Verified Carbon Standard
A VERRA STANDARD

Methodology Development and Review Process

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v4.3

ABOUT VERRA

Verra sets the world's leading standards for climate action and sustainable development. We build standards for activities as diverse as reducing deforestation, to improving agricultural practices, to addressing plastic waste, and to achieving gender equality. We manage programs to certify that these activities achieve measurable high-integrity outcomes. And we work with governments, businesses, and civil society to advance the use of these standards, including through the development of markets. Everything we do is in service of increasingly ambitious climate and sustainable development goals – and an accelerated transition to a sustainable future.

Verra's certification programs include the Verified Carbon Standard (VCS) Program and its Jurisdictional and Nested REDD+ (JNR) framework, the Climate, Community & Biodiversity Standards (CCBS) Program, the Sustainable Development Verified Impact Standard (SD VISta) Program, and the Plastic Waste Reduction Program.

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1 INTRODUCTION

This document provides guidance and procedures for developing or revising VCS methodologies, modules, and tools (referred to in this document as "methodologies"). It also includes the procedures for Verra's review of approved methodologies to ensure that they continue to reflect best practices, scientific consensus, and evolving market and sector conditions. The methodology development and review procedure is outlined at a high level in the *VCS Program Guide.*

This document is intended for use by methodology developers, validation/verification bodies, and other parties.

This document will be updated periodically, and readers shall ensure that they are using the most recent version of the document.

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2 GENERAL GUIDANCE

This section provides overarching rules and guidance and an overview of costs for methodology development. It also includes an overview of possible statuses of methodologies in the development and review process and previously approved methodologies.

Overarching Rules and Guidance for Methodology Development

2.1.1 Once Verra determines that a methodology may proceed in the development or review process, Verra will determine the most appropriate pathway for methodology development. Options include:

1) A third-party developer leads (i.e., funds and manages) the methodology development process. The third-party developer prepares the methodology documentation (i.e., concept note, draft methodology, or draft project description) and funds the validation/verification body assessment process.

2) Verra leads the methodology development process and hires a consultant to prepare the methodology documentation and manage the methodology development process (i.e., validation/verification body assessment, public stakeholder consultation, and multiple Verra reviews). Verra funds the validation/verification body assessment process. In this instance, the consultant is referred to as the developer in this document.

2.1.2 Verra may apply alternative processes for developing methodologies where such approaches are deemed more efficient and equally robust. In such instances, Verra defines and transparently documents the alternative process.

2.1.3 Verra may request that the developer establishes a working group or engages with third-party experts to provide technical inputs while developing the concept note and/or methodology.

2.1.4 Verra may consult with independent experts to further enhance the review process in addition to the Verra review and validation/verification body assessment where Verra deems that it would increase the quality of the methodology.

2.1.5 At any point during the methodology development process, Verra may put a methodology development process on hold under the following circumstances:

1) the quality of the methodology documentation does not meet reasonable expectations;

2) the process does not reasonably progress towards resolution and a high-quality methodology within the timelines indicated in this document; or

3) major issues or risks are identified that cannot be addressed in a reasonable amount of time.

Verra may subsequently continue development or allow another third-party developer to continue development once the issues or risks can be addressed. Third-party developers

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interested in reactivating the methodology development shall submit a methodology idea note in accordance with Section 3.1.

2.1.6 At any point during the methodology development process, Verra may reject the proposed methodology where Verra's review deems that the methodology might:

1) sanction or foster politically or ethically contentious project activities;

2) create negative outcomes (e.g., negative social and environmental impacts); or

3) impact the integrity of the VCS Program or the functioning of the broader carbon market.

Costs

2.1.7 The methodology review fees are set out in the *VCS Program Fee Schedule*.

2.1.8 There is no fee for methodology idea note submissions.

2.1.9 A review fee is payable upon submission of the concept note. Where the concept note proceeds to the next stage, a second review fee is payable upon submission of the draft methodology. The fees are to partially cover Verra's costs for reviewing.

2.1.10 The third-party developer that leads the methodology development is responsible for the costs associated with the validation/verification body assessment of the methodology, which vary according to the scope and complexity of the methodology.

Methodology status

2.1.11 Verra assigns each methodology in the development process the current status. The status may change throughout the development process.

1) Under development: The proposed methodology is active in the development process.

2) On hold: The proposed methodology is not active in the development process but may be re-activated later.

3) Rejected: The proposed methodology is withdrawn from the development process and cannot proceed at any time.

2.1.12 Approved methodology versions may have one of the following statuses:

1) Active: The methodology version is valid under the VCS Program; or

2) Inactive: The methodology version is not valid under the VCS Program. For methodology versions that become inactive, the grace periods for using the methodology version are set out in the *VCS Standard*.

