Sustainable Development
Verified Impact Standard
A VERRA STANDARD

Sustainable Development Verified Impact Standard

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ABOUT VERRA

Verra supports climate action and sustainable development through the development and management of standards, tools and programs that credibly, transparently and robustly assess environmental and social impacts, and drive funding for sustaining and scaling up these benefits. As a mission-driven, non-profit (NGO) organization, Verra works in any arena where we see a need for clear standards, a role for market-driven mechanisms and an opportunity to achieve environmental and social good.

Verra manages a number of global standards frameworks designed to drive finance towards activities that mitigate climate change and promote sustainable development, including the Verified Carbon Standard (VCS) Program and its Jurisdictional and Nested REDD+ framework (JNR), the Verra California Offset Project Registry (OPR), the Climate, Community & Biodiversity (CCB) Standards and the Sustainable Development Verified Impact Standard (SD VISta). Verra is also developing new standards frameworks, including the Landscape Standard, which will promote and measure sustainability outcomes across landscapes. Finally, Verra is one of the implementing partners of the Initiative for Climate Action Transparency (ICAT), which helps countries assess the impacts of their climate actions and supports greater transparency, effectiveness, trust and ambition in climate policies worldwide.

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1 INTRODUCTION

The Sustainable Development Verified Impact Standard (SD VISta) is a global standard managed by Verra for the certification of projects that generate verifiable sustainable development benefits. SD VISta projects must demonstrate how they will advance the Sustainable Development Goals (SDGs) and deliver benefits for people, their prosperity and the planet, in accordance with the United Nations' 2015 resolution *Transforming our World: the 2030 Agenda for Sustainable Development*.[1]

The two principal documents of the SD VISta Program are the *Sustainable Development Verified Impact Standard* and the *SD VISta Program Guide*. The *Sustainable Development Verified Impact Standard* (this document) provides the criteria for project design as well as the criteria for monitoring and assessment of projects and its net impacts. The *SD VISta Program Guide* sets out rules for all actors involved in implementing the SD VISta Program. The *Sustainable Development Verified Impact Standard* should not be used without a complete reading of the *SD VISta Program Guide*. SD VISta Program documents also include a suite of templates for use by project proponents and assessors to document project impacts and achievements.

The Sustainable Development Verified Impact Standard is structured hierarchically by principles and criteria. Principles are fundamental goals towards broad sustainability outcomes that incorporate scientific understanding as well as social ethics and values. Criteria are the conditions that must be met in order to achieve the principles.

This Section 1 sets out general information about the SD VISta Program. Sections 2-4 comprise criteria for project design and implementation. Section 5 sets out the criteria of the project assessment process.

1.1 Version and Update Schedule

All information about version control under the SD VISta Program is contained in the *SD VISta Program Guide*.

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

[1] United Nations, 2015. *A/RES/70/1 - Transforming our world: the 2030 Agenda for Sustainable Development* (available at https://sustainabledevelopment.un.org/post2015/transformingourworld).

1.2 Language

The operating language of the SD VISta Program is English. Project descriptions, validation reports, design evaluation reports, monitoring reports, verification reports, implementation evaluation reports, and all other project documents (including any and all appendices) required under the SD VISta Program shall be written in English.

For projects located in countries for which English is not a widely used language among project stakeholders, project proponents shall develop at least a summary of the project description and/or monitoring report in a relevant local or regional language. Such summary documentation shall include the following, depending on the circumstances:

1) Prior to validation: at least the information set out in Section 2.1 below.
2) Prior to each verification, information on monitoring results showing the following:
    a) The project's impacts on people or their prosperity (Section 3.1.4 below) and/or on the planet (Section 3.2.4 below). Where projects have not generated net positive impacts in one of those sections, it must be demonstrated that activities have not caused harm in the section where it did not achieve net positive impact.
    b) An explanation of the Sustainable Development Goals and the project's contributions to the SDG target(s) identified in Section 2.1.2 below.

1.3 Definitions

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

2 PROJECT DESIGN

This section sets out the criteria for demonstrating a project's objectives and plans for achieving them, including stakeholder engagement and stakeholder rights.

2.1 Project Objectives, Context and Long-term Viability

Principle

Projects shall be designed to meet sustainable development objectives that are appropriate for their sustainable development context. Projects must be designed to generate and maintain benefits during the project's lifetime and after project activities end. Causal chains, which map the cause-and-effect relationships resulting from a project's activities, are used to describe a project's outputs, outcomes and impacts (positive and negative, intended and unintended) for people, their prosperity and the planet.

Criteria

Project Overview

2.1.1 A project's location shall be specified in the project description to the extent that the single location (e.g., geodetic coordinate) or geographic boundary (e.g., multiple geodetic coordinates or shapefile) projects are defined and can be assessed.

2.1.2 Projects shall set out their clearly defined sustainable development objective(s) in the project description. These objectives shall include impacts that contribute directly to at least one United Nations (UN) Sustainable Development Goal (SDG) target.[2]

2.1.3 Project proponents shall set out in the project description a baseline scenario (see Sections 3.1.1 and 3.2.1 below).

2.1.4 A project shall document in the project description key dates in its implementation, including the project start date (the date on which activities that lead to the generation of sustainable development benefits are implemented) and other milestones in the project's development.

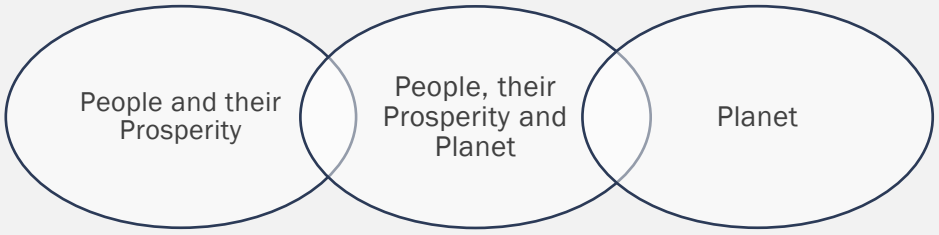
2.1.5 One or more causal chains describing the effects of a project's sustainable development activities shall be included in its project description, and these shall be updated as necessary as part of each monitoring report.

[2] For a full list of the SDGs, see the United Nations Sustainable Development Goal website: https://www.un.org/sustainabledevelopment/sustainable-development-goals/. Click on any individual goal to view its associated targets.

2.1.5.1 The causal chain shall include all direct positive and negative, intended and unintended[3] consequences of project activities. It may include indirect consequences.

2.1.5.2 A project's causal chain(s) shall clearly document which impacts of project activities relate to People and their Prosperity and which relate to Planet. Where a project's causal chain(s) do not indicate any direct negative or positive impacts of project activities on stakeholders' well-being, projects are exempted from the criteria of Section 3.1 below. Where its causal chain(s) do not indicate any direct negative or positive impacts of project activities for natural capital and ecosystem services, a project is exempted from the criteria of Section 3.2 below. See Box 1 below for examples.

Box 1: Examples of Use of Sections 3.1 and/or 3.2 of this Standard



ONLY PEOPLE AND THEIR PROPSERITY: A project that supports children with disabilities in mainstream schools may have significant impacts on children in the target population, their caregivers, teachers and peers, and potentially on government social services, but likely no *direct* impact on ecosystem services or natural resources. Such a project would only be required to document these impacts in the section of the project description template related to People and their Prosperity, Section 3.1.

BOTH PEOPLE AND THEIR PROSPERITY AND PLANET: A coastal wetland conservation and restoration project may protect people and infrastructure from storms but potentially have opportunity costs in the form of loss of business from tourism (impacts for people and their prosperity). The same activities could contribute to climate change mitigation by avoiding carbon emissions and enhancing carbon sequestration capacity (impacts for the planet). Such a project should document its impacts using both the People and their Prosperity and the Planet sections of the project description template.

ONLY PLANET: A project that reduces urban storm water runoff may have significant impacts on water quality in surrounding waterways and potential impacts on nearby infrastructure, but likely no *direct* impacts on the wellbeing of that city's residents. Such a project would only be required to document the impacts in the sections of the project description template related to the Planet, Section 3.2.

[3] Unintended effects of the original objectives of the activity may include a variety of effects, such as rebound effects (reduction in expected gains from new technologies that increase the efficiency of resource use due to behavioral or other systemic responses); effects in sectors or regions other than the targeted sector or region; effects on stakeholder groups other than those targeted by the activity; effects on behavior once an activity is announced but before it is implemented (such as early action); or lack of compliance or enforcement. Unintended effects may be positive or negative. Adapted from the World Resources Institute's *Policy and Action Standard* (WRI, 2014. *Policy and Action Standard*: 76 (available at https://wriorg.s3.amazonaws.com/s3fs-public/Policy_and_Action_Standard.pdf).

2.1.5.3 Where a project will generate an SD VISta asset (per Section 4.2 below), the benefit creation process for that asset shall be included in the causal chain(s).

