



**Verified Carbon
Standard**

A VERRA STANDARD

VCS Sectoral Scopes and Project Classification Guidance

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1 INTRODUCTION

This guidance document introduces the VCS project classification system, which is a framework for classifying projects certified under the VCS Program based on their underlying sectoral scopes, project categories, and project activity types. Stakeholders may use this document to see the full classification system and for further guidance on how to apply the classification system to projects. This document includes frequently asked questions and equivalences between the VCS sectoral scopes and those under the Clean Development Mechanism (CDM) and Paris Agreement Crediting Mechanism (PACM).

2 FREQUENTLY ASKED QUESTIONS

2.1 What is the VCS project classification system?

The VCS project classification system is a framework for classifying projects certified under the VCS Program. Verra uses this framework to determine which requirements apply to each project, depending on the project's characteristics. The classification system also enables stakeholders to search and filter projects and VCUs in the Verra Registry, based on underlying sectoral scopes, project categories, and project activity types.

Other institutions in the voluntary carbon market such as rating agencies are making progress in developing sector classification systems with the aim of providing a common framework for comparing like-for-like across different standards and methodologies. Verra aims to align with other actors by maintaining a classification framework that is compatible with these efforts.

2.2 What are sectoral scopes?

Sectoral scopes are a way to group methodologies together based on their underlying industrial sectors or greenhouse gas (GHG) emission sources. All VCS methodologies specify the applicable sectoral scopes.¹ New methodologies can be developed under any of the sectoral scopes. The VCS sectoral scopes are primarily aligned with the Article 6.4 Paris Agreement Crediting Mechanism (PACM) sectoral scopes.

Validation/verification bodies (VVB) are approved to audit projects under specific sectoral scopes based on their technical expertise and other competencies.

¹ CDM and PACM also specify the sectoral scopes that apply to their methodologies. Verra provides a list of which VCS sectoral scopes are equivalent to the defined CDM and PACM sectoral scopes.

2.3 What are project categories?

The term “VCS project category” describes groupings of project activity types based on technical sectors (e.g., “chemical industries”) or typical groups of activities (e.g., “waste treatment” or “improved forest management”). Some VCS Program rules are only applicable to certain project categories. For agriculture, forestry, and other land use (AFOLU) projects, project proponents should refer to Appendix 1 in the *VCS Standard, v5.0* to determine which project categories apply to the project activities they are implementing.

2.4 What are project activity types?

The term “VCS project activity type” refers to the most specific grouping of project activities for the purposes of cross-comparison and defining program requirements that are only applicable to certain project activity types. Project activity types fall under one or more project categories and sectoral scopes. Examples include “wastewater treatment,” “cookstove distribution,” and “restoring wetland ecosystems.”

2.5 How do I know which classification applies to my project?

Project proponents report on the sectoral scopes, project categories, and project activity types that apply to their project.

- **To determine the sectoral scope:** Refer to the applied methodology. All VCS methodologies specify the sectoral scopes that apply to that methodology. Some methodologies are assigned multiple sectoral scopes, as different activities may be implemented under one methodology.
- **To determine the project category:** Consider the type of intervention or technical sector that best applies. The applied methodology may specify the project categories that apply. For AFOLU projects, certain project categories must be assigned based on the project activities being implemented – see Appendix 1 in the *VCS Standard, v5.0*.
- **To determine the project activity type:** Consider the title or description of the grouping that best applies to the activities that the project is implementing. For AFOLU projects, certain project activity types must be assigned based on the project activities being implemented – see Appendix 1 in the *VCS Standard, v5.0*.

Project proponents may select more than one project category and project activity type where the project is implementing more than one project activity, is applying more than one methodology, or where more than one sectoral scope applies to the methodology.

Two illustrative examples are provided below, showing what a project proponent would report when requested in project templates or the Verra Project Hub:

Example 1: An agroforestry (silvo-pasture or agrosilvo-pasture) project combining afforestation, reforestation, and revegetation (ARR) activities with agricultural land management (ALM) activities for

implementation of integrated forest and grazing systems, applying VCS methodologies VM0042 *Improved Agricultural Land Management* and VM0047 *Afforestation, Reforestation, and Revegetation*

- Sectoral scopes of the applied methodologies:
 - 14. Forestry and other land use (forests, wetlands, and grasslands)
 - 15. Agriculture
- Project categories:
 - Afforestation, reforestation, and revegetation (ARR)
 - Agricultural land management (ALM)
- Project activity types:
 - ARR for agroforestry
 - Improved grazing management

Example 2: A biochar project combining biochar production with application in soil or non-soil use, applying VM0044 *Biochar Utilization in Soil and Non-soil Applications*

- Sectoral scopes of the applied methodology:
 - 13. Waste handling and disposal
 - 17. Other engineered removals²
- Project categories:
 - Waste treatment
 - Biomass-based carbon removals
- Project activity types:
 - Other organic waste management
 - Biochar production and application

VVBs assess the appropriateness of the selected project classification. Verra may raise findings where classification is inappropriate or incomplete.

