



August 2023 VCS Program Updates – Overview for Validation/Verification Bodies (VVBs)

28 September 2023



Housekeeping rules

House
Rules!

- ✓ This session is being recorded.
- ✓ We have muted microphones.
- ✓ Questions are welcomed in the Q&A function.

Your presenters



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Webinar Objectives

- ✓ Provide an overview of the August 2023 VCS Program Updates
- ✓ Explain relevance of these updates to VVBs
- ✓ Answer questions from VVBs on the VCS Program Updates

VCS Program Update Questions: programupdates@verra.org

General VCS Program Questions: info@verra.org

A&A Questions: auditing@verra.org

Agenda

- I. Introduction to the August 2023 VCS Program updates
- II. Overview of the updates and explanation of relevance to VVBs

Effective immediately	Updated VCS Program definitions Updated VVB requirements <i>Registration and Issuance Process updates</i>
Effective 1 Jan 2024	Project longevity and monitoring period requirements Updated AFOLU Non-Permanence Risk Tool
Effective 1 Mar 2024	Revised VCS Project templates Mitigation outcome type requirements Updated safeguard and stakeholder engagement requirements Comments received outside of PCP

- III. Q&A

The August 2023 VCS Program updates

Appreciation for stakeholder input

- ✓ February 2022 | [Public Consultation –AFOLU Non-permanence Risk Tool](#)
- ✓ June 2022 | [New Verra Unit Labels Consultation](#)
- ✓ July 2022 | [Public Consultation – Guidelines on crediting upstream displacement](#)
- ✓ February 2023 | [Public Consultation on the VCS Program](#)
- ✓ June 2023 | [Public Consultation on Proposed Changes to the VCS Program](#)

How to navigate VCS Program updates

- ✓ The [August 2023 VCS Program Updates Overview and Effective Dates \(PDF\)](#) document provides a list of all updates and their effective dates
 - ✓ Listed in order of appearance in the VCS program documents; unique ID# assigned and reflected in document history appendices
- ✓ [VCS Rules & Requirements page](#) includes links to all new program documents

AUGUST 2023 VCS Updates — Effective Dates

<https://verra.org/wp-content/uploads/2023/09/August-2023-Overview-of-VCS-Program-Updates-Effective-Dates-Updated-25-September-2023.pdf>



About effective dates

“Effective immediately” means that the update applies to all project requests submitted on or after the release date (29 August 2023).

“All project requests” refers to any project request submitted to the Verra Registry, e.g., pipeline listing requests (as under development or under validation), project registration requests, and verification approval requests.

For updates that are not effective immediately, project proponents may conform with updated requirements before the effective date. If project proponents choose to make such update ahead of the effective dates, the validation/verification body must validate or verify the project in accordance with the updated requirements.

**Effective immediately
(29 August 2023)**

Program Definitions

Update ID#

6
11
27
31
34
35
36
37
39

VCS Program Definitions, v4.4

- Adjusted definition of Avoiding Planned Deforestation (APD) and clarified definition of Logged to Protected Forest (LtPF)
- Updated definition of ‘catastrophic reversal’ to ‘unavoidable reversal’ and updated references throughout. Added definition of ‘avoidable reversal.’
- Updated definition of ‘revegetation.’
- Added definition of ‘upstream displacement activity.’
- Updated definition of jurisdiction to include Verra delineating it for non-nested projects
- Updated definition of Label (VCU Label, Verra Unit Label) to remove the word ‘permanent.’
- Updated definition of ‘leakage management area’ to ‘leakage management zone.’ Added ‘LMZ’ to acronym list
- Updated definition of ‘loss event’
- Added definition of ‘project lifetime’
- Updated definition of ‘retirement’

Effective date

See individual effective dates in [August 2023 Overview of VCS Program Updates and Effective Dates](#)

VVB Program Eligibility Requirements

Update ID#4

VCS Program Guide, v4.4, Section 5

Updates to the eligibility requirements for VVBs to provide validation/verification services under the VCS Program:

- Accredited by AB that is a granted recognition for IAF Multilateral Recognition Arrangement (MLA) under ISO 17029 and/or 14065;
- Approved by Verra and listed as an active validation/verification body on Verra's website.
- VVB for a project shall hold such accreditation *and* Verra approval for validation or verification (as applicable) **for the sectoral scope(s) applicable to the methodology applied to the project.**
- *Where the methodology falls under more than one sectoral scope, the validation/verification body shall hold accreditation or approval for validation or verification (as applicable) **for all relevant sectoral scopes.***

Effective date

Effective immediately, except in cases where Verra grants a temporary exemption

What does this mean for VVBs?