Threat Management

2.1.6 Likely natural and human-induced threats to the expected sustainable development benefits shall be identified, and measures shall be taken to mitigate these threats. Threats and mitigation measures shall be described in the project description and updated, if necessary, in the monitoring report.

Threats may include, *inter alia*, short- and long-term threats (i.e., those within the project lifetime and beyond the project lifetime, respectively) and threats related to continued stakeholder willingness to participate in a project.

2.1.7 During the project lifetime, project proponents shall take appropriate measures to ensure that sustainable development benefits generated as a result of project activities are maintained or enhanced beyond the project lifetime.

Reassessment of Sustainable Development Context

2.1.8 A project's baseline scenario(s) shall be reassessed every ten years to ensure that it is still appropriate for the current development context, taking into account the current status of stakeholders' well-being, natural capital and ecosystem services and any impending changes to same given the effects of new, relevant national and/or sectoral policies, circumstances and activities.

1) Where it is determined that the original baseline scenario is still valid, this determination shall be described and justified in the monitoring report.

2) Where it is determined that the original baseline scenario is no longer valid, the current baseline scenario shall be established in accordance with the SD VISta rules and shall be described and justified in a new project description.

2.1.9 The baseline scenario reassessment shall be assessed by a validation/verification body (VVB) and the process, findings and conclusions shall be reported in a verification report issued within two years after the end of the (previous) ten-year period. The assessment shall determine whether the original or current baseline scenario is appropriately described and justified, and whether a project remains in compliance with the SD VISta rules.

2.2 Stakeholder Engagement

Principle

Stakeholders must be involved with projects on an ongoing basis. All stakeholder groups and interested stakeholders shall have access to timely and adequate information and open communication channels with project proponents.

Criteria

Stakeholder Identification

2.2.1 Project proponents shall use locally appropriate methods to identify all stakeholders who could potentially be affected by a project.

2.2.2 Stakeholder groups shall be identified in the project description and updated as necessary in the monitoring report. All stakeholders shall be part of at least one stakeholder group (see Box 2 below.

Box 2: Stakeholders and Stakeholder Groups

A stakeholder is any person who can potentially be affected by the project. In identification of stakeholders, it is permitted to consider significance of user populations and how deeply affected they may be by the project such that distant or intermittent user groups who will be affected in very limited ways by the project need not be defined as stakeholders.

A stakeholder group is composed of individual stakeholders who derive similar income, livelihood, well-being and/or cultural values from the project and whose values are different from those of other groups. Examples include Indigenous Peoples, women, youth or other social, cultural and economic groups. Every individual stakeholder must belong to at least one stakeholder group, but may belong to more than one (e.g., a woman community leader should be considered as a woman and as a community leader). Stakeholder groups will often be segments of the population, not officially designated assemblages.

Note: Interested stakeholders comprise any person, group of persons, or entity that has shown an interest, or is known to have an interest, in the activities of the project but that will not be materially affected by those activities. Throughout the SD VISta Program, unless otherwise specified, the term 'stakeholder' used on its own excludes interested stakeholders. Other potentially interested stakeholders — e.g., local or international NGOs — are identified as such.

2.2.3 Stakeholders who have rights to resources or land that may be affected by project activities shall be clearly identified in the project description and updated as necessary in the monitoring report.

Stakeholder Consultation and Participation

2.2.4 Stakeholders identified in Section 2.2.1 above shall be notified of the project development process.

2.2.5 Effective consultation (see Box 3 below) shall be used to enable project stakeholders, including all stakeholder groups, to influence project design and implementation. The consultation shall be carried out with respect for local customs, values and institutions. It shall provide an ongoing opportunity for self-identification of stakeholder groups that are vulnerable (i.e., lacking ability to anticipate, cope with, resist and recover from stresses or shocks due to physical, social, economic and environmental factors or processes) and/or marginalized (i.e., unable to participate fully in economic, social, political and cultural life). Where those groups are identified, project proponents shall emphasize optimizing benefits to them.

Box 3: Guidance on Effective Consultation

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

Stakeholder groups should have an opportunity to evaluate impacts and raise concerns about potential negative impacts, express desired outcomes and provide input on the project design, both before the project design is finalized and during implementation. Consultations should include participatory identification of ecosystem services important for stakeholders (e.g., through participatory mapping). Consultations should also include an evaluation of the type and magnitude of impacts resulting from project activities and participatory design of feedback and grievance redress procedures.

2.2.6 All communications, consultations and participatory processes shall be undertaken with stakeholders directly or through their legitimate representatives, ensuring adequate and timely levels of information sharing with the members of the stakeholder groups in a form they understand. Information sharing shall include provision of information about potential costs, risks and benefits to all stakeholder groups. Different stakeholder groups may require different communication and consultation methods; communication and consultation shall be implemented in a culturally appropriate and gender sensitive manner.

2.2.7 Project proponents shall document consultations in the project description and indicate whether and how the project design and implementation has been revised based on such input. Special attention paid to marginalized and/or vulnerable groups shall be mutually acknowledged and agreed upon by both project proponents and marginalized and/or vulnerable groups.

2.2.8 A plan shall be developed, described in the project description and implemented to continue communication and consultation between project proponents and all stakeholder groups about the project and its impacts. This information exchange should facilitate adaptive management throughout the life of the project. This plan shall include measures to enable the meaningful influence of all stakeholder groups that want and need to be involved in evolving project design, implementation, monitoring and assessment throughout a project lifetime.

Anti-Discrimination

2.2.9 Appropriate measures shall be taken to ensure that the project proponent and all other entities involved in project design and implementation are not involved or complicit in any form of discrimination[4] or sexual harassment with respect to the project.

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

Worker Relations

2.2.10 Orientation and training shall be provided for a project's workers and individual stakeholders involved in carrying out project activities with an objective of building locally useful skills and knowledge to increase local participation in project implementation. These capacity-building efforts should target a wide range of people from among the stakeholders. Training shall be passed on to new workers when there is staff turnover, so that local capacity will not be lost. Special attention shall be given to marginalized and/or vulnerable people.

2.2.11 All stakeholders shall be given an equal opportunity to fill all work positions (including management) where the job criteria are met. Members of local communities shall be given a fair chance to fill positions for which they can be trained.

2.2.12 Project proponents shall provide assurance in the project description and monitoring report that a project meets or exceeds all applicable laws and/or regulations covering worker rights[5] and, where relevant, demonstrate in the project description and monitoring report how compliance is achieved. Measures shall be taken and documented in the project description and monitoring report to inform workers about their rights.

2.2.13 Project proponents shall comprehensively assess situations and occupations that might arise through the implementation of a project which pose a substantial risk to worker or other stakeholder safety. Measures shall be taken to inform workers and stakeholders involved in carrying out project activities of risks and to explain how to minimize such risks. Where worker or stakeholder safety cannot be guaranteed, the project proponent shall demonstrate in the project description and monitoring report how the risks are minimized using best work practices in line with workers' and other stakeholders' culture and customary practices.

Grievance Redress Procedure

2.2.14 Projects shall establish a clear feedback and grievance redress procedure to address disputes with stakeholders that may arise during project planning and implementation. The feedback and grievance redress procedure shall take into account traditional methods that stakeholders use to resolve conflicts.

2.2.15 The feedback and grievance redress procedure shall be set out in the project description as well as publicized and accessible to all project stakeholders, including any interested stakeholders. Grievances and project responses, including any redress, shall be documented in the next project description or monitoring report.

[5] Including by demonstrating conformity with and upholding the principles and rights of work addressed in the Core Labour Conventions of the International Labour Organization (ILO); this may be done at least in part by demonstrating the degree to which ILO requirements are addressed in national and regional regulations. The ILO Core Labour conventions are the Forced Labour Convention, 1930 (No. 29), Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), Right to Organise and Collective Bargaining Convention, 1949 (No. 98), Equal Remuneration Convention, 1951 (No. 100), Abolition of Forced Labour Convention, 1957 (No. 105), Discrimination (Employment and Occupation) Convention, 1958 (No. 111), Minimum Age Convention, 1973 (No. 138) and the Worst Forms of Child Labour Convention, 1999 (No. 182).

Note: Where a complaint is an objection to a decision taken by Verra or an aspect of how it operates the SD VISta Program, or a claim that the SD VISta rules have had an unfair, inadvertent or unintentional adverse effect, it shall be submitted following the procedure set out in the Verra Appeals, Complaints and Conduct Policy*, which is available on the Verra website.*

Access to Information

2.2.16 Full project documentation, including project description and monitoring reports as they become available, shall be accessible to all stakeholders, including interested stakeholders. Special attention shall be paid to providing access to full project documentation by marginalized and/or vulnerable stakeholder groups.

2.2.17 Stakeholders shall receive timely information about the VVB's site visit before the site visit occurs and the project proponent shall facilitate direct and independent communication between them or their representatives and the assessor.