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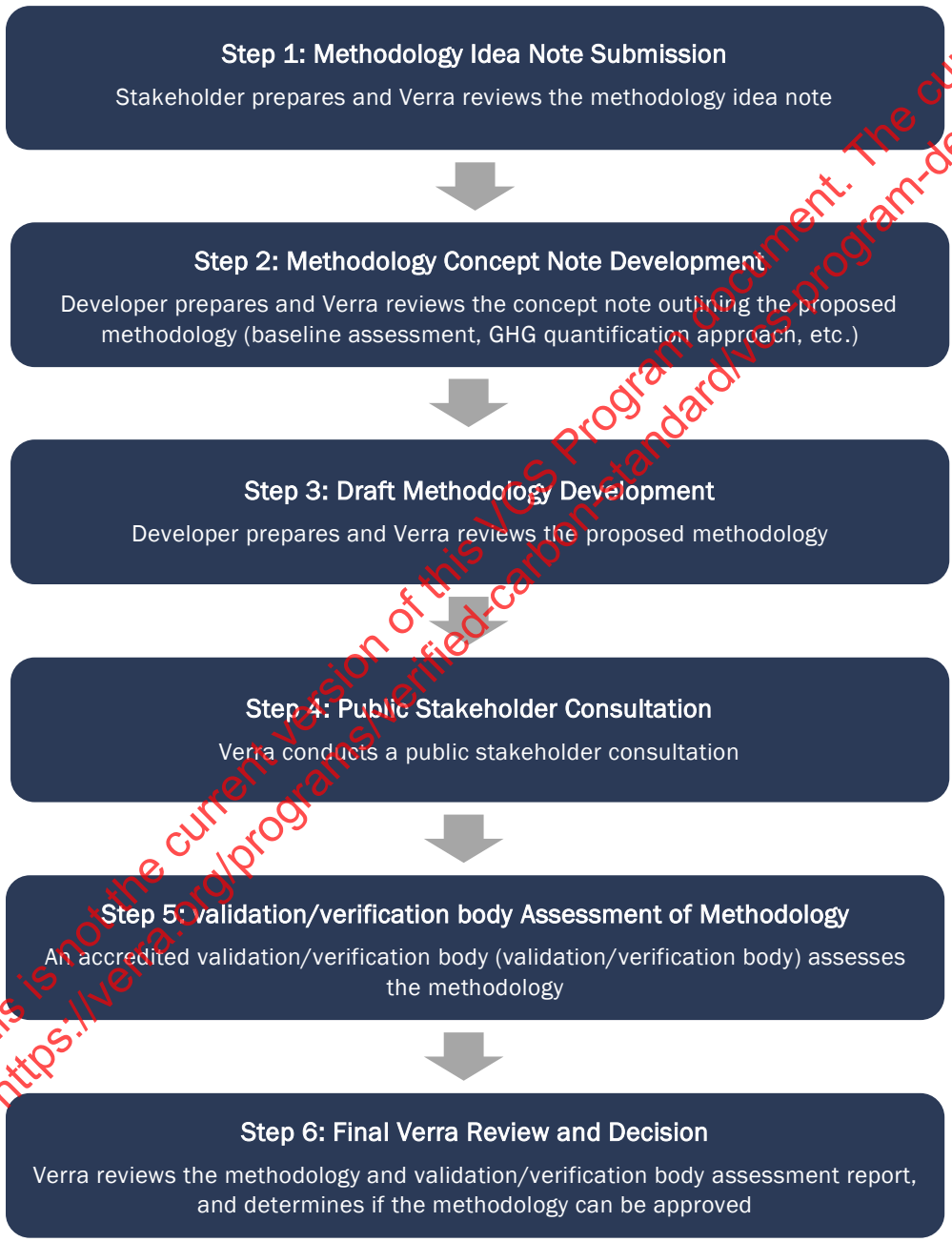
3 PROCEDURE FOR DEVELOPMENT OF NEW METHODOLOGIES

Proposed new methodologies, modules, and tools are developed through the process set out in this section, summarized by the steps shown in Figure 1:

Figure 1: Steps in the Methodology Development Process



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3.1 Step 1: Methodology Idea Note Submission

3.1.1 Stakeholders that have an idea for a new or revised methodology, module, or tool shall submit a methodology idea note to Verra at methodologies@verra.org. The methodology idea note includes a high-level summary of the proposed methodology or revision, analysis of the climate change mitigation potential, contribution to sustainable development, and potential risks and how they can be mitigated.

3.1.2 The methodology idea note shall be prepared using the *VCS Methodology Idea Note Template* available on the Verra website.

3.1.3 Verra performs a completeness check to ensure the methodology idea note has been correctly completed. Verra may ask the stakeholder to resubmit the methodology idea note if relevant information is missing, the instructions in the template are not followed, the minimum projected emissions reductions and removals threshold is not met, or the methodology idea note is not written clearly and concisely.

3.1.4 For new methodologies, or major revisions that expand the scope of an existing methodology,, the potential GHG emission reductions and/or removals of VCS projects under the proposed new methodology or scope expansion shall be at least 100,000 tCO_2e per year within five years. Where Verra determines that this minimum potential is unrealistic, the methodology idea note does not proceed to the next step.

