

Overview of Verra's Durability Pilot

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Photo courtesy of FUNDAECO. REDD+ Project for Caribbean Guatemala:
The Conservation Coast (Verra Project 1622)

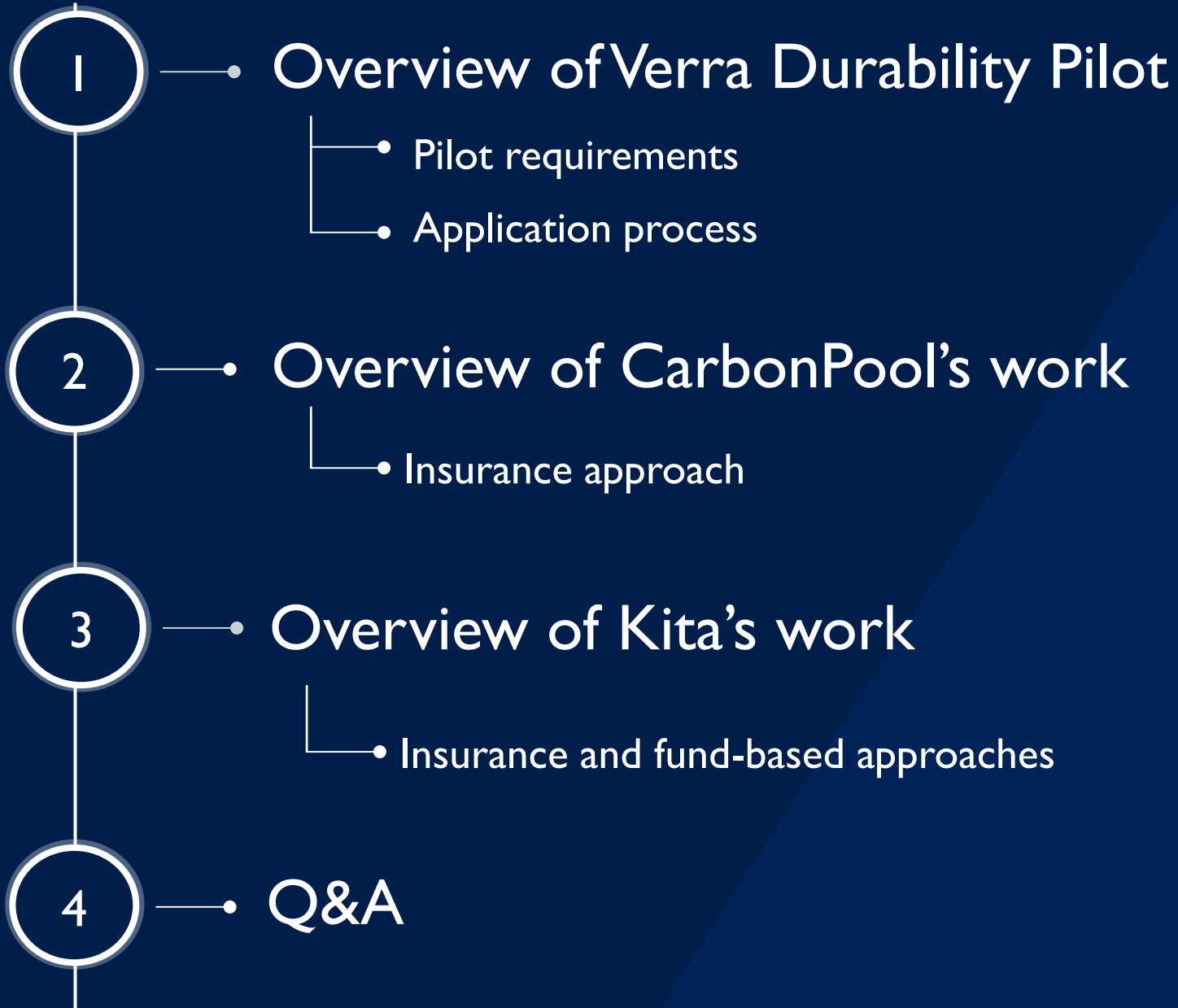
Welcome and housekeeping

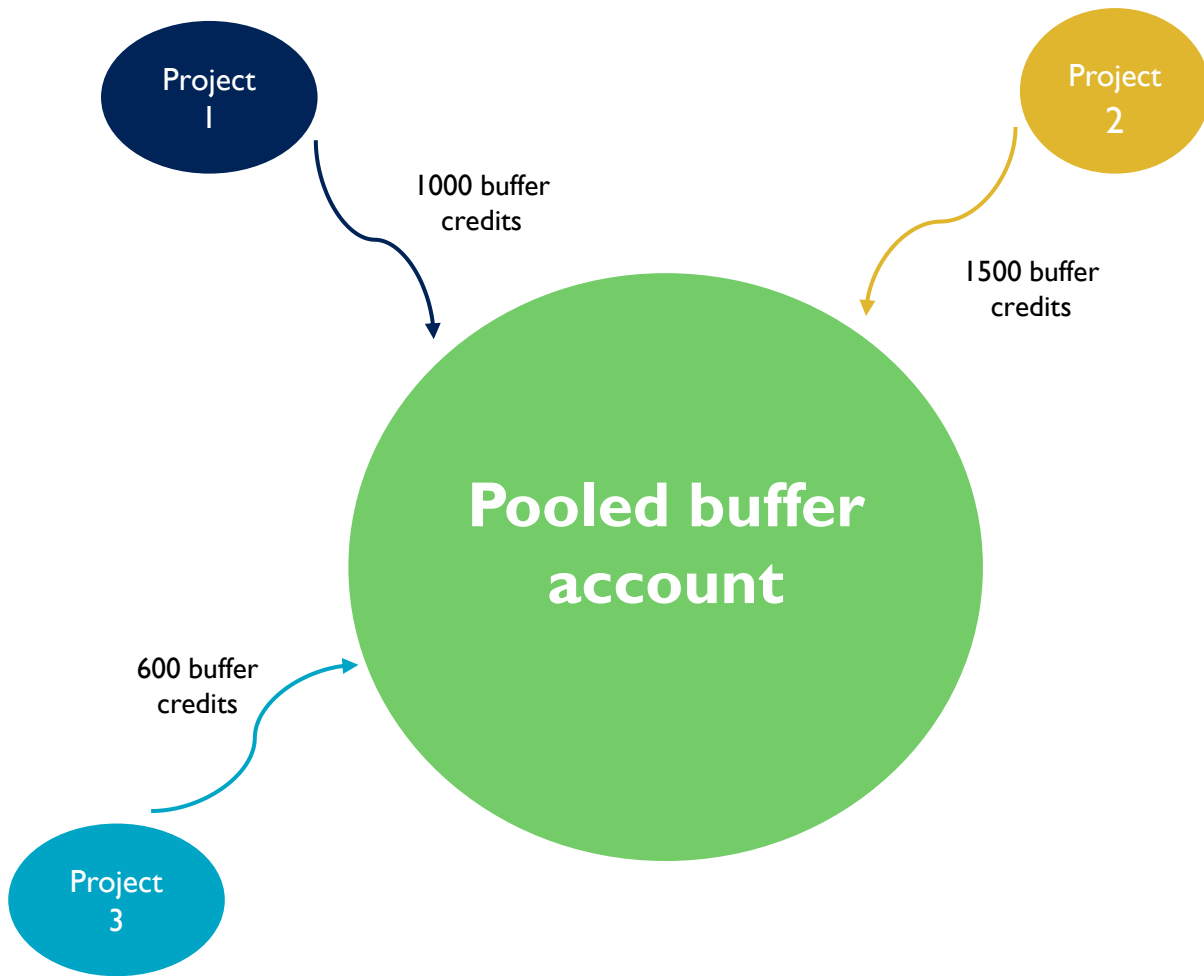
- Please use the Q&A box to submit questions at any time during the webinar.
- We ask that questions be limited to topics related to the Durability Pilot. For any other general questions, please email secretariat@verra.org.
- We will do our best to address all questions during the webinar. Any questions we are unable to cover will be followed up on after the event.



Photo courtesy of Katingan Mentaya. Katingan Peatland Restoration and Conservation Project, Indonesia (Verra Project 1477).

Agenda





Projects contribute to pooled buffer account proportionally to their assessed risk rating

Verra operates a **pooled buffer account** to manage non-permanence risk

Why pilot alternatives to the pooled buffer account?