2.3 Management Capacity

Principle

Project proponents shall ensure that sufficient human, financial and organizational resources are available for effective sustainable development benefit delivery per a project's design.

Criteria

2.3.1 Project proponents shall document in the project description, and update in monitoring reports as may be appropriate, distinct roles and responsibilities of all the entities involved in project design and implementation.

2.3.2 Project proponents shall not knowingly engage in any form of corruption such as bribery, embezzlement, fraud, favoritism, cronyism, nepotism, extortion and collusion.

2.4 Legal Status and Rights to Operate Project

Principle

All stakeholders' customary and statutory rights to resources and tenure shall be respected in the course of project design and implementation. Project proponents shall have the necessary approvals from appropriate authorities to claim ownership of the project's benefits as represented in SD VISta project documentation.

Criteria

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

2.4.1 Statutory and customary tenure/use/access/management rights to lands, territories and resources directly affected by project activities (including individual and collective rights and overlapping or conflicting rights), if any, shall be described and mapped in the project description.

2.4.2 All property rights shall be recognized, respected and supported. Projects shall not encroach uninvited on private property, community property (including lands, territories and resources to which communities have collective rights, either customary or statutory), or government property.

2.4.3 The free, prior and informed consent shall be obtained of those whose property rights are affected by a project through a transparent, agreed process. See Box 4 below for more information on free, prior and informed consent.

Box 4: Definition of Free, Prior and Informed Consent

Free means no coercion, intimidation, manipulation, threat and bribery.

Prior means sufficiently in advance of any authorization or commencement of activities and respecting the time requirements of any decision-making processes.

Informed means that information is provided that covers (at least) the following aspects:

- The nature, size, pace, reversibility and scope of any proposed project or activity;
- The reason(s) or purpose of the project and/or activity;
- The duration of the above;
- The locality of areas that will be affected;
- A preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risks and fair and equitable benefit sharing in a context that respects the precautionary principle;
- Personnel likely to be involved in the execution of the proposed project (including Indigenous Peoples, private sector staff, research institutions, government employees and others); and
- Procedures that the project may entail.

Consent means that there is the option of withholding consent and that the parties have reasonably understood that option.

Note: Collective rights holders shall be able to participate through their own freely chosen representatives or institutions following a transparent process for obtaining their free, prior and informed consent that they have defined.

2.4.4 Appropriate restitution or compensation for financial and non-financial costs of the loss of land (e.g., loss of culture or loss of business opportunity) shall be allocated to any parties whose lands or access to resources have been or will be negatively affected by a project.

2.4.5 Project activities shall not lead to involuntary removal or relocation of property rights holders from their lands or territories and shall not force property rights holders to relocate activities important to their culture or livelihood. Where any relocation of habitation or activities important to their culture or livelihood is undertaken within the terms of an agreement, the project proponent shall demonstrate in the project description (or monitoring report, where relevant) that the agreement was made with the free, prior and informed consent of those concerned and includes provisions for just and fair compensation.[6]

2.4.6 Where appropriate, projects shall take measures to help secure statutory rights for traditional communities.

2.4.7 Any illegal activities taking place (e.g., illegal logging) that could affect a project's sustainable development impacts shall be monitored and, as appropriate, measures shall be taken to mitigate or reduce these activities so that project benefits are not derived from illegal activities.

2.4.8 Any ongoing or unresolved conflicts or disputes over rights to lands, territories and resources and any disputes that were resolved during the last ten years, or last twenty years where such records exist, shall be specified in the project description and updated in the monitoring report as may be appropriate. Where applicable, measures shall be taken to resolve conflicts or disputes. No activity shall be undertaken by a project that could prejudice the outcome of an unresolved dispute over lands, territories and resources affected by project activities.

Legal Status

2.4.9 In the project description, project proponents shall identify and demonstrate compliance of the project with all and any relevant local, regional and national laws, statutes and regulatory frameworks. Updates to compliance obligations shall be captured in the monitoring report.

2.4.10 The project description shall be accompanied with evidence establishing project ownership accorded to project proponent(s).

2.5 Project Monitoring

Principle

A project shall be monitored contiguously and shall match its monitoring periods with VCS or Climate, Community & Biodiversity (CCB) Standards Programs as appropriate.

[6] In accordance with Article 28 of the *UN Declaration on the Rights of Indigenous Peoples*, unless otherwise agreed upon, compensation shall be in the form of lands, territories or resources equivalent in quality, size and legal status to those taken. When such compensation is not available, monetary compensation is appropriate. This principle is consistent with Article 16 of the International Labour Organization's *Indigenous and Tribal Peoples Convention, 1989 (No. 169): Convention concerning Indigenous and Tribal Peoples in Independent Countries* (available at http://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C169).

Criteria

2.5.1 A monitoring period shall be a distinct time period that does not overlap with previous time periods that have already been assessed. In addition, monitoring periods shall be contiguous with no time gaps between them.

2.5.2 Projects that use the VCS Program and/or CCB Standards Program concurrently with SD VISta shall have the same monitoring period(s) for any and all programs.

2.6 Grouped Projects

Principle

SD VISta projects may be structured to allow the expansion of a project activity subsequent to a project's ex-ante assessment (validation or design evaluation).

Criterion

2.6.1 In a grouped project, the ex-ante assessment shall be based upon the initial project activity instances identified in the project description. The project description shall set out the eligibility criteria for inclusion of new project activity instances. New instances meeting these pre-established criteria may then be added to the project subsequent to a project's ex-ante assessment, as set out in Appendix 1 Grouped Projects.

2.7 Project Description Deviations

Principle

Project proponents may alter one or more elements of an ex-ante assessed (validated or design evaluated) project design in response to stakeholder input and/or to improve project impacts. Deviations from the project description are permitted at ex-post assessment (verification or project implementation evaluation).

Criteria

2.7.1 Procedures for documenting a project description deviation are as follows:

1) Where the deviation affects the appropriateness of the baseline scenario(s) or the applicability of the SD VISta asset methodology, where used, the deviation shall be described and justified in a revised version of the project description. This shall include a description of when the changes occurred, the reasons for the changes and how the changes affect the appropriateness of the baseline scenario or the applicability of the SD VISta asset methodology, where used. An example of such a deviation includes the addition of a new project activity.

2) Where the deviation does not affect the appropriateness of the baseline scenario(s) or the applicability of the SD VISta asset methodology, where used, and a project remains in

compliance with the applied SD VISta asset methodology, the deviation shall be described and justified in the monitoring report. This shall include a description of when the changes occurred and the reasons for the changes. The deviation shall also be described in all subsequent monitoring reports. An example of such a deviation includes changes in the procedures for measurement and monitoring.

2.7.2 The deviation shall be assessed by an assessor and the process, findings and conclusions shall be reported in the verification or implementation evaluation report. The assessment shall determine whether the deviation is appropriately described and justified, and whether a project remains in compliance with the SD VISta rules. The deviation shall also be reported on in all subsequent verification and implementation evaluation reports. Project description deviations are not considered to be precedent-setting.

2.7.3 Where a new project activity is added by means of a project description deviation, the new activity shall have a start date that is the same as or later than that of the originally validated activity (or activities).

3 IMPACTS ON PEOPLE, THEIR PROSPERITY AND THE PLANET

3.1 Impacts on People and Their Prosperity

This section sets out criteria for the demonstration of a project's sustainable development impacts on stakeholders' well-being. Where no outcomes or impacts related to stakeholders have been identified in a project's causal chain(s) or by stakeholders (through ongoing communication and consultation, per Section 2.2.6 above), this Section 3.1 does not apply.

Note: Where a project has no significant negative or positive impacts on stakeholders, a project shall demonstrate that it has generated net positive impacts for natural capital and/or ecosystem services using Section 3.2. Otherwise, projects should not apply the SD VISta Program.

Principle

The project proponent demonstrates net positive well-being impacts for all stakeholders directly affected by their project's activities.

Criteria

3.1.1 The following shall be included in the project description for each of the stakeholder groups identified in Section 2.2.2 above:

1) Conditions at the project start date with respect to social, economic and cultural diversity within and between the stakeholder groups and the interactions between stakeholder groups.

2) Significant changes in these elements the past.

This information represents the project's baseline scenario for People and their Prosperity.

3.1.2 Project proponents shall monitor impacts depicted in the causal chain of a project's activities on all stakeholder groups. Benefits, costs and risks to all stakeholder groups shall be identified using a participatory and transparent process.

3.1.3 A monitoring plan shall be provided as part of a project description and such plan shall be followed to determine the project's impacts.

3.1.4 The project proponent shall estimate in the project description, and present data in each monitoring report, the type and magnitude of a project's impacts, including:

1) Changes in stakeholders' well-being due to project activities. This appraisal should include documentation of any activities intended to mitigate negative impacts to stakeholder groups.

2) Any SDG target(s) associated with people and their prosperity identified in Section 2.1.2 above and any stakeholders' well-being benefits that will be used as SD VISta claims or assets.