3.1.5 After the completeness check, Verra reviews the complete methodology idea note. Verra may also request additional information to gain a fuller understanding of the methodology being proposed and its associated value and risks.

3.1.6 Preference and priority to proceed with the development process will be given to proposed methodologies that:

1) are broadly applicable (i.e., cover the range of potential technologies, processes, and geographical regions that may apply to related projects);
2) have high climate change mitigation potential;
3) support sustainable development; and
4) are not associated with unmitigable social, environmental, legal, or regulatory risks.

3.1.7 Potential outcomes of Verra's evaluation of the methodology idea note include:

1) Verra determines that the methodology idea note may proceed to Step 2. Where the stakeholder that submitted the methodology idea note does not have sufficient capacity to proceed and meet expectations, Verra may decide to lead or allow another third-party developer to lead the next stage of the methodology development. Verra may also require multiple developers to collaborate for concept note development (e.g., where complementary experience and expertise are required).

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2) Verra puts the methodology development on hold if Verra determines that the proposed methodology does not satisfy the criteria above as fully as other methodology ideas, or if no third-party developer with the required capacity is available to lead the methodology development. Verra may also put a methodology idea note on hold due to the limited availability of Verra staff for reviews throughout the methodology development process. The methodology idea note may be reactivated once the issues that led to the hold are addressed.

3) Verra rejects the methodology idea note if Verra determines that the proposed methodology does not satisfy the criteria above and the issues are not addressable through revisions to the proposal.

3.1.8 Verra publishes a high-level summary of the methodology idea note with the scope of the proposed methodology and the name of the stakeholder that submitted the methodology idea note on the Verra website.

3.2 Step 2: Methodology Concept Note Development

3.2.1 The developer prepares the methodology concept note based on the template available on the Verra website, including all sections in the template, and submits it to Verra at methodologies@verra.org. All instructions for the relevant sections in the template shall be followed.

3.2.2 Verra invoices the developer for the review fee upon submission of the concept note.

3.2.3 Verra reviews the concept note to determine whether the proposed approach for key methodological components such as baseline, additionality, GHG quantification, monitoring, and permanence is clearly written, has no logical or technical inconsistencies, and complies with VCS Program rules and requirements.

3.2.4 Where the Verra review of the methodology concept note reveals that it is not yet of the requisite quality or does not conform with VCS Program rules and requirements, the developer shall revise the concept note until all findings from Verra's review have been satisfactorily addressed. The developer shall respond to Verra's findings within 60 days of receipt.

3.2.5 Potential outcomes of Verra's review of the concept note include:

1) Verra determines that the concept note meets program requirements and may proceed to Step 3. Where the stakeholder that submitted the concept note does not have sufficient capacity to proceed and meet expectations, Verra may decide to lead or allow another third-party developer to lead the next stage of the methodology development. Verra may also require multiple developers to collaborate on methodology development (e.g., where complementary experience and expertise are required).

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2) Verra puts the concept note on hold if the developer is unable or unwilling to fully address the findings of Verra's review, or if inadequate resources are available to proceed to Step 3.

3) Verra rejects the methodology concept note where Verra determines that the concept note is not well thought through, has logical or technical inconsistencies, or does not conform with VCS Program rules. In such cases, another third-party developer may address the issues that led to rejection and submit a new concept note for the methodology idea. Third-party developers interested in submitting a new concept note shall contact Verra.

3.3 Step 3: Draft Methodology Development

3.3.1 The developer prepares the methodology, which will be subject to review by Verra, public stakeholder consultation, and independent assessment by a validation/verification body.

3.3.2 New methodologies shall be prepared using the *VCS Methodology Template*. New modules and tools shall be prepared using the *VCS Module and Tool Template*. All instructions in the templates shall be followed.

3.3.3 The methodology shall be prepared in accordance with all the applicable VCS Program rules and requirements. The methodology shall be written in a clear, logical, concise, and precise manner to aid readability and ensure that the criteria and procedures set out in the methodology can be applied consistently by intended users, including project proponents and validation/verification bodies. The methodology shall be clearly structured and correctly formatted and free from typographical and grammatical errors.

3.3.4 For new methodologies, the developer shall prepare and submit a draft project description alongside the methodology to demonstrate how the methodological approach would be applied to a project activity and to facilitate the methodology review. For new tools and modules, Verra may request a (partial) draft project description during the review process. The draft project description for new methodologies shall include (at a minimum) the cover page and all sections 1.1, 1. 1.2, 1.3, 1.4, 1.5, 1.6, 1.9, 1.11, 1.12, 1.13, 1.14, 3.1, 3.2, 3.3, 3.4, 3.5, 4.1, 4.2, 4.3, 4.4, 5.1 and 5.2 of the *VCS Project Description Template*.[1] Verra may request the developer to draft additional sections if required to facilitate the methodology review. Note that draft information is sufficient, and no supporting evidence needs to be provided unless requested during the review process. Developers should use real project data or proxy data. Developers may use hypothetical data if no real project data or proxy data are available.