Growing market interest in alternatives like insurance



Alternatives could unlock higher levels of finance



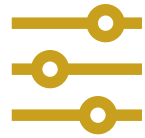
ICVCM permanence report on innovation sandbox



Overview of the durability pilot



Pilot launched with VCS v5 in December 2025 and will last 3 years



Project proponents may use **insurance** or a **fund-based approach**



VCUs from piloting marked with an “innovation” label

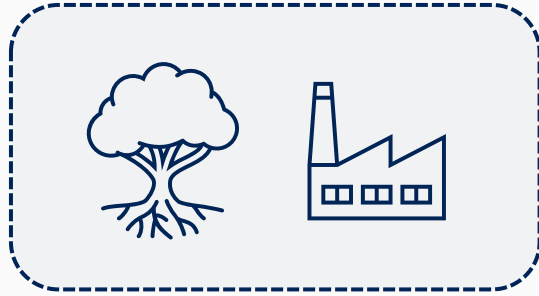


Where a reversal occurs, VCUs marked as *reversed* in Verra Registry



Photo by Lisa Murray. Bale Mountains Eco-Region REDD+ Project, Ethiopia (Verra Project 1340).

Who can participate in the durability pilot?



Projects with reversal risk
(i.e., AFOLU or GCS
project types)



Projects that will issue
VCUs during the piloting
period



Projects that pass the non-
permanence risk assessment
(i.e., AFOLU or GCS NPRT)

General eligibility requirements

 Projects exceeding these thresholds are ineligible:

Threshold	AFOLU Projects	GCS Projects
Overall risk rating	≥ 60	≥ 7
Internal risk sum	> 35	—
External risk sum	> 20	—
Natural risk sum	> 35	—

 Criteria for AFOLU projects (AFOLU NPRT v5.0):

- Project longevity of at least 40 years
- Adaptive management plan including monitoring in place
- Payback period of 20 years or less
- Management, financial, and monitoring plans for entire project life
- Binding legal agreements securing right to operate over the entire project area
- Natural risks impacting 70%+ of carbon stocks: historical frequency $<$ once per 10 years

Insurance approach

Minimum criteria for insurance products



Investment-grade credit rating



Must be renewable



Be triggered by notice from Verra upon reversal



Defined process for payouts for replacement of VCU's



Product must ensure Verra not liable



Minimum coverage = total # or value of VCU's issued under policy



Fund-based approach

Minimum criteria for fund approach



Fund must have fee per VCU issued



Governance safeguards in place



Defined process for replacement of VCU's upon reversal



Held within investment-grade banking institution



Supported by statement from financial institution



Replacement triggered by notice from Verra of a reversal



Loss event and reversal procedures



Reversal remedy: Proportional split

Where a project has used both the pooled buffer and an alternative approach to manage non-permanence risk, the remedy is split proportionally based on VCU issuances under each approach

	Approach 1: Pooled buffer	Approach 2: Insurance
Total issuances per approach (VCUs)	1000	500
Total issuances to date (VCUs)	1500	
Reversal amount (t CO₂e)	250	
Proportion of remedy allocated to each approach	$1000/1500 = 67\%$	$500/1500 = 33\%$
Quantity of buffer credits and replacement VCUs canceled to remedy reversal	$250 \times 0.67 = 167$ buffer credits	$250 \times 0.33 = 83$ replacement VCUs

67% of remedy must come from insurance, while 33% must come from the pooled buffer

Application process



- Interested project proponents are invited to submit an EOI, accepted on a rolling basis.



- Where evidence of the approach is not available at the time of submission, early-stage evidence may be submitted instead, such as an insurance term sheet or letter of intent from a fund manager. Verra will review early-stage evidence and issue **conditional approvals**.



- **Full approval** will be granted upon submission of complete supporting evidence, such as a signed insurance policy meeting the pilot's criteria or documentation from the banking institution where a fund is held.



- For full requirements, see [Overview and Application Process](#).

Long-term outlook

- Over the three-year pilot, Verra will compile data on the alternative approaches across participating projects
- Findings will be shared with stakeholders, to inform ongoing discussions on durability
- At the pilot's conclusion, Verra will assess whether alternative approaches will be permitted permanently, and under what conditions
 - Eligibility for CCP label
- If the pilot is discontinued, participating projects may rejoin the pooled buffer without contributing for the pilot years.
 - Where this occurs, the buffer cannot be used to cover reversals affecting VCU's issued during the piloting period





Thank you!

	Buffer	Insurance	Fund
Cost	Credits	Cash	Cash
Cost Frequency	At issuance	Periodic	One time
Target Duration	Through crediting period, or project longevity period, whichever is longer	As long as insurance is renewed	Decades / Centuries
Who can call on?	Verra	Insured	Fund beneficiary