All estimates of project impact shall be based on clearly defined and defendable assumptions.

3.1.5 Net stakeholder well-being impacts of a project shall be positive for all stakeholder groups.

3.2 Impacts on the Planet

This section sets out criteria for the demonstration of a project's impacts on natural capital and ecosystem services. Where no outcomes or impacts related to natural capital or ecosystem services have been identified in a project's causal chain(s) or by stakeholders (through ongoing communication and consultation, per Section 2.2.6 above), this Section 3.2 does not apply.

Note: Where a project has no significant negative or positive impacts on natural capital or ecosystem services, the project shall demonstrate that it has generated net positive impacts for stakeholders by using Section 3.1 above. Otherwise, projects should not apply the SD VISta Program.

Principle

Project proponents demonstrate net positive impacts on natural capital and ecosystem services directly affected by their project's activities.

Criteria

3.2.1 Conditions and possible threats to natural capital at the project start date shall be documented in the project description. This information represents the project's baseline scenario for Planet.

3.2.2 Project proponents shall monitor direct impacts depicted in a causal chain of a project's activities on natural capital and ecosystem services, including expected and actual, benefits, costs and threats. To the extent that there are stakeholders of the natural capital and/or ecosystem services affected by the project, these benefits, costs and risks should be identified with them using a participatory and transparent process.

3.2.3 A monitoring plan shall be provided as part of a project description and such plan shall be followed to determine the project's impacts.

3.2.4 The project proponent shall estimate in the project description, and present data in each monitoring report, the type and magnitude of a project's impacts, including:

1) Changes in natural capital and ecosystem services due to project activities. This appraisal should include documentation of any activities intended to mitigate negative impacts on natural capital and ecosystem services.

2) Any SDG target(s) associated with the planet identified in Section 2.1.2 above and any natural capital and ecosystem services benefits that will be used as SD VISta claims or assets.

All estimates of project impact shall be based on clearly defined and defendable assumptions.

3.2.5 Net impacts on natural capital and ecosystem services directly affected by the project shall be positive.

4 SD VISTA CLAIMS, ASSETS AND LABELS

All SD VISta projects shall be assessed against the criteria set out in Sections 2 and 3 above. In addition, the SD VISta Program supports two optional ways to highlight a project's impacts on Sustainable Development Goal targets or other sustainable development benefits: SD VISta claims and SD VISta assets.

An SD VISta claim is a user-defined statement about a specific sustainable development benefit directly resulting from project design and implementation. It is assessed by an independent evaluation expert (IEE) or a VVB, stated in the assessor's report and listed on the Verra project database as a project attribute. SD VISta claims are not registered in the Verra registry as units, and therefore cannot be traded or retired.

An SD VISta asset is a unit issued by and held in the Verra registry representing the right of an accountholder in whose account the asset is recorded to trade or retire the achievement of an environmental or social benefit. A benefit is quantified as an SD VISta asset according to a user-defined, Verra-approved SD VISta asset methodology and verified by a VVB in accordance to the SD VISta rules. SD VISta assets are issued after verification at the project proponent's request and can thereafter be transacted in the Verra registry. The *SD VISta Program Guide* sets out full information on SD VISta asset issuance.

It is not required that SD VISta projects make claims or generate assets.

4.1 OPTIONAL: SD VISta Claims

Principle

SD VISta claims may be used to highlight a project's unique benefits or its Sustainable Development Goal contributions.

Criteria

4.1.1 Project proponents shall identify in the project description any distinct benefits to people and their prosperity (associated with Section 3.1) or the planet (associated with Section 3.2) intended for use as claims, including those related to SDG target(s). The benefit described in the claim shall be clearly attributed to a project through its monitored outputs, outcomes and impacts, referring to actions taken and data collected to meet the criteria of Sections 2 or 3 of this document as appropriate.

4.1.2 Benefits that a project achieves during a monitoring period related to specific claims shall be documented in the monitoring report.

4.1.3 In order to make a general claim of net positive greenhouse gas (GHG) mitigation impact, the project proponent shall use the SD VISta Climate Module (see Appendix 2 Climate Module below for additional specification on the SD VISta Climate Module). Note that the SD VISta Climate

Module cannot be used to generate GHG credits for GHG emission reductions and removals (ERR), carbon footprint assessments or carbon neutrality claims.

4.2 OPTIONAL: SD VISta Assets

Principle

An SD VISta asset is a standardized, transactable unit that represents one or more of a project's sustainable development benefits. It is created using a Verra-approved methodology and may not be double-counted with the same sustainable development benefit issued under any other program for the same time period. To aid in readability, where the term *methodology* is used below, it refers to SD VISta asset methodologies.

Note: SD VISta asset methodology development criteria can be found in Appendix 3 SD VISta Asset Methodologand in the SD VISta Program Guide*.*

Criteria

4.2.1 Project proponents shall identify in the project description and monitoring report any distinct benefits to people and their prosperity (associated with Section 3.1) or the planet (associated with Section 3.2) intended for use as SD VISta assets.

4.2.2 All SD VISta assets shall be generated during a project's crediting period(s) using a methodology approved by Verra. Methodologies shall be applied in full, including the full application of any tools or modules referenced in the methodology. The list of methodologies and their validity periods is available on the Verra website.

4.2.3 Project activities shall meet each of the applicability conditions of the methodology applied to projects.

4.2.4 SD VISta assets may be created for offset purposes, but such opportunities will be limited and subject to additional safeguards and requirements for the determination of additionality.[7]

4.2.5 SD VISta benefits shall be verified on an ex-post basis. Verra may pilot alternative benefit verification approaches, where it is deemed that an alternative approach may be more efficient and equally robust.

4.2.6 Projects shall be eligible for crediting of benefits generated in previous verification periods only where such benefit is of a different type from benefits generated in that previous verification period and issued as SD VISta assets. In such instances, a project description deviation is required.

[7] Guidance may be developed on when offsets can be created.

Crediting Periods and Crediting Period Renewal

4.2.7 Crediting periods are applicable only to projects that generate assets. Crediting period lengths and limits on crediting period renewals are methodology-specific.

4.2.8 Where projects fail to renew their crediting period, the crediting period shall end and the project shall be ineligible for further crediting of assets.

4.2.9 The following shall apply with respect to the renewal of the crediting period:

1) The project proponent must validate a new project description. The project proponent shall assess in the new project description whether the original baseline scenario is still valid following the procedures set out in Section 2.1.8 above. Note that where the original baseline scenario is still valid, such shall be justified in a new project description.

2) The new project description shall be submitted for validation and shall incorporate the latest approved version of the methodology or its replacement. A project shall not be eligible for renewal of its crediting period where it is unable to apply the latest version of the methodology, its replacement or another approved SD VISta methodology.

3) The updated project description shall be validated in accordance with the current version of the SD VISta rules. Such validation report shall be issued after the end of the (previous) crediting period but within two years after the end of the (previous) crediting period.

   Projects switching to a new SD VISta methodology and completing such validation within one year of the approval of the methodology by Verra may complete such validation within three years of the end of the (previous) crediting period.

Methodology Deviations and Revisions

4.2.10 Deviations from the applied methodology are permitted where they represent a deviation from the criteria and procedures relating to monitoring or measurement set out in the methodology (i.e., deviations are permitted where they relate to data and parameters available at validation, data and parameters monitored, or the monitoring plan). Methodology deviations shall not negatively affect the conservativeness of the quantification of the benefit. Deviations relating to any other part of the methodology shall not be permitted.

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

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

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

4.3 Units from Other Programs

4.3.1 Projects may generate other forms of social or environmental credits, such as renewable energy certificates (RECs), Verified Carbon Units (VCUs), or W+ units, though the sustainable development benefits presented for SD VISta asset issuance shall not also be recognized as a similar form of saleable, tradeable claims/credits/units/assets for the same time period. Where a project generates a benefit that could be used as either an SD VISta asset or a similar form of saleable, tradeable claim/credit/unit/asset for the same time period, the project proponent shall demonstrate that the benefit has not been issued more than once or that any duplicative issuance has been cancelled under the relevant program(s).

For example, a renewable energy certificate (REC) may represent property rights to the environmental, social and other non-power attributes of renewable electricity generation. Projects generating RECs shall provide evidence to the Verra registry administrator that the megawatt hour presented for SD VISta asset issuance has not also been recognized as a REC, or that any such RECs have not been used and have been cancelled under the relevant program as set out in Section 4.3.2 below.

4.3.2 Where projects have sought or received another form of social or environmental credit, the following information shall be provided to the VVB:

1) Name and contact information of the relevant crediting program.
2) Details of a project as registered under the crediting program (e.g., project title and identification number as listed under the program).
3) Monitoring periods for which social or environmental credits were sought or received under the crediting program.
4) Details of all social or environmental credits sought or received under this program (e.g., volumes and serial numbers).

4.3.3 Where projects are eligible to participate under one or more programs to create another form of social or environmental credit, but are not currently doing so, a list of such programs shall be provided to the VVB.