3.3.5 The third-party developer shall submit to Verra a signed *VCS Methodology Submission Form & Agreement* (available on the Verra website), the draft methodology and the draft project

[1] Section numbers are based on the VCS Project Description Template, v4.3

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description (if applicable) within six months of concluding Step 2 of the methodology development process.

3.3.6 Upon submission of the methodology, Verra invoices the developer for the review fee set out in the *VCS Program Fee Schedule*. The developer shall pay this fee before Verra begins the methodology review.

3.3.7 Verra conducts a review of the methodology to ensure that the methodology is of sufficient quality to enable its assessment under the VCS methodology development process and that the methodology has been completed in accordance with VCS Program rules and requirements. Verra's review of the methodology focuses on ensuring that the methodology is well structured and clearly written, has no logical or technical inconsistencies, and is aligned with VCS Program rules and requirements. Where the Verra review of the draft methodology reveals that it is not yet of the requisite quality or does not conform with VCS Program rules and requirements, the developer shall revise the draft methodology until all findings from Verra's review have been satisfactorily addressed.

3.4 Step 4: Public Stakeholder Consultation

3.4.1 Verra posts the methodology on the Verra website for 30 days to invite public comment. Where appropriate, Verra may establish a longer period (e.g., for methodologies of higher complexity). Verra may host a webinar to provide an overview of the methodology. Any comments shall be submitted to Verra using the template published with the draft methodology. Respondents shall provide their name, organization, country, and email address. If the respondent wishes to remain anonymous, this shall be indicated in their submission of comments.

3.4.2 At the end of the public comment period, Verra consolidates the comments and provides them to the developer. The developer shall take due account of such comments, which means it shall either update the methodology to address the comment, provide clarification, or demonstrate the insignificance or irrelevance of the comments. The developer shall include responses to all consolidated comments and submit them for validation/verification body assessment alongside the methodology documentation (Step 5).

3.4.3 Where significant changes to the methodology are made after the first public stakeholder consultation, Verra may choose to conduct a second public stakeholder consultation.

3.5 Step 5: Validation/verification Body Assessment of Methodology

3.5.1 Verra publishes a request for proposals to conduct the methodology assessment. The criteria for eligible validation/verification bodies are set out in Section 5 of the *VCS Program Guide*. Upon receipt of any proposals, Verra narrows the pool of eligible validation/verification bodies to those with the most relevant expertise and experience.

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3.5.2 Verra forwards the remaining proposals to the developer, and the developer shall select one of them. The developer signs an agreement with the validation/verification body for the assessment and pays the validation/verification body, which may include compensation for subject-matter experts to participate in the validation/verification body assessment. The developer's agreement with the validation/verification body shall satisfy the requirements indicated in the *VCS Methodology Submission Form & Agreement*.

3.5.3 The validation/verification body shall complete its assessment in accordance with Section 6 of this document.

3.5.4 The developer shall respond to all the validation/verification body's findings, which may require revisions to the draft methodology.

3.5.5 The validation/verification body assessment, including developer responses to address all findings, shall be concluded within 12 months after the public stakeholder consultation ends.

3.5.6 The validation/verification body shall produce an assessment report in accordance with VCS Program rules and best practices. The assessment report shall be prepared using the *VCS Methodology Assessment Report Template*. The assessment report shall address the scope of assessment applicable to the new methodologies, modules and tools or major revisions (see Section 6).

3.6 Step 6: Final Verra Review and Decision

3.6.1 The developer shall provide Verra with the most recent draft of the methodology, the assessment report produced by the validation/verification body, and the responses to the consolidated comments..

3.6.2 Verra reviews the most recent draft of the methodology, the clarity and consistency of the responses provided to the stakeholder comments, and the assessment report produced by the validation/verification body to ensure the methodology has been assessed in accordance with VCS Program rules and requirements.

3.6.3 Where the assessment report does not indicate approval of the methodology, the methodology is rejected by Verra.

3.6.4 Where Verra finds that the methodology has not been assessed in accordance with VCS Program rules and requirements by the validation/verification body, the validation/verification body shall revise the assessment and issue an updated assessment report for further review by Verra.

3.6.5 Where Verra finds that the methodology is not yet of the requisite quality or does not conform with VCS Program rules and requirements, the developer is required to revise the methodology until all findings from Verra's review have been satisfactorily addressed. Verra may also revise the methodology where deemed necessary. The validation/verification body shall assess the

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updated methodology and responses provided by the developer. Where it is not possible to satisfactorily address Verra's findings, the methodology is rejected.

3.6.6 Where Verra approves the methodology, it notifies the developer and the validation/verification body. The approved methodology is assigned a reference number. Verra posts the methodology, assessment report, and stakeholder comments with responses on the Verra website. The methodology is then active and may be used under the VCS Program.