Verra approved VVB for Verra Scope 14 (AFOLU) could have been granted where VVB has underlying accreditation options:

1. AB (ISO and/or UNFCCC Scope 14: Afforestation/Reforestation) *or*;
2. AB (ISO and/or UNFCCC Scope 15: Agriculture) *or*;
3. AB AFOLU equivalent scope (e.g., ANAB Scope 3. Land Use and Forestry)

EXAMPLE USING VM0042 (Verra AFOLU Scope 14)

- ✓ Verra AFOLU categories include ALM, FOR, REDD (Appendix A, VCS Standard 4.5)
- ✓ Summary of Description of the Methodology (Section 2) defines VM0042 as an agricultural land management (ALM) methodology

Which VVBs with Verra approval for Verra Scope 14 (AFOLU) COULD NOT conduct audits for projects using VM0042?

1. AB (ISO and/or UNFCCC Scope 14: Afforestation/Reforestation)

Why?

- ✓ VVB does have Verra AFOLU Scope Approval, BUT
- ✓ VVB does not have AB accreditation for Agriculture projects and;
- ✓ The methodology is clearly for ALM projects

VVB Site Visit Requirements

Update ID# 24

VCS Standard, v4.5, Section 4.1.11 – 4.1.12

A site visit that includes a visit to facilities and/or project areas shall be conducted at validation **and project crediting period renewal validation.**

#25

Section 4.1.14

When VVB site visits occur **prior to the monitoring period end**, VVB shall verify the volume of reductions and removals generated *between the site visit and the end of the monitoring period, and clearly describe the additional evidence gathering activities conducted.*

Effective date

4.1.11-4.1.12

Effective immediately for projects that initiate validation and/or verification processes after 29 August 2023.

4.1.14

Effective immediately for projects which initiate the verification process after 29 August 2023.

What does this mean for VVBs?

- ✓ VVBs must ensure they plan for site visits that include visits to project areas and/or facilities for validations *and* crediting period renewal validations
- ✓ Verification audits and verification statements of opinions provide assurance on removals and reductions for entire crediting period, so site visits/audits *should not take place prior to the end of the monitoring period*
- ✓ For exceptional cases where audit takes place prior to end of monitoring period, VVBs must clearly distinguish in the Verification Report what volumes were/were not verified at time of site visit
- ✓ VVBs must conduct full assessment of ERRs during the gap period between site visit and the end of the monitoring period, and clearly describe the process, additional evidence gathering activities conducted (what evidence, how it was verified etc.) by VVB to verify the ERRs in the gap period as have taken place with required level of assurance
- ✓ VVBs *cannot* issue VVR report and/or statement of opinion until after the end of the monitoring period

VVB Rotation Requirements

Update ID# 26

VCS Standard, v4.5, Section 4.1.27

Clarified the validation/verification body rotation requirements related to the verification of a monitoring period and crediting period renewals.

- Crediting period renewal validation and the first verification of the renewed crediting period may be undertaken by the same validation/verification body if that validation/verification body did not complete the final verification of the crediting period. However, the subsequent verification shall be undertaken by a different validation/verification body.
- Where the final verification of a crediting period and validation of the crediting period renewal are undertaken by the same validation/verification body, the subsequent verification shall be undertaken by a different validation/verification body.

Effective date

Effective immediately for projects that initiate validation and/or verification processes after 29 August 2023.

What does this mean for VVBs?