4.3.4 Projects rejected by other project-level social or environmental crediting programs can be considered under the SD VISta Program. The project description must clearly state the programs to which the project has applied for registration and the reason(s) for rejection.

4.4 SD VISta Labels

Principle

Units issued by SD VISta projects under other programs should be designated as such if possible.

Criterion

4.4.1 All units issued under a supporting program generated in a period fully encompassed by SD VISta-verified monitoring period shall be designated by that label. For example, where a project generates Verified Carbon Units (VCUs) under the VCS Program for a period of time completely encompassed within a period for which that project has been verified to SD VISta, those VCUs must be designated by the SD VISta label.

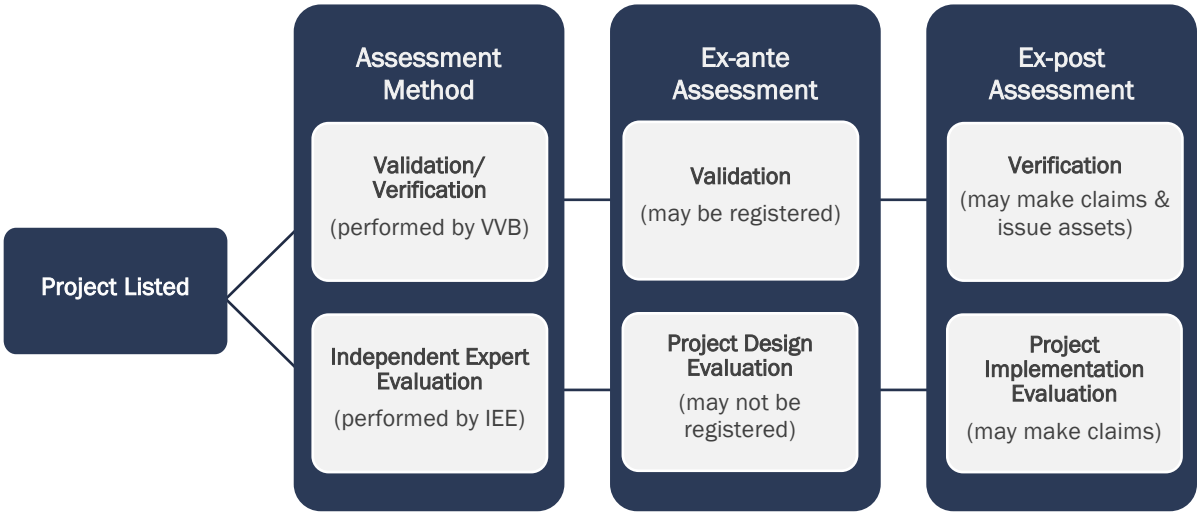
Note: For more information on labeling, see the SD VISta Program Guide. *A list of programs that support SD VISta labeling is available on the Verra website.*

5 SD VISTA PROJECT ASSESSMENT

The SD VISta Program provides two methods of project assessment: validation/verification and independent expert evaluation. For the purposes of simplification, in this Section 5, and as set out in Diagram 1 below:

- Any process related to "assessment" is required of both validation/verification and independent expert evaluation.
- "Ex-ante assessment" refers to the validation and design evaluation processes.
- "Ex-post assessment" refers to the verification and implementation evaluation processes.
- The term "assessor" refers to both VVBs and IEEs.

Diagram 1: Methods of Project Assessment



Additional criteria with respect to the assessment process are set out in the *SD VISta Program Guide* and shall be adhered to.

5.1 Introduction and Assessor Criteria

Principle

SD VISta validation/verification is the assessment of the project by an accredited and approved VVB. Validation/verification should be used by those projects that require a level of confidence in the project's assessment achieved by accredited, approved, independent VVBs.

Projects that are not at a point in their development where they have the necessity, resources or experience to undergo the SD VISta validation/verification process, or those that will not issue SD VISta

assets, may wish to use an IEE. Evaluation by an IEE offers projects a way to make limited claims about a project's estimated or actual impacts.

Criteria

SD VISta Validation/Verification

5.1.1 Validated or verified projects may be listed on the Verra project database and can register as SD VISta projects. Only verified projects shall issue SD VISta assets.

5.1.2 The SD VISta validation/verification process involves two steps: validation of project design and verification of project implementation. Validation is the independent assessment of projects by a VVB that determines whether a project complies with the SD VISta rules. Verification is the periodic ex-post independent assessment by a VVB, conducted in accordance with the SD VISta rules, of the sustainable development outcomes and impacts that have occurred because of project activities during the monitoring period. Validation and verification may be undertaken concurrently.

5.1.3 To be approved by Verra to provide validation and verification services under the SD VISta Program, organizations must meet the following criteria:

1) Demonstration that the organization is:

   a) Accredited by a body in compliance with the latest version of ISO/IEC 17011 *Conformity assessment -- criteria for accreditation bodies accrediting conformity assessment bodies* (currently ISO/IEC 17011:2017); OR

   b) Accreditation by a body that is a member of the ISEAL Alliance; OR

   c) Approved as VVB under the VCS Program.

2) Demonstration of sufficient organizational and staff competencies for managing the validation and verification of activities for, at minimum, one of the SD VISta sectoral scopes as set out on the Verra website.

   Scope competencies may be demonstrated by:

   a) Information pertaining to a VVB's accreditation to a standard referenced in Section 5.1.3(1) above and that standard's relevance within an SD VISta sectoral scope; OR

   b) Staff have at least three years of relevant work experience or an equivalent combination of education and work experience within an SD VISta sectoral scope.

3) Demonstration of operational policies for assessment and demonstration of technical competencies in the SD VISta rules, including a regular internal audit of compliance with such policies by the organization and its personnel.

4) Liability insurance in the amount specified in the *SD VISta Validation/Verification Body Agreement*.

Sufficient evidence shall be provided using the *Verra Validation/Verification Body Application Form* to demonstrate and organization meets these criteria.

5.1.4 A list of approved VVBs approved to undertake SD VISta assessments is available on the SD VISta website.

5.1.5 On a per-assessment basis, the assessment team shall submit a conflict of interest statement using the *Verra Notice of Validation/Verification Services Template* and shall demonstrate that they meet the competence criteria set out below:

1) Relevant sectoral experience.

2) Relevant social and cultural expertise in the in the project country or region.

Where projects are using a methodology that sets out more specific details in either of these categories, the criteria of the methodology apply.

SD VISta Independent Expert Evaluation

5.1.6 Independent expert-evaluated projects may be listed on the Verra project database but shall not be registered as SD VISta projects.

5.1.7 The SD VISta independent expert evaluation process involves two steps: design evaluation and implementation evaluation. Design evaluation is the assessment of a project by an IEE that determines whether a project's design complies with the SD VISta rules. Implementation evaluation is the periodic ex-post assessment by an IEE, conducted in accordance with the SD VISta rules, of the sustainable development outcomes and impacts that have occurred as a result of a project during the monitoring period. Project design and implementation evaluation may be undertaken concurrently.

5.1.8 To be approved by Verra to perform project design and implementation evaluation under the SD VISta Program, IEEs (who, unlike VVBs, may be individuals) must meet the following criteria:

1) Demonstration of competency in the sector of the main activity of a project to be evaluated. This competency shall be established through at least five years of relevant work experience or an equivalent combination of relevant education and work experience.

2) Demonstration of experience and expertise in the country (preferably) or region (with appropriate justification) of a project to be evaluated.

3) Demonstration of experience in social and/or environmental project development or auditing. This experience shall be established through at least five years of participating in the management of a project or initiative aimed at providing social and/or environmental benefits or at least two years of undertaking audits of such projects or initiatives.

4) Demonstration of freedom from conflict of interest. This shall be established through disclosure of all relevant organizational affiliations and anything else that might give rise to a conflict of interest.

Sufficient evidence shall be provided using the *Verra Independent Evaluation Expert Application Form* to demonstrate that the expert meets these criteria.

5.2 Assessment Criteria

Principle

Ex-ante assessment (validation or project design evaluation) shall cover the criteria in this document related to project design. Ex-post assessment (verification or project implementation evaluation) shall assess the criteria related to the ongoing implementation of a project and the monitored results of project activities. Certain criteria will be assessed only during the ex-ante phase, and others ex-post, while certain criteria, such as stakeholder engagement, shall be assessed at both phases.

Criteria

5.2.1 The criteria for assessment shall be *SD VISta Version 1*. This means the assessment shall ensure conformance of a project with the SD VISta rules and, where appropriate, the methodology applied to a project.

5.2.2 Projects designed to generate SD VISta assets that will be used as offsets shall complete validation within two years of the project start date for non-agriculture, forestry and other land use (AFOLU) projects and within five years of the project start date for AFOLU projects.