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4 METHODOLOGY REVISIONS

This section provides guidance and procedures for proposed revisions to approved VCS methodologies, modules, and tools, as well as proposed revisions to methodologies from other approved GHG programs.

4.1 Guidance for Methodology Revisions

4.1.1 A revision to an approved methodology is handled as an update to the prevailing version of the methodology and the following applies:

1) Methodology revisions are appropriate where a proposed activity or measure is broadly similar to an activity or measure covered by an existing approved methodology (either a VCS methodology or a methodology from an approved GHG program) such that the proposed activity or measure may be included through reasonable changes to that methodology.

2) A revision shall not narrow the methodological approach or in any other way exclude project activities that are eligible under the prevailing version of the methodology unless such narrowing or exclusion is authorized by Verra.

4.1.2 The VCS Program distinguishes between two types of methodology revisions based on the extent of the revision:

1) **Major revision:** Revisions with significant impact on the structure and content of the methodology, methodological approach, the scope of the methodology, project boundary, applicability conditions, baseline scenario, or additionality approach. Examples include, among others, expansion of the scope to different project activities, adaptation of a standardized method, or modifications to the GHG quantification approach. A major revision requires Verra review, public stakeholder consultation, validation/verification body assessment, and final Verra review.

2) **Minor revision:** Revisions with limited impact on the structure and content of the methodology, and limited or no impact on the methodological approach, scope of the methodology, project boundary, applicability conditions, baseline scenario, or additionality approach. Examples include improvements to language and clarity of the methodology, updates to emission factors, improvements to the procedures, or minor expansions of the scope to include similar project activities consistent with the existing methodological approach. A minor revision requires Verra review, but does not require validation/verification body assessment. A public stakeholder consultation is conducted if Verra deems input from the public necessary.

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4.2 Procedure for Methodology Revisions

4.2.1 Ideas for methodology revisions shall be submitted as per Section 3.1 using the *VCS Methodology Idea Note*.

4.2.2 During Verra's evaluation of the methodology idea note (Section 3.1.5), Verra determines whether the revision is major or minor, based on the extent and type of changes proposed.

Major Revisions

4.2.3 Where a major revision may proceed as per section 3.1.7(1), it shall follow the same procedure for new methodologies.

4.2.4 For the steps in Section 3.2.1, the *VCS Methodology Concept Note* template shall be used.

4.2.5 For the step in Section 3.3 the following documentation shall be prepared:

1) For major revisions to an approved VCS methodology where the prevailing version of the methodology does not use the latest version of the *VCS Methodology Template*, the developer shall transfer the prevailing methodology into the latest *VCS Methodology Template* and submit the proposed revision as a redlined version of the methodology.

2) For major revisions to an approved GHG Program methodology, the developer shall transfer the approved GHG program methodology into the latest *VCS Methodology Template* to create a standalone VCS methodology and submit the proposed revision as a redlined version of the methodology.

3) Alternatively, and at Verra's discretion, the developer may prepare the revision as a complementary VCS methodology using the *VCS Methodology Template*. A complimentary VCS methodology only includes the proposed revisions to the underlying methodology. The revision shall clearly indicate what modifications and additions are made and how they relate to the underlying methodology. Where sections of the underlying methodology are not altered, this shall be stated in the relevant section of the methodology revision document. The complementary VCS methodology shall be used in conjunction with the latest version of the underlying approved GHG program methodology.

4) A draft project description must be submitted if requested by Verra during the review process.

4.2.6 Where Verra approves the major revision, it notifies the developer and validation/verification body. The approved revised methodology is assigned a new version number. Verra posts the methodology, assessment report, and stakeholder comments with responses on the Verra website. The revised methodology is then active and may be used under the VCS Program. The previous version of the methodology becomes inactive. The grace periods for using the previous version of the methodology are set out in the *VCS Standard*.

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Minor Revisions

4.2.7 Where a minor revision may proceed as per section 3.1.7(1), the developer submits the proposed revision as a redlined version of the methodology:

1) For a minor revision to a VCS methodology, the developer shall revise the prevailing version of the methodology, without updating it to the latest version of the *VCS Methodology Template*, unless otherwise requested by Verra.

2) For minor revisions to an approved GHG Program methodology, the developer prepares the revision as a complimentary VCS methodology using the *VCS Methodology Template*. See 4.2.5(2) for guidance on preparing a complimentary VCS methodology.

4.2.8 Verra invoices the developer for the review fee for minor revisions set out in the *VCS Program Fee Schedule* upon submission of the revised methodology. The review fee shall be paid by the developer before Verra begins its review of the revised methodology.

4.2.9 Verra conducts a review to ensure that the proposed revision:

1) is of sufficient quality, well structured, and clearly written;

2) meets all VCS Program rules and requirements; and

3) is within the scope of minor revisions as per Section 4.1.2.