Where **VVB A** did not complete final verification of CP1

- ✓ **VVB A** can do crediting period renewal validation and the *first* verification VR1 of CP2
- x **VVB A** cannot do VR2 of CP2; **VVB B** must do VR2 of CP2

VVB A can do crediting period renewal validation and the *final* verification of CP1 where

- x **VVB A** isn't exceeding verifying more than 6 years ER's and
- x **VVB A** cannot do VR2 of CP2; **VVB B** must do VR1 of CP2

VVB oversight and sanction procedures

Update ID#2
Update ID#41

VCS Program Guide, v4.4, Section 2.5.6, Section 6
VCS Program Fee Schedule, v4.4

Added information about Verra's role in overseeing **validation/verification body performance**. Added a new section on sanctions of validation/verification bodies in cases of poor performance and/or non-conformance with Verra rules. Published new Fee schedule that includes suspended VVB reinstatement fee.

This means

- Verra may conduct VVB reviews, and where shortcomings are identified, Verra provides feedback, requires the VVB to address non-conformities, and reports VVB performance to the respective accreditation body.
- Verra may implement sanctions on VVBs in cases of poor performance

Effective date

Effective immediately

What does this mean for VVBs?

- ✓ Updated to reflect Verra's focus on VVB performance monitoring
- ✓ Formal publishing of sanctions process for poor-performing VVBs
- ✓ Sanctions include non-conformity reports to VVBs
- ✓ Failure to satisfactorily address non-conformities and/or prevent recurrence can result in suspension of Verra VVB approval
- ✓ \$10,000 suspension reinstatement fee
- ✓ In August 2023 Verra held webinar(s) introducing the PMP to VVBs, the recording of the session can be accessed here:

https://vcs024.sharepoint.com/:v:/s/Program/EbW7WNJsbbqMgfEkBOtDSkMBmrRTr6zFKXyy_44583bwXA?e=D0IY4q

New Project Request Denials Procedure

Update ID#45

Registration and Issuance Process, v4.4, Section 4.3

To accurately reflect the internal review process and provide a more formal structure for handling reviews that may not be accepted, Verra has streamlined the review section of the Registration and Issuance Process to include information on **project request denials**.

- Project requests may be denied at any time during Verra project review process
- Where request is denied, Verra changes the registry status to the relevant denial status (e.g., registration request denied)
- Denial letter published on Verra registry
- 90 Days before new project registration and verification request can be submitted

Effective date

Effective immediately

What does this mean for VVBs?

- ✓ Denial of project registration and verification requests set out in *Registration and Issuance Process, v4.4, Section 4.3.5*
- ✓ During project review, Verra may deny project request where Verra determines:
 - Project document quality is *poor, incorrect, or incomplete*
 - Immediate non-conformances with the VCS Program rules are identified, including
 - VVB Rotation violations (VCS Standard, v4.5, Section 4.1.27)
 - VVB PCP violations (VCS Standard v4.5, Sections 4.1.5-4.1.7)
 - VVB Site visit violations (VCS Standard v4.5, Sections 4.1.11-4.1.13)
 - Findings with VVB are unresolved after 3 rounds of review (*Registration and Issuance Process, v4.4, Section 4.3.7(4)*)
 - No VVB response within 60 days (*Registration and Issuance Process, v4.4, Section 4.3.7(6)*)
 - The project proponent or validation/verification body significantly alters the project documents outside the scope of the findings issued by Verra.
- ✓ **NOTE: Verra is tracking VVB-related denials in VVB Performance Monitoring Program**

Loss event reporting procedure

Update ID#37

VCS Program Definitions, v4.4
Registration and Issuance Process, v4.4, Sections 5.3.1-5.3.7

Clarified the procedure for reporting a loss event.

Projects that do not submit a loss event report within two years are not eligible to issue further VCUs until the report is submitted.

If a loss is discovered during verification, the PP submits a loss event report before verification approval is requested.

Effective date

Effective immediately

What does this mean for VVBs?

Registration and Issuance Process, v4.4, Section 5.3.3(4)

The loss event report **shall be verified by a validation/verification body**. The verification may be completed as part of the subsequent verification.