5.2.3 Assessment is a risk-based process. As such:

1) A VVB shall select samples of data and information to be validated or verified to provide a reasonable level of assurance as defined in ISO 14064:3 (2006) and to meet the materiality criteria. Quantitative materiality demands that the threshold for materiality with respect to the aggregate of errors, omissions and misrepresentations, individually or in the aggregate, for any reported SD VISta claim and/or SD VISta assets shall be limited to five percent. Qualitative materiality demands that the validation and verification determine whether a project conforms to program rules and methodological criteria. In qualitative scenarios, professional judgment shall be used to determine whether non-compliances with the program rules or methodological criteria is material.

2) IEEs shall assess data and information for errors, omissions and misrepresentations. Materiality criteria are only required for validation and verification, not for independent expert evaluation.

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

5.2.5 Project proponents shall assist with the assessment audit by providing the assessor with the necessary documentation and other evidence to show how a project satisfies the SD VISta rules. In a timely manner, the project proponent shall submit additional evidence as needed and requested, respond to questions and findings from the assessor, and assist in arranging meetings

with stakeholders as requested and required. The burden of proof in the assessment process ultimately rests with the project proponent.

5.2.6 Ex-ante and ex-post assessment of a project may be undertaken by the same assessor, noting the rules on rotation of VVBs set out in Section 5.2.7 below. Ex-ante assessment may occur before or at the same time as the first ex-post assessment.

5.2.7 Rotation of VVBs is required in respect of validation and verification, as follows:

1) Validation and the first verification of a project may be undertaken by the same VVB. However, the subsequent verification shall be undertaken by a different VVB. For example, if validation and verification were undertaken at the same time, the subsequent verification would have to be undertaken by a different VVB. Where validation were undertaken first (i.e., separately), the first verification could be undertaken by the same VVB, but the subsequent verification would have to be undertaken by a different VVB.

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

No rotation is required for IEEs.

5.2.8 Assessors and project proponents of grouped projects shall comply with the criteria set out in Appendix 1 Grouped Projects below.

5.2.9 The ex-post assessment period shall be for one distinct monitoring period that is contiguous with but not overlapping any previous monitoring period.

5.2.10 Where a project does not fully comply with its chosen methodology, the VVB shall determine whether the non-compliance represents a non-compliance with the standard, if the non-compliance could be considered a methodology deviation, or if the non-compliance would require a methodology revision (in accordance with the specifications for each). The non-compliance shall be handled in accordance with the relevant process.

5.3 Assessment of Project Description Deviations

Principle

Project description deviations are changes to a project (e.g., to project design, project activities or project impacts) compared to what is described in the project description. Project description deviations may be used for the purpose of applying an SD VISta asset methodology or switching to the latest version of an SD VISta asset methodology.

Criteria

5.3.1 Project description deviations shall undergo public comment (see the *SD VISta Program Guide* for more information on public comment periods) and be validated or have their design evaluated at the time of ex-post assessment.

5.3.2 The public comment period and, where necessary, the assessor's site visit for the ex-ante assessment of the project description deviation may be concurrent with the public comment period and site visit for the ex-post assessment.

5.3.3 Only the sections of the project description changed through the project description deviation will undergo public comment.

5.3.4 A new ex-ante assessment statement shall be issued concurrent with the ex-post assessment statement (i.e., as part of the same report template). The new ex-ante assessment statement shall include the following:

1) Reference to the original ex-ante assessment of a project and the ex-ante assessment of any previous project description deviations, including dates of each; and,
2) Reference the *Sustainable Development Verified Impact Standard* and project description sections updated through the project description deviation; and,
3) An overall conclusion regarding whether or not the project description deviation is valid.

5.4 Project Assessment Reporting

Principle

VVBs and IEEs issue assessment reports to describe the assessment process, information reviewed by the assessor, findings raised during the assessment and their resolution, and the conclusions reached by the assessor. Validation and verification reports are prepared by VVBs. Design evaluation and implementation evaluation reports are prepared and issued by IEEs.

Criteria

SD VISta Validation/Verification Reporting

5.4.1 The VVB shall use a validation report template available on the Verra website, (e.g., the *SD VISta Validation Report Template*, *SD VISta Joint Validation & Verification Report Template,* or a joint program template, as appropriate) and adhere to all instructional text within the template. The validation report shall be accompanied by a validation representation, which shall be prepared using the *SD VISta Validation Deed of Representation Template*.

5.4.2 The VVB shall use a verification report template available on the Verra website, (e.g., the *SD VISta Verification Report Template, SD VISta Joint Validation & Verification Report Template,* or a joint program template, as appropriate, and adhere to all instructional text within the template. The

verification report shall be accompanied by a verification representation, which shall be prepared using the *SD VISta Verification Deed of Representation Template*.

SD VISta Independent Expert Evaluation Reporting

5.4.3 The IEE shall use the *SD VISta Design Evaluation Report Template*, or the *SD VISta Joint Project Design & Implementation Evaluation Report Template*.

5.4.4 The IEE shall use the *SD VISta Implementation Evaluation Report Template*, or the *SD VISta Joint Design & Implementation Evaluation Report Template*.

5.5 Project Assessment Statement

Principle

Each assessment report shall be accompanied by an ex-ante or ex-post statement as appropriate.

Criteria

5.5.1 All assessment statements shall:

1) Describe the level of assurance of the assessment.
2) At minimum, describe the criteria of the assessment. For validation or verification, objectives and scope must also be described.
3) Describe whether the data and information supporting a project's compliance with the SD VISta rules and any SD VISta claims and/or SD VISta assets were hypothetical, projected and/or historical in nature.
4) Include the assessor's conclusion on a project's compliance with the SD VISta rules, including any qualifications or limitations.

5.5.2 In addition to the criteria set out in Section 5.5.1 above, the ex-ante assessment statements shall state, as appropriate:

1) The assessor's conclusion with respect to any SD VISta claims that a project plans to generate.
2) The VVB's conclusion with respect to any SD VISta assets the project plans to generate.

5.5.3 In addition to the criteria set out in Section 5.5.1 above, the ex-post assessment statement shall state, as appropriate:

1) Any and all SD VISta claims generated during the monitoring period that have been assessed.
2) Any and all quantities of SD VISta assets generated during the monitoring period that have been verified.

5.6 Negative Assessment Conclusions

Principle

Where a project does not meet the criteria for assessment, the assessor shall produce a negative assessment conclusion.

Criteria

5.6.1 Where a project receives a negative assessment conclusion, the assessor shall provide the assessment report and project description or monitoring report to Verra. Verra reserves the right to post these documents to the project record on the Verra project database.

5.6.2 Projects shall be ineligible for registration, verification, or listing (whichever is the subsequent step) or asset issuance (including from previously verified periods) until such time as corrective action is taken and the (same) assessor has provided a positive assessment conclusion. The assessor shall determine whether a new site visit is needed in order to close the corrective actions. The assessment report shall be issued within one year of the last day of a public comment period, as per the *SD VISta Program Guide*.

5.7 Records of Validation and Verification

Principle

The VVB shall keep documents and records relevant to project validation and verification to inform future validation and verifications, and provide a record of the assessment if questions arise once the assessment activities have concluded.

Criteria

5.7.1 The VVB shall keep all documents and records in a secure and retrievable manner for at least two years after the end of a project lifetime, even where the SD VISta project validation expires (further information on validation expiration date can be found in the *SD VISta Program Guide*). This requirement applies only for projects assessed through the validation/verification process.

6 ACKNOWLEDGEMENTS

Verra is grateful to the Climate, Community & Biodiversity Alliance (CCBA) for its leadership in the design and implementation of multiple benefit project standards. The CCBA originated the Climate, Community & Biodiversity Standards, the framework on which SD VISta is based. The CCBA's director, Joanna Durbin, also provided significant input to this document.

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SD VISta Pilot Projects

A variety of sustainable development projects located on five continents across a broad ecological range supported SD VISta Program development by piloting an early version of the *Sustainable Development Verified Impact Standard* (see Table 1 below). The pilots' main activities include agriculture, education for children with disabilities, cookstoves, forestry, health, and wind energy. As a result of their efforts, many improvements were made to the SD VISta Program.