4.2.10 Verra may request inputs from the original developer, a validation/verification body, or an independent expert.

4.2.11 Where the Verra review of the proposed revision reveals that it is not yet of the requisite quality or does not conform with VCS Program rules and requirements, the developer shall revise the methodology until all findings from Verra's review have been satisfactorily addressed. Verra may also make revisions where it deems appropriate. Where it is not possible to satisfactorily address the findings, the methodology revision is rejected. Where the Verra review reveals that the proposed revision is not within the scope of minor revisions, the developer shall either update the revision and limit the scope to a minor revision or continue the process for a major revision as per Section 4.2.7.

4.2.12 If Verra deems input from the public necessary, a public stakeholder consultation is conducted as follows:

1) Verra posts the revised methodology on the Verra website for 30 days to invite public comment on the revised sections of the methodology. Any comments shall be submitted to Verra using the template published with the draft methodology. Respondents shall provide their name, organization, country, and email address. If the respondent wishes to remain anonymous, this shall be indicated in their submission of comments.

2) At the end of the public comment period, Verra consolidates the comments and provides them to the developer. The developer shall take due account of such comments, which

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means it shall either update the methodology to address the comment, provide clarification, or demonstrate the insignificance or irrelevance of the comments. The developer shall include responses to all consolidated comments and submit them to Verra alongside the updated methodology.

3) Verra reviews the most recent draft of the methodology, including whether the developer has taken due account of all stakeholder comments and the clarity and consistency of the responses to the comments.

4.2.13 Where Verra approves the minor revision, it notifies the developer. The approved revised methodology is assigned a new version number. Verra posts the methodology on the Verra website. The revised methodology is then active and may be used under the VCS Program. The previous version of the methodology becomes inactive. The grace periods for using the previous version of the methodology are set out in the *VCS Standard*.

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5 REVIEW OF EXISTING METHODOLOGIES

Verra reviews VCS methodologies and methodologies from approved GHG programs to ensure that they continue to reflect best practices, scientific consensus, and evolving market conditions and technical developments in a sector. This includes ensuring that methodologies are consistent with new requirements issued by Verra and that methodologies have appropriate criteria and procedures for addressing VCS Program rules and requirements.

As a result of a review, Verra may revise the methodology or issue correction and clarification documents. Verra may also set methodology versions previously approved under the VCS Program as inactive or exclude approved GHG programs methodologies from VCS Program use until a new revised version is issued that addresses the identified issues and meets VCS Program requirements. Relevant stakeholders are kept informed during the review process. The procedure for reviews is set out in Sections 5.1 to 5.3. Note that these procedures apply to all methodologies, modules, and tools. A module or tool may be set as inactive without the parent methodology being inactive.

5.1 Trigger for Review

5.1.1 Verra conducts a periodic review of each VCS methodology, module, and tool within five years after its last update or review.

5.1.2 Verra conducts periodic reviews of methodologies from approved GHG programs that are eligible for use under the VCS Program.

5.1.3 At any point in time, a review may be triggered where a validation/verification body, project proponent, another stakeholder, or Verra identifies an issue with a methodology, tool or module, such as:

1) Material inconsistency with a VCS Program rule or requirement (e.g., an inconsistency that may lead to a material difference in the quantification of GHG emission reductions or removals by projects applying the methodology);

2) General scientific or technical developments in a specific sector; or

3) Any other well-founded concerns about a methodology.

5.1.4 Verra may make a VCS methodology inactive where no projects using the methodology have been registered within five years of the last update or review. Inactive methodologies can be reactivated by completing a review and any associated revisions in accordance with Section 5.3.4.

5.1.5 Verra may exclude an approved program methodology from VCS Program use if it has not been updated or reviewed by the approved GHG program or Verra for more than five years. Excluded

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methodologies may be included again by completing a review as per Section 5.2.1 and any required revisions in accordance with Section 5.3.4.

5.2 Procedure for Review

5.2.1 The review of the methodology and any relevant issue that triggered the review is undertaken by Verra. Verra may request input from stakeholders including the developers of previous methodology versions, a validation/verification body, and appropriately qualified external experts.

5.2.2 At any point during the review, the methodology may be temporarily inactivated or excluded from the VCS Program while the review is completed if a well-founded concern exists.

5.3 Outcome of Review

5.3.1 Where the review determines that the methodology meets all VCS Program rules and requirements and reflects best practice and scientific consensus, no further action is taken.

5.3.2 Where the review determines that the methodology requires a correction or clarification, Verra may issue a correction and clarification document.

5.3.3 Where the review determines that the methodology requires a minor revision, Verra follows the procedure for minor revisions set out in Section 4.2.

5.3.4 Where the review determines that the methodology requires a major revision, Verra may inactivate it or exclude it from the VCS Program.

5.3.5 An inactive or excluded methodology may be revised by Verra or a third-party developer and re-activated or reintroduced to the VCS Program. In the latter case, the developer shall submit a methodology idea note in accordance with Section 3.1. The methodology shall be revised via the major revision process set out in Section 4.2.

