



Standards for a
Sustainable Future

Proposed Updates to the Methodology Approval Process

8 September 2022

Agenda

- Webinar overview – 5 min
- Individual updates and clarifying questions – 40 min
- Timeline and submission of comments – 5 min

Webinar overview

- **Objective:** present Verra's proposed updates to the *VCS Methodology Approval Process* and answer clarifying questions
- Priority: explanatory questions on the proposed updates
- Please use the Q&A function to type your clarifying questions

Methodology Development and Review Process (MDRP)

Formerly the Methodology Approval Process

Background

- Growing interest from stakeholders to develop new or revised methodologies, tools, and modules
- Quality of submissions varies
- Multiple submissions with overlapping scopes and approaches
- Proposals not broad enough (e.g., limited regional applicability or technology/process specific)

Update Rationale

- Improve efficiency
- Enhance transparency and quality
- Updates to the review process for previously approved VCS methodologies, tools, and modules

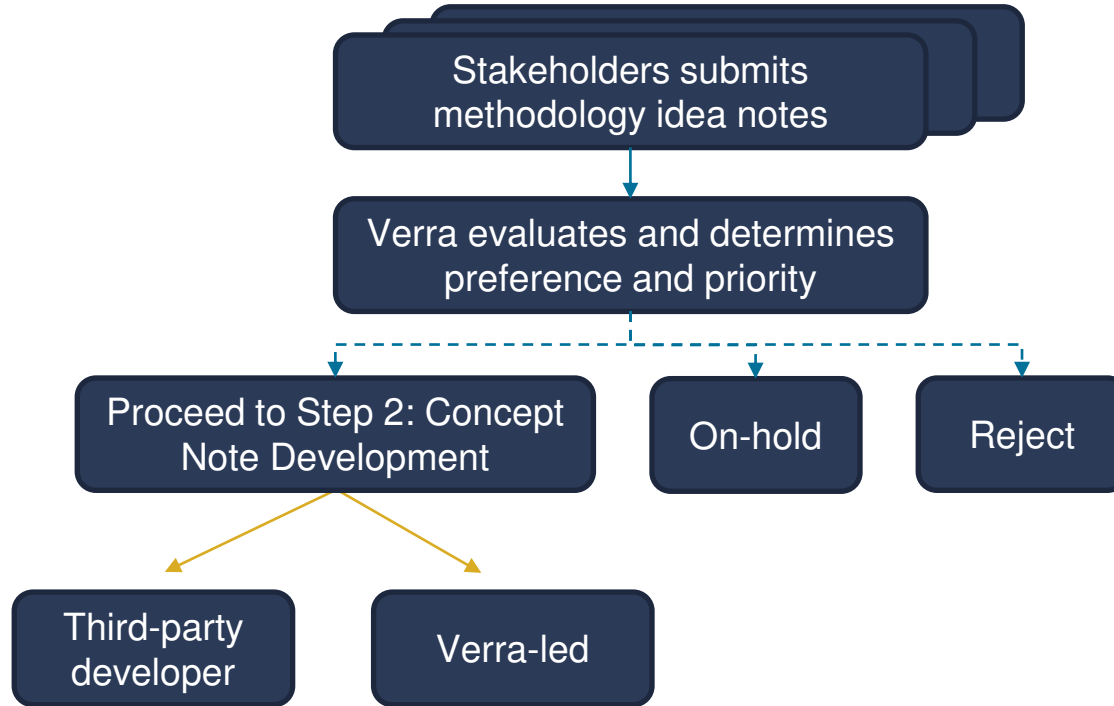
Proposed Updates

1. Addition of a methodology idea note
2. Additional pathways for methodology development
3. Streamlined procedures for revisions
4. Enhanced review process for approved VCS methodologies
5. General improvements and clarification
6. Modification of the use of external experts for assessment
7. Methodology compensation rebates
8. Updates to other VCS documents

1. Addition of a methodology idea note

- Designed to facilitate the submission of proposals
- Can be submitted by stakeholders, regardless of in-depth expertise, experience or availability of funding
- Verra evaluates and will give preference and priority for proposals that:
 - Are broadly applicable;
 - Have high climate change mitigation potential;
 - Support sustainable development; and
 - Are not associated with unmitigable social, environmental, legal or regulatory risks.

1. Addition of a methodology idea note



2. Additional pathways for methodology development

Third-party developer

- Prepares documentation
- Funds development process (including VVB assessment)
- Manages (responds to and updates documentation) Verra reviews and VVB assessment

Verra-led

- Hires consultant to prepare documentation
- Verra funds development process (including VVB assessment)
- Consultant manages (responds to and updates documentation) Verra reviews and VVB assessment

- Third-party developers may be required to collaborate
- Some methodology development processes may be put on hold if they do not reasonably progress and Verra may continue development with another third-party developer or Verra-led process