Table 1: SD VISta Pilot Projects

Project	Location	Project Lead
Community Social Well-Being	Quito, Ecuador	PRONACA
Tuik Ruch Lew Lake Atitlan ONIL Stove Project	Santiago, Atitlán, and Solola, Guatemala	Tuik Ruch Lew Helping the Earth
Blue Resilience Carbon Credits	Bermuda	The Nature Conservancy TerraCarbon
Darkwoods Forest Carbon Project (VCS/CCB ID 607)	Ontario, Canada	The Nature Conservancy of Canada
Building a community-based conservation model in the tribal lands of the Greater Limpopo Transfrontier Conservation Area, Southern Africa	Mpumalanga Province, South Africa	Conservation South Africa
Promoting Inclusion of Children with Disabilities in the Education System	Nairobi, Kenya	The Action Foundation
TIST Program in Kenya (VCS/CCB ID 737)	Mt. Kenya Region, Kenya	Clean Air Action Corporation
A circular economy approach to agro-biodiversity conservation in the Souss-Massa Dráa Region of Morocco	Souss Massa region, Morocco	Agency for agricultural development
Bundled Wind Power Project in Rajasthan by Orange Renewable Power Private Limited (VCS ID 1465)	Rajasthan, India	Infinite Solutions Orange Renewable Power Private Limited

Clean Cooking NAMA in Assam, India	Assam, India	IORA Ecological Solutions
Mandla Community Institutions Energy Management	Madhya Pradesh, India	IORA Ecological Solutions
Clean Energy Generation (VCS ID 1081)	Gujarat, India	Enercon Wind Resources Development Private Limited (EWRDPL) First Climate
Vajrakarur Wind Power Project (VCS ID 1214)	Andhra Pradesh, India	EnKing International
Scientific Forest Management in Terai Nepal	Terai, Nepal	Association of Collaborative Forest Users

APPENDIX 1 GROUPED PROJECTS (GP)

GP1 Project Criteria

Principle

A project activity instance may be added to the project subsequent to its ex-ante assessment if it meets certain eligibility criteria, is located in the geographic area set out in the project description and shares a baseline scenario with one or more of the original project activity instances.

Criteria

GP1.1 At least one set of eligibility criteria for the inclusion of new project activity instances shall be set out for each combination of project activity and geographic area. A set of eligibility criteria, detailed in the project description, shall ensure that new project activity instances:

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

2) Where appropriate, meet the applicability conditions of the SD VISta asset methodology applied to a project.

3) Are subject to the same scenarios at project start with respect to stakeholders' well-being as determined for initial project instance(s), where (per Section 2.1.5.2 above) the project must meet the criteria of Section 3.1 above.

4) Are subject to the same scenarios at project start with respect to natural capital and ecosystem services as determined for initial project instance(s) where (per Section 2.1.5.2 above) projects must meet the criteria of Section 3.2 above.

5) Are subject to the same processes for stakeholder engagement described in the project description.

6) Are subject to the same processes for respect for rights to lands, territories and resources – including free, prior and informed consent – described in Section 2.4 above.

7) Have similar monitoring elements to those set out in the project description.

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

GP1.2 New project activity instances shall:

1) Be included in the monitoring report with sufficient technical, financial, geographic and other relevant information to demonstrate compliance with the applicable set of eligibility criteria and enable sampling by the VVB.

2) Comply with at least one complete set of eligibility criteria for the inclusion of new project activity instances. Partial compliance with multiple sets of eligibility criteria is insufficient.

3) Be validated at the time of verification against the applicable set of eligibility criteria.

4) Have evidence of project ownership, in respect of each project activity instance, held by the project proponent from the respective start date of each project activity instance (i.e., the date upon which the project activity instance implemented activities that lead to the generation of sustainable development benefits).

5) Have a start date that is the same as or later than the grouped project start date.

6) Be eligible for accounting for project benefits to be used as SD VISta assets, where applicable, from the start date of the instance until the end of a project's crediting period (only). Note that were a new project activity instance starts in a previous verification period, no asset may be issued for benefits created during a previous verification period unless it is of a different benefit type from the SD VISta asset that has already been issued from that period.

GP1.3 A grouped project shall be described in a single project description, which shall include a description of the central monitoring and management system.

GP2 Assessment of Grouped Projects

Principle

At any ex-post assessment, assessors of grouped projects shall verify or evaluate conformance of new project activity instances with the eligibility criteria, geographic area set out in the project description and baseline scenario set out for one or more of the original project activity instances.

Criteria

GP2.1 Assessment of grouped projects shall assess conformance of a project with the criteria for grouped projects set out in the SD VISta rules (in this Appendix 1 Grouped Projects and in Section 2.5 above) in addition to the criteria required for non-grouped projects.

GP2.2 New project activity instances shall be validated or their design evaluated, based on the information reported in the monitoring report, against the applicable set of eligibility criteria. The assessor shall specify which instances meet the eligibility criteria for inclusion in a project. Such validation may be reported in the ex-post assessment report or a separate ex-ante assessment report.

GP2.3 Where, due to the number of project activity instances, it is unreasonable to undertake an individual assessment of each initial or new instance, the assessor shall document and explain the sampling methods employed for the assessment of such instances. Such sampling methods shall be statistically sound. The number of instances included in a project eligible for

monitoring and quantification of benefits for SD VISta claims and SD VISta assets shall be proportional to the percentage of sampled instances found to be in compliance by the assessor.

GP2.4 The ex-post assessment report for grouped projects shall document and explain the sampling methods employed by the assessor for the ex-post assessment of SD VISta claims or verification of SD VISta assets generated by a project. Such methods shall be statistically sound. Any subsequent changes to the sampling method(s) required as a result of the verification findings shall be documented.

APPENDIX 2 CLIMATE MODULE (CM)

This module shall be used to demonstrate a project's net positive climate benefits. It shall not be used to claim greenhouse gas (GHG) emissions reductions and removal (ERR) units and any estimated ERRs claimed through use of this module shall not be used for offsetting.

For this section, a project proponent must choose to demonstrate net benefits by using either the scenario method or the deemed estimates method. Projects using the deemed estimates method are exempt from C1 and C2 below.

Scenario Method

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

- The *baseline scenario*, which represents the events or conditions most likely to occur in the absence of the project activity; and
- The *project scenario*, which represents the events or conditions most likely to occur in the presence of the project activity.

Deemed Estimates Method

The deemed estimates method (sometimes called a "deemed savings" or "unit savings" approach) is a simplified variation of the scenario method. This method involves calculating the impact of a project activity without separately defining project and baseline scenarios. Instead, a conservative estimate may be made for the impact of each project activity based on published studies, equipment specifications, surveys, or other methods. Deemed estimates can be complemented by sampling the affected GHG sinks and sources to determine whether the deemed estimates are sufficiently accurate and representative.

This method may be appropriate for certain common GHG reduction activities, project activities where deemed estimate values are reliable, or in cases where the scenario method is not practical.

Table 2 below provides examples of the scenario and deemed estimates methods.

Table 2: Examples of the Scenario and Deemed Estimates Methods

Method	Activity	Process for Establishing Impact
Scenario Method	REDD+ project	Use a projection of deforestation over the next 20 years and compare that with projected/actual deforestation taking into account project activities
Deemed Estimates Method	Retrofit of urban apartment buildings with clean energy	Count number of houses/buildings/facilities with access to clean energy to be installed/resulting from a project

For more guidance on options for estimating project impacts, see the Initiative for Climate Action Transparency's *Sustainable Development Guidance* and the World Resources Institute's *Policy and Action Standard* (from which the above text was adapted).

CM1 GHG Sinks and Sources at Project Start Date

Principle

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

Note: This section does not apply to projects using the deemed estimates method.

Criteria

CM1.1 A defensible methodological approach[8] shall be used and described in the project description to estimate the total GHG ERRs in areas affected by project activities under the baseline scenario.

CM1.2 Metric tonnes shall be used as the unit of measure in the project description, and the quantity of each type of GHG shall be converted to tonnes of CO_2e. The six Kyoto Protocol GHGs and ozone-depleting substances shall be converted using 100 year global warming potentials derived from the Intergovernmental Panel on Climate Change (IPCC) *Fourth Assessment Report*.

CM1.3 The timeframe included in the project description for this analysis shall be the project lifetime.

CM1.4 It is allowable for the analysis of the baseline scenario presented in the project description to exclude GHG emissions from sources such as biomass burning, fossil fuel combustion, synthetic fertilizers, and to exclude non-CO_2 GHG emissions such as CH_4 and N_2O gases in cases where this can be justified as conservative. The analysis of ERRs shall include GHG sinks expected to increase significantly under the baseline scenario.

CM2 GHG Impact Monitoring

Principle

Climate impact monitoring assesses changes in project-related carbon pools, project emissions and non-CO_2 GHG emissions where relevant, resulting from project activities.

Note: This section does not apply to projects using the deemed estimates method.

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[8] A defensible methodological approach includes procedures for delineating the conditions under which the methodological approach can be applied: defining the project boundary including any GHG sources, sinks and reservoirs; conservatively estimating baseline GHG ERRs (including leakage); monitoring GHG ERRs over a project lifetime. A defensible methodological approach shall also observe principles of relevance, completeness, consistency, transparency and conservativeness for carbon accounting such as the Intergovernmental Panel on Climate Change's 2006 *Guidelines for National GHG Inventories*.

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

Criteria

CM2.1 A defensible methodological approach, including a frequency of monitoring of specific parameters, shall be used and described in the project description to develop and implement a plan for monitoring changes in relevant carbon pools, non-CO_2 GHGs and emissions sources. Any sources expected to cumulatively contribute more than 20% of total GHG emissions in the project scenario must be monitored.