5.3.6 Verra may also permanently inactivate or exclude a methodology where Verra deems a revision is unlikely to resolve the issue successfully. Permanently inactivated or excluded methodologies cannot be reactivated or reintroduced to the VCS Program.

5.3.7 For methodologies using a standardized method, a re-assessment of the standardized method shall be undertaken as follows:

1) The developer, Verra, or another entity shall review the standardized method to reflect current data or demonstrate that there have not been significant changes in data. The following applies:

    a) For performance methods, the data and dataset characterizing available technologies, current practices, and trends within a sector (which may be documented and contained in the methodology or maintained in a separate database referenced by the

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methodology) shall be reviewed and updated where there have been significant changes. A stakeholder consultation concerning the level of the performance benchmark metric is not required.

b) For activity methods, additionality shall be re-determined.

Note – The VCS Methodology Requirements should be consulted for further information on the use of data within standardized methods and the appropriateness of the level of performance benchmarks.

2) The developer or another entity shall submit a report documenting the standardized method re-evaluation to Verra. This report shall be issued no earlier than four years after the last update of the standardized method. Where a report is not submitted to Verra within five years after the previous update of the standardized method, the standardized method becomes inactive until it is determined that the methodology does not require revision or the revised methodology is approved. Where Verra conducts the review, Verra prepares this report.

3) Verra publishes a high-level summary of the report with the scope of review and the name of the stakeholder that submitted the report on the Verra website.

4) Verra reviews the report and determines whether a revision to the standardized method or methodology is required.

5) Where a methodology revision is required, a minor revision shall be carried out as per Section 4.2. The developer is exempt from the methodology review fee if only the standardized method is updated. If the minor revision is not concluded within six months from the submission of the issuance of the report, Verra inactivates the standardized method until the minor revision is completed and the new methodology version is approved.

6) For performance methods, Verra re-examines the appropriateness of the level(s) of the performance benchmark metric to ensure environmental integrity and the provision of sufficient financial incentives to potential projects. Verra does this by re-evaluating the original (and any subsequent) analysis undertaken to determine the level of the performance benchmark metric and considering evidence from the use of the methodology by projects. The methodology may require revision to reflect the outcome of such re-examination, in which case Verra coordinates this work with the developer.

5.3.8 Where methodologies become inactive, grace periods apply as set out in the *VCS Standard*.

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6 SCOPE OF VALIDATION/VERIFICATION BODY ASSESSMENT

This section outlines the scope of validation/verification body assessment applicable to new methodologies, modules, and tools or major revisions. The scope of the validation/verification body assessment shall be used as guidance in conjunction with VCS Program rules and best practices and the requirements in Section 3.5.6 to prepare the validation/verification body assessment report.

6.1 New Methodologies, Modules, and Tools

6.1.1 The validation/verification body shall determine whether the proposed methodology, tool, or module complies with the requirements set out in the *VCS Methodology Requirements* and any other applicable requirements of the VCS Program.

6.1.2 Validation/verification bodies shall adhere to the instructional text in the *Methodology Assessment Report Template* and refer to the guidance in the *Validation and Verification Manual* when completing the methodology assessment report.

6.1.3 The scope of the assessment for new methodologies shall include (at a minimum) the following, and the assessment report shall explain whether and how the methodology addresses these to a reasonable level of assurance:

1) **Relationship to approved or pending methodologies:** Assessment of whether any existing methodology may reasonably be revised to meet the objective of the proposed methodology;

2) **Stakeholder consultation:** Assessment of whether the developer has taken due account of all stakeholder comments, updated the methodology accordingly, and provided clear and consistent responses to all stakeholder comments;

3) **Structure and clarity of methodology:** Assessment of whether the methodology is written in a clear, logical, concise, and precise manner that will enable project developers to consistently implement projects and transparently report project results;

4) **Definitions:** Assessment of whether the key terms in the methodology are defined clearly and appropriately and are used consistently in the methodology;

5) **Applicability conditions:** Assessment of whether the proposed methodology's applicability conditions are appropriate, adequate, and in conformance with VCS Program rules and requirements;

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6) **Project boundary:** Assessment of whether an appropriate and adequate approach is provided for the definition of the project's physical boundary and sources and types of GHGs included;

7) **Baseline scenario**: Assessment of whether the approach for determining the baseline scenario is appropriate, adequate, and in conformance with VCS Program rules and requirements;

8) **Additionality:** Assessment of whether the approach/tools for determining whether the project is additional are appropriate, adequate, and in conformance with VCS Program rules and requirements;

9) **Baseline emissions:** Assessment of whether the approach for calculating baseline emissions is appropriate, adequate, and in conformance with VCS Program rules and requirements;

10) **Project emissions:** Assessment of whether the approach for calculating project emissions is appropriate, adequate, and in conformance with VCS Program rules and requirements;