See Section 3 for the list of project categories and project activity types that fall under each sectoral scope.

² The current version of VM0044 is assigned sectoral scope 13 and will be additionally assigned sectoral scope 17 in a future revision to the methodology.

3 PROJECT CLASSIFICATION BY SECTORAL SCOPE

VCS sectoral scope	Project category	Project activity type
1. Energy supply	Renewable energy generation and fuel switch	Wind energy
		Hydropower energy
		Geothermal energy
		Solar energy
		Biofuel and biomass energy
	Supply-side fuel switch	Fuel switch to lower GHG energy
	Supply-side energy efficiency	Other energy efficiency measures
Cogeneration and waste heat electricity generation (e.g., organic Rankine cycle)		
2. Energy distribution	Energy distribution	Power transmission and distribution system management
		Grid-connected (i.e., “front-of-the-meter”) energy storage systems (e.g., batteries)
3. Energy demand	Demand-side energy efficiency and fuel switch	Domestic lighting
		Distribution of improved cookstoves
		Water purifier distribution
		Other energy efficiency installations (e.g., insulation, heating, cooling, boilers, generators)
		Other energy efficiency design measures (e.g., electrification, passive heating design)
4. Manufacturing industries	Manufacturing industries	Industrial process efficiency measures
		Industrial alternative materials usage
		Capture and utilization in products or processes for storage

VCS sectoral scope	Project category	Project activity type
5. Chemical industries	Chemical industries	Nitrous oxide abatement
		Low carbon hydrogen fuel switch
		Capture and utilization in fuels for fuel switch
		Biofuel fuel switch
6. Construction	Construction	Use of alternative construction techniques
		Building material substitution
7. Transport	Transport	Transport fuel efficiency (e.g., fuel switch)
		Transport systems and infrastructure improvement
8. Mining and mineral production	Mining and mineral production	Mine methane management
		Mining waste gas capture and use
		Enhanced weathering applications in mining
9. Metal production	Metal production	Emissions management in metal production
		Waste gas recovery and use in metal production
10. Fugitive emissions from fuels (solid, liquid, and gas)	Fugitive emissions from fuels	Industrial methane abatement
11. Fugitive emissions from industrial gases (halocarbons and sulfur hexafluoride)	Ozone depleting substances and other fluorinated substances (e.g., refrigerants)	Fugitive emissions leak reduction
		Fugitive emissions capture and destruction or recycling
		Source substitution to lower GWP ³ substances
12. Solvents use	Solvents use	Solvent substitution
13. Waste handling and disposal	Waste treatment	Landfill gas recovery
		Wastewater treatment
		Manure waste to energy production
		Other organic waste management
	Waste reduction and recycling	Waste reduction and recycling

³ Global warming potential

VCS sectoral scope	Project category	Project activity type
14. Forestry and other land use (forests, wetlands, and grasslands)	Afforestation, reforestation, and revegetation	ARR for plantation forestry ⁴
		ARR for ecosystem restoration
		ARR for agroforestry
		ARR for all other purposes ⁵
	Improved forest management	Reduced impact logging
		Logged to protected forest
		Extended rotation age or cutting cycle
		Low-productive to high-productive forest
		Enhanced sequestration
	Reduced emissions from deforestation and degradation	Avoiding planned deforestation
		Avoiding unplanned deforestation and/or degradation
	Wetland restoration and conservation	Restoring wetland ecosystems
		Conservation of intact wetlands (avoiding planned wetland degradation)
		Conservation of intact wetlands (avoiding unplanned wetland degradation)
	Avoided conversion of grasslands and shrublands	Avoiding planned conversion
		Avoiding unplanned conversion
15. Agriculture	Agricultural land management	Improved cropland management
		Improved grazing management
		Restoration of degraded agricultural land
		Enhanced weathering applications in agriculture

⁴ To determine whether a project activity falls in this project activity type, see the FAO definition of plantation forest in *FRA 2025 Terms and Definitions*, available at: <https://openknowledge.fao.org/server/api/core/bitstreams/a6e225da-4a31-4e06-818d-ca3aeaddfd635/content>

⁵ For example, revegetation or afforestation of degraded agricultural land or activities involving other land with tree cover (e.g., revegetation, assisted migration, hedgerows, urban planting). Projects implementing multiple project activities (e.g., ARR for ecosystem restoration and ARR for agroforestry) should select all that apply.