3. Streamlined procedures for revisions

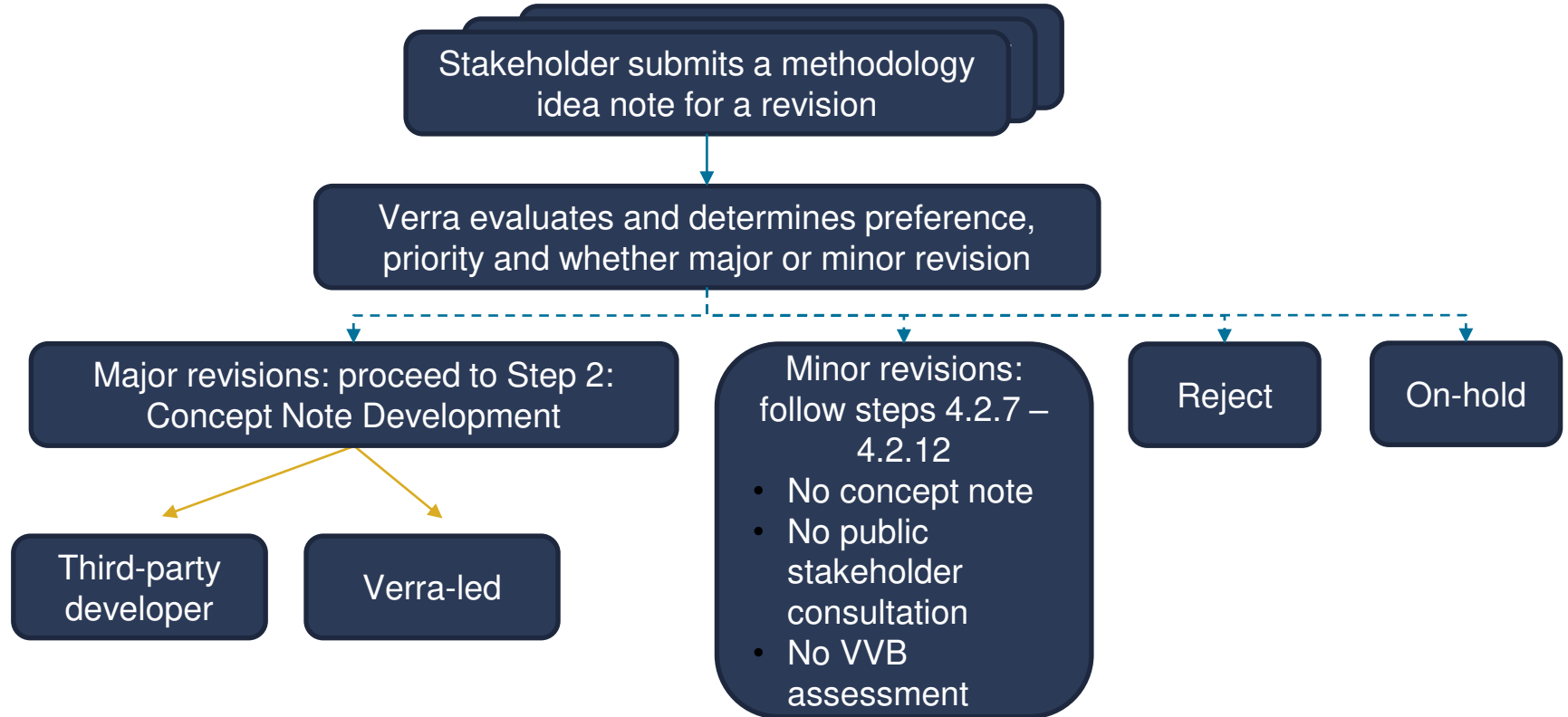
Major revisions

- Expansion of scope to different project activities
- Adaptation of standardized method
- Modifications to GHG quantification approach

Minor revisions

- Improvements to language and clarity
- Improvements to procedures
- Minor expansion of scope to similar project activities

3. Streamlined procedures for revisions



4. Enhanced review process of approved VCS methodologies

- Verra clarifies the trigger for a review of a methodology
- Verra will conduct a review of each methodology, module, and tool at least once every five years

4. Enhanced review process of approved VCS methodologies

Triggers for review

- Periodic review at least once every five years
- Material inconsistency with a new VCS Program rule or requirement
- General scientific or technical developments
- Specific, well-founded concerns about a methodology

Outcomes

- The methodology meets all VCS Program rules and requirements and best practice and scientific consensus, no further action is required;
- The methodology requires a minor revision. See Section 4.2;
- The methodology requires a major revision. The methodology becomes inactive and may be revised. See Section 5.3.3.

5. General improvements and clarification

- General restructuring of the document and clarifying process, rules and guidance for methodology development
- Clarification of potential outcomes at each stage of the process (See Section 3)
- Addition of the requirement to provide a draft project description for new methodologies (and in some cases tools, modules and major revisions)

6. Modification of the use of external experts for assessment

- Enhanced engagement of independent experts for assessment of certain methodologies in addition to the Verra review and VVB assessment
- Responsibility from non-ARR AFOLU and standardized methods experts shifted to VVBs and Verra
- Verra has increased its in-house capacity to review

7. Elimination of the methodology compensation rebate mechanism

- Evolving market conditions, available funding, and increased interest in methodology development
- Methodology development should be driven by the need to enable climate finance for new projects, not by financial interest
- Counterproductive incentive for developing new methodologies over updating approved methodologies

8. Updates to other VCS documents

- Grace periods moved to VCS Standard and included further rules
- Modifications to the VCS Program Guide to reflect the updated *Methodology Development and Review Process*

Clarifying questions and answers

- Please use the Q&A function to type your clarifying questions

Timeline (2022)

Tentative Date(s)	Activity
31 August – 30 September (inclusive)	Public consultation
October – November	Review comments and finalize proposals
December	Publish VCS Program updates

Submission of comments

- Please email programupdates@verra.org to:
 - Provide comments using the public consultation comment template
 - To submit further clarifying questions about these updates
- Where to find the proposed updates and comment template?
[verra.org](#) > For Stakeholders > Updates >
[Consultation on Updates to the VCS Methodology Approval Process \(31 August 2022\)](#)

A dense forest of evergreen trees, likely spruce or fir, filling the frame. The trees are dark green and densely packed. In the upper portion of the image, there is a layer of mist or fog, which softens the background and creates a sense of depth and atmosphere. The lighting is somewhat diffused, typical of a misty day.

Thank you!

programupdates@verra.org