Be aware of the updated loss event reporting requirements, timing, what the loss event should include, and what needs to be verified by the VVB

Baseline reassessment procedure

Update ID#5

Registration and Issuance Process, v4.4, Section 4.2.6

Clarified what documents are required to be submitted where PP's verification includes a **baseline reassessment** (in addition to those regularly required per Section 4.2.4)

Registration and Issuance Process, v4.4, Section 5.3.9

Clarified that baseline reassessment is required to reactivate an already registered project.

Effective date

Section 4.2.6

Effective for all project requests submitted on or after 1 March 2024

Section 5.3.9

Effective immediately

What does this mean for VVBs?

- ✓ VVBs **must ensure they audit a revised version of the PD** that includes updated Sections 1.14, 1.15, 1.16, 3.1, 3.2, 3.4, 4.1 – 4.4, 5.12
- ✓ These sections must be updated to reflect any changes as required in accordance with baseline reassessment requirements set out in the *VCS Standard*, and any updates to the baseline emissions quantifications
- ✓ Verification report **must include an assessment of the baseline reassessment** in Section 3.4.
- ✓ When auditing an inactive project that wishes to become reactivated, a baseline reassessment must take place
- ✓ The VVB must ensure that the project applied the latest version of the applicable methodology and VCS Program rules to reassess the baseline

Effective 1 January 2024

Project longevity and monitoring requirements

Update ID#10

VCS Standard, v4.5, Sections 3.2.18 - 3.2.19, 3.2.24 - 3.2.27
Registration and Issuance Process, v4.4, Sections 5.3.4, 5.3.11
AFOLU Non-Permanence Risk Tool, v4.1

Updated **non-permanence monitoring and compensation requirements** to a minimum of 40 years.

This means:

- Projects follow the monitoring and compensation requirements when an instance leaves a project before the end of the project longevity.
- Verra may monitor a project or class of project types where the crediting period is less than 40 years.
- Projects are responsible for compensating the buffer for avoidable reversals for a minimum of 40 years (enforced via a written agreement with Verra)

Effective date

This update is effective for projects which request registration on or after 1 January 2024. See the *Corrections and Clarifications to the VCS Program Rules and Requirements, published 25 September 2023.*

What does this mean for VVBs?

VVB must ensure:

- ✓ The PP has a financial, *monitoring* and management plan in place for the full project longevity. The plan may state that monitoring will be Verra-led in the post-crediting period if the PP has evidence that this has been agreed to with Verra.
- ✓ If an instance leaves a grouped project or non-grouped project with multiple activity instances, the PP has conservatively assumed a loss of all previously verified reductions and removals associated with an instance or continued to monitor the instance for a minimum of the remainder of the project longevity
- ✓ The PP has signed a written agreement with Verra committing them to compensate the buffer for avoidable reversals for the project longevity (i.e., a minimum of 40 years)

AFOLU Non-permanence Risk Tool Update

Update ID#8

AFOLU Non-Permanence Risk Tool, v4.1

A new version of the **AFOLU Non-Permanence Risk Tool** has been released (v4.1).

Key updates include:

- Incorporation of future climate change impacts and sea level rise
- Additional agriculture specific risks and mitigation measures
- Increased minimum withholdings and added withholdings for past government intervention and failure to submit a loss report
- Made adaptive management plans a requirement
- Extended project longevity period to 40 years and removed stakeholder engagement mitigation measure (now required in the VCS Standard, v4.5)

The new **AFOLU Non-Permanence Risk Assessment Calculator** will be available soon on the Verra Project Hub.

Effective date

Effective for all project requests submitted on or after 1 January 2024 (except the 40-year longevity requirement, which is effective for projects which request registration on or after 1 January 2024)

What does this mean for VVBs?