CM2.2 The monitoring plan and any results of monitoring undertaken in accordance with the monitoring plan shall be made publicly available on the internet and summaries disseminated to stakeholders through appropriate means.

CM3 Net Positive GHG Impacts

Principle

Project activities result in net positive difference between ERRs in the baseline scenario (including CO_2 and non-CO_2 GHG emissions) and total ERRs resulting from project activities.

Criteria

CM3.1 A defensible methodological approach shall be used and described in the project description to estimate the total ERRs expected as a result of project activities under the project scenario. This estimate shall be based on clearly defined and defendable assumptions about changes in ERRs under the project scenario over the project lifetime or the project GHG accounting period. The GHG emissions estimate must include non-CO_2 emissions such as CH_4 and N_2O and GHG emissions from sources such as biomass burning, fossil fuel combustion, use of synthetic fertilizers and the decomposition of N-fixing species, and any other sources which are cumulatively likely to account for more than 20% of the project's expected total GHG emissions in the project scenario.[9]

CM3.2 Net ERRs generated by a project shall be positive.

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

APPENDIX 3 SD VISTA ASSET METHODOLOGIES (AM)

This section sets out the criteria for SD VISta asset methodologies. The criteria in this section only apply to the development of new, or revisions to existing, SD VISta asset methodologies. Information on the review and approval process for SD VISta asset methodologies can be found in the *SD VISta Program Guide.*

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

AM1 General Criteria

Principle

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

Criteria

AM1.1 All new methodologies applying for approval under the SD VISta Program shall use the *SD VISta Methodology Template*, comply with the criteria set out in this Appendix 3 SD VISta Asset Methodolog and any other applicable criteria set out in the SD VISta rules, and be approved via the methodology approval process set out in the *SD VISta Program Guide.*

AM1.2 Methodologies shall be informed by a comparative assessment of a project and its alternatives in order to identify the baseline scenario. Such an analysis shall include, at a minimum, a comparative assessment of the implementation barriers and net benefits faced by a project and its alternatives.

AM1.3 Modular methodologies shall use the *SD VISta Methodology Template* for the framework document and the *SD VISta Module Template* for the modules and tools. The framework document shall clearly state how the modules and/or tools are to be used within the context of the methodology.

AM1.4 New methodologies shall not be developed where an existing methodology could reasonably be revised (i.e., developed as a methodology revision) to meet the objective of the proposed methodology.

AM1.5 Methodologies shall be guided by the principles set out in the *SD VISta Program Guide*. They shall clearly state the assumptions, parameters and procedures that have significant uncertainty, and describe how such uncertainty shall be addressed. Where applicable, methodology elements shall provide a means to estimate a 90 or 95 percent confidence interval.

AM2 Scope of SD VISta Methodologies

Principle

Methodologies must include principles core to accounting for sustainable development benefits. The WRI *GHG Protocol for Project Accounting* shall be used for more detailed guidance on the concepts in M2.1, substituting GHG ERRs with sustainable development benefits.

Criterion

AM2.1 The methodology shall include, and the scope of the methodology assessment shall encompass, the following concepts:

1) Scope and applicability conditions: the methodology shall use applicability conditions to specify the project activity(s) to which it applies and shall establish criteria that describe the conditions under which the methodology can (and cannot, where appropriate) be applied. Any applicability conditions set out in tools or modules used by the methodology shall also apply.

2) Project boundary: the project boundary identifies the potential effects of project activities on stakeholders and/or natural capital and ecosystem services (both primary and secondary, intended and unintended). The methodology shall establish criteria and procedures for describing the project boundary, and identifying and assessing the effects relevant to the project and baseline scenarios. Justification for all effects included, excluded, or deemed optional to include within the project boundary shall be provided.

3) Baseline scenario: the baseline scenario is a hypothetical description of the activities that would have most likely occurred in the absence of the project scenario. The methodology shall establish criteria and procedures for identifying alternative baseline scenarios and determining the most plausible scenario, taking into account the following:

   a) The identification of all areas of effect included in the project boundary.

   b) Existing and alternative project types, activities and technologies providing equivalent type and level of activity of products or services to a project

   c) Data availability, reliability and limitations

   d) Other relevant information concerning present or future conditions, such as legislative, technical, economic, socio-cultural, environmental, geographic, site-specific and temporal assumptions or projections.

4) Determination of additionality: where SD VISta assets are eligible to be used as offsets, projects shall demonstrate additionality (i.e., projects shall exceed the most likely "business-as-usual" scenario to identify that the SD VISta project would not occur without revenue from the SD VISta asset). Where the determination of additionality is required, the methodology shall establish a procedure for the demonstration and assessment of additionality based upon the following criteria:

   a) Regulatory surplus: projects shall not be mandated by any law, statute or other regulatory framework, or any systematically enforced law, statute or other regulatory framework.

   b) Implementation barriers: projects shall face one or more distinct barrier(s) compared with barriers faced by alternatives to the project activity(s), such as investment barriers (projects face capital or investment return constraints), technical barriers (projects face technical-related barriers to implementation), or institutional barriers (projects face organization, cultural, or social barrier that asset revenue stream can help overcome).

   Note: The methodology may set out a procedure by which projects demonstrate that they face one or more distinct barrier(s) or the methodology may pre-determine additionality for given classes of project activities using a positive list. Projects that implement activities on the positive list are automatically deemed as additional and do not otherwise need to demonstrate additionality.

5) Quantification of sustainable development benefits: the methodology shall establish criteria and procedures for quantifying the sustainable development impacts of both the baseline scenario as well as the project scenario in order to determine the net sustainable development impact benefit. These procedures must include the necessary equations, parameters, and the ultimate unit for how the sustainable development benefit is measured.

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

   The methodology shall establish criteria and procedures for monitoring, which shall cover the following:

   a) Purpose of monitoring; net-

   b) Monitoring procedures, including estimation, modeling, measurement or calculation approaches;

   c) Procedures for managing data quality; and,

   d) Monitoring frequency and measurement procedures.

7) Crediting Period: to produce SD VISta assets that are eligible to be used as an offset, the methodology shall identify a crediting period for SD VISta assets that is a minimum of 10 years and a maximum of 50 years.

AM3 Use of Models, Factors and Proxies

Principle

Methodologies may specify the use of models, and may use default factors or proxies to streamline monitoring and quantification as long as they are credible and rigorous.

Criteria

AM3.1 Where methodologies mandate the use of specific models to simulate processes that generate SD VISta assets (i.e., the project proponent is not permitted to use other models), the following applies:

1) Models shall be publicly available, though not necessarily free of charge, from a reputable and recognized source (e.g., the model developer's website).

2) Model parameters shall be determined based upon studies by appropriately qualified experts that identify the parameters as important drivers of the model output variable(s).

3) Models shall have been appropriately reviewed and tested (e.g., ground-truthed using empirical data or results compared against results of similar models) by a recognized, competent organization, or an appropriate peer review group.

4) All plausible sources of model uncertainty, such as structural uncertainty or parameter uncertainty, shall be assessed using recognized statistical approaches.

5) Models shall have comprehensive and appropriate criteria for estimating uncertainty, and the model shall be calibrated by parameters to be appropriate for the given location.

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

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

AM3.2 Where methodologies use default factors and standards to ascertain sustainable development impact data and any supporting data for establishing baseline scenarios and demonstrating additionality, the following applies:

1) Where the methodology uses third party default factors and/or standards, such default factors and standards shall be available from a recognized, credible source and must be

reviewed for publication by an appropriately qualified, independent organization or appropriate peer review group, or be published by a government agency.

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

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

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

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

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

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

      v) Data shall be publicly available or made publicly available. Proprietary data (e.g., data pertaining to individual facilities) may be aggregated, and therefore not made publicly available, where there are demonstrable confidentiality considerations. However, sufficient data shall be publicly available to provide transparency and credibility to the dataset. All data shall be made available, under appropriate confidentiality agreements as necessary, to Verra and each of the VVBs assessing the proposed performance benchmark methodology, to allow them to reproduce the determination of the performance benchmark. Data shall be presented in a manner that enables them to independently assess the presented data.

      vi) Data shall be appropriate to the methodology's geographic scope and the project activities applicable under it.

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

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

   c) The methodology developer shall identify default factors which may become out of date (i.e., those default factors that do not represent physical constants or otherwise would

not be expected to change significantly over time). Such default factors are subject to periodic re-assessment.

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

AM3.3 Where proxies are used, it shall be demonstrated that they are strongly correlated with the value of interest and that they can serve as an equivalent or better method (e.g., in terms of reliability, consistency or practicality) to determine the value of interest than direct measurement of the value itself.

APPENDIX 4 DOCUMENT HISTORY

Version	Date	Comment
v1.0	22 Jan 2019	Initial version released under *SD VISta Version 1.*

VERRA

Standards for a Sustainable Future

Verified Carbon Standard

Climate, Community & Biodiversity Standards

Sustainable Development Verified Impact Standard