11) **Leakage emissions:** Assessment of whether the approach for calculating leakage is appropriate, adequate, and in conformance with VCS Program rules and requirements;

12) **Estimated GHG emission reductions and removals:** Assessment of whether the approach for calculating the GHG emission reductions and carbon dioxide removals of the project is appropriate, adequate, conservative and in conformance with VCS Program rules and requirements;

13) **Monitoring:** Assessment of whether the monitoring approach is appropriate, adequate, and in conformance with VCS Program rules and requirements;

14) **Data and parameters:** Assessment of whether the specification of data and parameters (available at validation and monitored) is appropriate, adequate, and in conformance with VCS Program rules and requirements;

15) **Uncertainty:** Assessment of whether the approach for addressing uncertainty is appropriate, adequate, and in conformance with VCS Program rules and requirements; and

16) **Verifiable:** Whether the methodology is sufficiently clear and specific to require project developers to transparently report project results that can pass validation and verification with high confidence.

6.1.4 Where the proposed methodology references tools or modules approved under the VCS Program or an approved GHG program, the validation/verification body shall determine whether the tool or module is used appropriately within the methodology. Reassessment of the actual tool or module is not required.

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6.1.5 New modules and tools shall be assessed against the aspects of the assessment scope for new methodologies set out in Section 6.1.3 that are relevant to the specific module or tool.

6.2 Major Revisions

6.2.1 Major revisions of methodologies, tools, or modules shall be assessed against those aspects of the assessment scope for new methodologies set out in Section 6.1, that are relevant to the revision.

6.2.2 The assessment of a revised module does not require the reassessment of all methodology framework documents that reference it. However, the assessment shall determine whether the revised module is appropriate for the methodologies and that all methodologies maintain their overall integrity. Likewise, the assessment of a revision to a tool shall ensure that the integrity of methodologies that use the tool is not adversely impacted.

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APPENDIX 1: DOCUMENT HISTORY

Version	Date	Comment
v4.0	19 Sep 2019	Initial version released under VCS Version 4.
v4.1	22 Jun 2022	Incorporated clarifications to grace periods for use of previous versions of methodologies from *Clarifications to VCS Program Rules and Requirements*, published 19 April, updated 21 April 2022. See Section 7.3. These clarifications are effective from 19 April 2022.
v4.2	21 Dec 2022	Main updates (all effective on issue date, unless otherwise stated): 1) Restructuring and general improvements to the document. 2) Addition of Section 2 with overarching rules and guidance for methodology development. 3) Addition of a methodology idea note for the development of new and revised methodologies, tools, or modules. 4) Establishment of a formal option for Verra to lead methodology development by hiring an expert consultant. 5) Introduction of a requirement for developers to collaborate on concept notes, methodologies, and methodology frameworks under certain circumstances. 6) Updates to the process and requirements for methodology revisions. 7) Enhanced review process for approved VCS methodologies, modules and tools, including a regular review and potential update within five years of its last update or review. This update will become effective for new methodologies approved after the issue of this document. Existing methodologies will have a transition period of two years from the issue of this document. 8) General improvements to the methodology development and review process. 9) Modification of the use of external experts for certain assessment responsibilities.
v4.2	17 Jan 2023	Minor cross-referencing and formatting errors were corrected.
v4.3	29 August 2023	Updates are listed with a unique ID# as referenced in the *August 2023 Overview of VCS Program Updates and Effective Dates* (PDF), available on the Verra website. **ID#** | **Update Description and Effective Date** | **Section** 47. | Updated criteria for Verra to reject or put methodologies on hold. Effective immediately | 2.1.5 - 2.1.6

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		48.	Update to incorporate minimum potential GHG reduction and removal thresholds for new methodologies or major revisions that expand the scope of a methodology. Effective immediately	3.1.4
		3.	Clarified renumeration that the developer is expected to pay to the validation/verification body for methodology assessment. Effective immediately	3.5.2
		49.	Updated public consultation requirements for minor methodology revisions and clarified public consultation process. Effective immediately	4.1.2 (2), 4.2.12 (3)
		50.	Updates to Section 5, which include: • Update to conduct periodic reviews of methodologies from approved GHG programs. • Updates to the process for inactivation and exclusions of methodologies • Exemption from methodology review fee for revisions including only the reassessment of standardized methods. Overall updates to clarify the review process for existing methodologies. Effective immediately	Section 5 [5.1.2, 5.1.5, 5.3.4, 5.3.7 (5)]
		30.	Revised requirement regarding reassessment of standardized methods, based on the June 2023 VCS public consultation. Effective immediately	5.3.7 (1)
v4.3	4 October 2023	Minor typographical and formatting errors were corrected.		

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VERRA

Standards for a Sustainable Future

Verified Carbon Standard

Jurisdictional & Nested REDD+

Climate, Community & Biodiversity Standards

Sustainable Development Verified Impact Standard

Plastic Waste Reduction Standard

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