

STATEMENT OF FINANCIAL POSITION

| | |
|-------------------|-------------------|
| Total Assets | 50,492,463 |
| Total Liabilities | 3,992,135 |
| Net Assets | 46,500,328 |

STATEMENT OF ACTIVITIES

Revenue and Support

| | |
|--|-------------------|
| VCS, CCB, and SD VISTa Levies | 37,496,144 |
| Grants | 1,507,332 |
| Project Registration Fees | 843,339 |
| VCS and CCB Verification and Validation Fees | 518,200 |
| Contributions | 15,000 |
| Other: | |
| Validation/Verification Bodies Annual Fees | 58,958 |
| Interest Income | 26,486 |
| Other Revenue | 40,000 |
| Total | 40,505,459 |

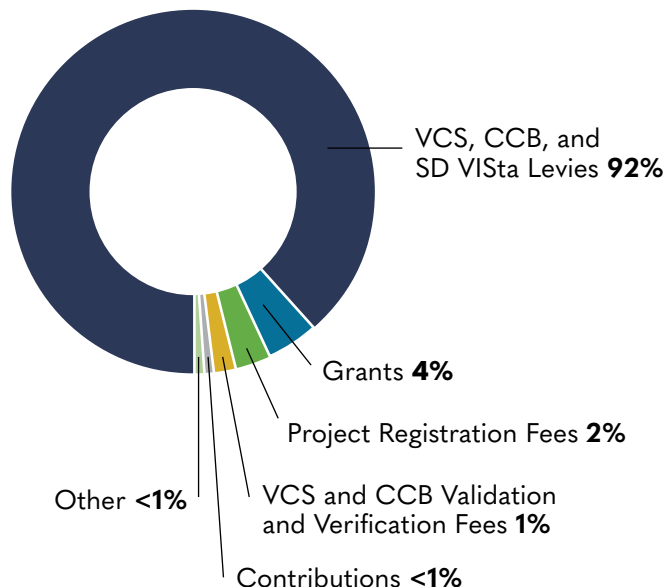
Expenses

| | |
|------------------------|-------------------|
| Verra Program Services | 11,048,836 |
| Management and General | 6,540,928 |
| Total | 17,589,764 |

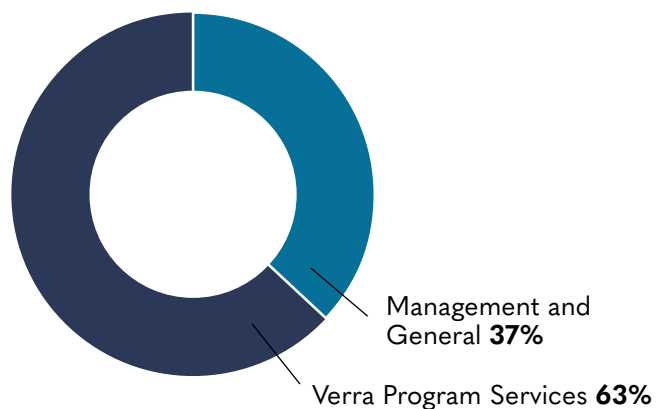
CHANGE IN NET ASSETS

| | |
|-------------------------------|------------|
| Net Assets, beginning of year | 23,584,633 |
| Net Assets, end of year | 46,500,328 |

Revenue and Support



Expenses





BOARD OF DIRECTORS

CHAIR

Tao Yun

Jim Cannon

Dirk Forrister

Mark Kenber

Kelley Kizzier

Ken Newcombe

Marc Stuart

VICE CHAIR

Anne-Marie Warris

Andrea Guerrero
García

Kenneth J.
Markowitz

Above photo: The Kasigau Corridor REDD Project, Kenya, uses finance from the sale of carbon credits to create jobs that support the education of children. Photo by Lisa Kristine for Wildlife Works.

Back photo: The Rimba Raya Biodiversity Reserve Project, Indonesia, generates carbon credits by conserving High Conservation Value (HCV) peat swamp forest. Photo by Crystal Riedemann.

ABOUT VERRA

Verra is a nonprofit corporation under the laws of the District of Columbia (Washington DC, United States) and a tax-exempt organization under Section 501(c)(3) of the US Internal Revenue Code.



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info@verra.org