VCS sectoral scope	Project category	Project activity type
	Livestock systems	Enteric fermentation management
		Livestock management
16. Geological carbon storage	Carbon capture and storage	Capture and storage in saline aquifers or depleted oil and gas reservoirs
	Geological carbon mineralization	Capture and mineralization in reservoirs
17. Other engineered removals	Biomass-based carbon removals	Biochar production and application
	Enhanced weathering	Enhanced weathering in mines and industry
18. Oceans and marine resources	Seabed protection	Avoided bottom trawling
	Seaweed management	Seaweed mariculture
		Seaweed forest afforestation and restoration
		Seaweed forest conservation
	Ocean alkalinity enhancement	Enhanced weathering (mineral-based) applications in ocean alkalinity enhancement
		Electrochemical-based application in ocean alkalinity enhancement
Direct ocean capture and storage	Direct ocean removal	

4 SECTORAL SCOPE EQUIVALENCES

4.1 CDM and VCS sectoral scopes

CDM sectoral scopes	VCS sectoral scopes
SS 1: Energy industries (renewable/non-renewable sources)	1. Energy supply
SS 2: Energy distribution	2. Energy distribution
SS 3: Energy demand	3. Energy demand
SS 4: Manufacturing industries	4. Manufacturing industries
SS 5: Chemical industry	5. Chemical industries
SS 6: Construction	6. Construction
SS 7: Transport	7. Transport
SS 8: Mining/mineral production	8. Mining and mineral production
SS 9: Metal production	9. Metal production
SS 10: Fugitive emissions from fuels (solid, oil and gas)	10. Fugitive emissions from fuels (solid, liquid, and gas)
SS 11: Fugitive emissions from production and consumption of halocarbons and sulphur hexafluoride	11. Fugitive emissions from industrial gases (halocarbons and sulfur hexafluoride)
SS 12: Solvents use	12. Solvents use
SS 13: Waste handling and disposal	13. Waste handling and disposal
SS 14: Afforestation and reforestation	14. Forestry and other land use (forests, wetlands, and grasslands)
SS 15: Agriculture	15. Agriculture
N/A	16. Geological carbon storage
N/A	17. Other engineered removals
N/A	18. Oceans and marine resources

4.2 PACM and VCS sectoral scopes

PACM sectoral scopes	VCS sectoral scopes
SS 1: Energy industries (renewable/non-renewable sources)	1. Energy supply
SS 2: Energy distribution	2. Energy distribution
SS 3: Energy demand	3. Energy demand
SS 4: Manufacturing industries	4. Manufacturing industries
SS 5: Chemical industry	5. Chemical industries
SS 6: Construction	6. Construction
SS 7: Transport	7. Transport
SS 8: Mining/mineral production	8. Mining and mineral production
SS 9: Metal production	9. Metal production
SS 10: Fugitive emissions from fuels (solid, oil and gas)	10. Fugitive emissions from fuels (solid, liquid, and gas)
SS 11: Fugitive emissions from production and consumption of halocarbons and sulphur hexafluoride	11. Fugitive emissions from industrial gases (halocarbons and sulfur hexafluoride)
SS 12: Solvent use	12. Solvents use
SS 13: Waste handling and disposal	13. Waste handling and disposal
SS 14: Afforestation and reforestation	14. Forestry and other land use (forests, wetlands, and grasslands)
SS 15: Agriculture	15. Agriculture
SS 16: Carbon capture and storage of CO ₂ in geological formation	16. Geological carbon storage
SS 17: Other activities involving removals	17. Other engineered removals
N/A	18. Oceans and marine resources

DOCUMENT HISTORY

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v5.0	16 Dec 2025	Initial version released under VCS Version 5

ABOUT VERRA



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

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



Standards for a
Sustainable Future



**Verified Carbon
Standard**



**Jurisdictional and Nested
REDD+ Framework**



**Climate, Community
& Biodiversity Standards**



**Scope 3
Standard**



**Sustainable Development
Verified Impact Standard**



**Plastic Waste
Reduction Standard**