- ✓ *6 new risk factors have been added to the tool. VVB's need to ensure the competency of audit team members responsible for assessing all data, rationales, assumptions, justifications, and documentation provided by the project proponent to support the non-permanence risk rating*
- ✓ VVBs will need to sign up for access to the Project Hub
- ✓ VVBs will have read-only access to projects' non-permanence risk assessments and associated evidence in the online tool (once submitted by the PP)
- ✓ The digitized version of the NPRT is going to be launched next month (October 12, 2023)
- ✓ Verra plans to provide an instructional video on using the AFOLU NPRT calculator. We recommend that VVBs watch this video for an in-depth look at the NPRT

**Non-
Permanence
Risk Tool
demonstration**



Effective 1 March 2024

Revised VCS Project Templates

Update ID#51

VCS Project Description Template, v4.3

VCS Validation Report Template, v4.3

VCS Monitoring Report Template, v4.3

VCS Verification Report Template, v4.3

VCS Joint Project Description & Monitoring Report Template, v4.3

VCS Joint Validation & Verification Report Template, v4.3

New VCS project templates feature the following updates:

- Additional guidance for users (both project developers and VVBs)
- Improved formatting to provide clarity on required sections
- Additions and revisions resulting from other program updates (e.g., sections related to new labels)
- New templates are listed on the VCS Program Rules and Requirements page

Effective date

The effective date for the new templates is March 1, 2024. All project requests submitted on or after that date must use the new templates.

What does this mean for VVBs?

- ✓ VVBs will be required to use new templates and audit the information in the new templates (for all program documents) at the effective date (or earlier)
 - ✓ *VCS Program Guide, v4.4, Section 2.4* “Program Documents”
 - ✓ The rules and requirements for the VCS Program are set out in the Program Documents. Projects and methodologies must meet all the applicable rules and requirements set out in these documents
 - ✓ *VCS Standard, v4.5, Section 4.1.2* The validation/verification body shall gather evidence to:
 1. Validate a project to determine conformance with the VCS Program rules and evaluate the reasonableness of assumptions, limitations, and methods that support a statement about the outcome of future activities....
- ✓ NOTE: Performance monitoring program will track:
 - ✓ When VVBs are not auditing that a PP followed template instructions/included required information
 - ✓ When VVBs are not following Validation/Verification Report template instructions

Mitigation Outcome Type

Update ID#16

VCS Standard, v4.5, Section 3.15.1 – 3.15.3, 4.1.25
VCS Program Definitions, V4.4

Added requirements for PPs to quantify and report GHG emission reductions and carbon dioxide removals separately.

Added requirement for validation/verification bodies to verify reductions/removals separately, if reported separately.

Added definitions of 'carbon dioxide removal (removal),' 'GHG emission reduction (reduction),' 'long-term carbon pool,' and 'short-term carbon pool'

Effective date

Effective for all project requests submitted on or after 1 March 2024.

What does this mean for VVBs?

- ✓ VVBs must ensure that PPs are reporting reductions and removals separately, in conformance with the applied methodology where it provides procedures and equations to do so
- ✓ VVBs should be aware of methodologies which result in mixed removals/reductions mitigation outcome types, and which methodologies have been revised to provide separate equations (See the VCS Methodologies webpages, and the *Mitigation Outcome Type Label Guidance, v1.1*, Appendix 2)
- ✓ VVBs must validate and verify ERRs separately, where they have been reported separately, following validation/verification report instructions

Stakeholder Engagement Requirements

Update ID#18

VCS Standard, v4.5, Sections 3.18

New requirement for timing of **stakeholder engagement**.

Expanded requirements on stakeholder engagement including further specification of Free, Prior, and Informed Consent (FPIC).

Effective date

1 March 2024

Section 3.18.2 does not apply to projects with a start date before 1 October 2023
(See the *Corrections and Clarifications to the VCS Program Rules and Requirements, published 25 September 2023*)

Safeguard and Stakeholder Engagement

Update ID#18

VCS Standard, v4.5, Sections 3.18

All safeguards now apply to the whole program.

Expanded no-net harm to include specific requirements related to human rights, worker's safety, gender equity, property rights, and risks to stakeholders and the environment.

Included new provisions on benefit-sharing plans.

Effective date

1 March 2024 for all project requests, except for Section 3.18.2 which does not apply to projects with a start date prior to 1 October 2024.

Safeguard and Stakeholder Engagement

Update ID#18

VCS Standard, v4.5, Sections 3.19

Updated **ecosystem conversion requirements**.

Strengthened invasive species requirements and introduced reporting requirements for non-native species usage and justification.

Introduced a requirement on the usage of non-native species in ARR and WRC.

Effective date

1 March 2024

Section 3.19.27(3) is not applicable to projects with a start date prior to 1 March 2024, pending further consultation. See Correction and Clarification to the VCS Program Rules and Requirements, published 12 September 2023

Safeguard and Stakeholder Engagement

Update ID#18

VCS Program Definitions, v4.4

Added definitions of 'customary rights holders,' 'customary rights to territories and resources,' 'degraded ecosystem,' 'ecosystem conversion,' 'ecosystem,' 'invasive species,' 'monoculture,' 'native ecosystem,' 'native species,' 'non-native species,' 'property rights,' 'stakeholders,' 'stakeholder groups,' and 'free prior and informed consent.'

Effective date

Immediately

What does this mean for VVBs?

- ✓ VVB must assess safeguards as applicable to whole program
- ✓ VVB must assess project conformance with requirement that stakeholder consultation occurred prior to *project implementation*
- ✓ VVB must assess that PP shared the specifically required information during FPIC
- ✓ VVB must assess that project meets requirements for FPIC to be an ongoing process
- ✓ VVB must assess that PP correctly meets specifications on what is included in 'No Net Harm'
- ✓ VVB must assess project's determination of how it affects property rights, and where it does, that PP meets requirements for benefit sharing plan
- ✓ VVB must assess project related to further provisions on ecosystem health and
- ✓ VVB must assess project doesn't violate restrictions on non-native monocultures introduced in ARR and WRC projects
- ✓ VVBs must reference updated definitions when assessing conformance

Comments received outside PCP

Update ID# 19

*VCS Standard, v4.5, Sections 3.18.14, 4.1.6 – 4.1.7
Registration and Issuance Process, v4.4, Section 7.3*

Added requirements for comments received outside of the public comment period for both project proponents and validation/verification bodies.

PP shall address any comments received within one year of receipt from Verra. To demonstrate they've evaluated the comments, the project proponent shall respond to the stakeholder and complete a project description deviation if applicable, or justify why no action was needed in the project description or monitoring report.

The VVB that conducts the next validation and/or verification shall evaluate the project proponent's response to such comment.

Effective date

Effective for all project requests submitted on or after 1 March 2024.

What does this mean for VVBs?

- ✓ VVBs should be assessing that PP adhered to all VCS Standard requirements for comments received outside of public comment period
- ✓ NOTE: Project proponents shall address any comments received *while validation or verification is ongoing* (e.g., a comment received outside of the 30-day public comment period but while the validation is ongoing must be addressed as part of validation)
- ✓ If succeeding VVB not known to Verra, Verra sends the comments to the project proponent and the project proponent shall provide the comments and any actions taken or comments responses to the validation/verification body
- ✓ However, VVBs should make it part of their process/checklist to verify with PP if there were comments received outside the PCP at the current *or* last validation and/or verification (not rely on PP to be forthcoming with comments)

Summary Comments for VVBs

- ✓ Verra encourages VVBs to develop and implement systems to incorporate VCS Program updates/effective dates
- ✓ Verra encourages VVBs to develop and implement tools that ensure technical reviewers conduct specific checks that audit teams are:
 - ✓ Adequately and correctly assessing project conformance with VCS Program updates after each Program release and in alignment with the effective dates, which can vary for each update
 - ✓ VVR reports clearly describe how the audit teams have assessed conformance with each requirement
 - ✓ Documents reviewed, observations made, interviews conducted that support and/or conflict with PD information

Q&A

- ✓ Do you have questions on how these updates impact you as a VVB?



Upcoming training

In an effort to keep our VVBs engaged and abreast with developments, Verra is constantly developing training and information sharing sessions, like this one.

Our next planned training is on the *Jurisdictional Nested Redd+ (JNR) and Food Loss Waste methodologies*, scheduled for the **17th of October 2023**.

Invites will be sent out shortly.

We look forward to hosting you again.

Read more on the FLW methodology launch [here](#).



Thank You



Photo: FUNDAECO / REDD Conservation Coast Project

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