

DECEMBER 2022 VCS PROGRAM UPDATE: OVERVIEW OF SUBSTANTIVE UPDATES TO PROGRAM RULES AND REQUIREMENTS AND EFFECTIVE DATES

Release Date: 21 December 2022

Updated: 17 January 2023

This document includes information about the new requirements and substantive changes that were made to existing VCS Program rules and requirements as part of the December 2022 update to the VCS Program, and the effective dates of these updates.

	Update	Document(s)	Effective Date
1.	<p>Table 1 in Section 2.1 ‘Excluded Project Activities’ in the <i>VCS Standard</i> has been updated to improve clarity. Eligibility criteria remain the same but clarifying language has been added to support stakeholders in evaluating the potential inclusion of their respective project activity in the VCS Program.</p> <p>Definitions have been added and/or updated in the <i>VCS Program Definitions</i> and removed from the table, including: Aboveground Biomass, Agro and Forest Residue, Capture Flare or Vent Gas, Grid-Connected Electricity Generation, Micro-grid, Distributed mini-grid, and Power Plant.</p>	<p><i>VCS Standard v4.4;</i> <i>VCS Program Definitions v4.3</i></p>	Effective immediately
2.	<p>Clarified requirement in Section 3.2.16 and 3.2.17 about instances leaving a grouped or non-grouped projects before the end of the project crediting or longevity period.</p>	<p><i>VCS Standard v4.4</i></p>	Effective immediately
3.	<p>Added language to Sections 3.2.20 of the <i>VCS Standard</i> to clarify that in the event of a non-catastrophic reversal no further VCUs will be issued to the project or any other project the project proponent has registered on the VCS registry until the buffer is replenished.</p> <p>Updated related language in Sections 5.3.1 and 5.3.3 of the <i>Registration and Issuance Process</i>.</p>	<p><i>VCS Standard v4.4;</i> <i>Registration and Issuance Process v4.3</i></p>	Effective immediately

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4.	<p>Added Section 3.2.23 in the <i>VCS Standard</i> to clarify that all afforestation, reforestation and revegetation (ARR) projects and improved forest management (IFM) projects must apply the long-term average (LA) if the project exceeds the harvesting activity definition.</p> <p>The LA equation has also been updated in Section 3.2.25 for afforestation, reforestation, and revegetation projects that use dynamic performance benchmarks for ARR projects and IFM projects. A new definition of ‘Harvesting Activities’ has been added to the <i>VCS Program Definitions</i>.</p>	<p><i>VCS Standard v4.4;</i> <i>VCS Program Definitions v4.3</i></p>	<p>Section 3.2.23 of the <i>VCS Standard</i> is effective immediately.</p> <p>Updates to Section 3.2.25 of the <i>VCS Standard</i> is effective immediately for all projects that request registration with the VCS Program after 21 December 2022.</p> <p>Projects that requested listing on or before 21 December 2022 shall complete validation by 30 June 2023.</p> <p>Updates to the <i>VCS Program Definitions</i> are effective immediately.</p>
5.	<p>Expanded the scope of the VCS Program to include geologic carbon storage (GCS) projects in Section 3.3 of the <i>VCS Standard</i> and on the Verra website.</p> <p>New requirements for GCS projects have been published in the new <i>GCS Requirements</i> document. Requirements provide key details related to concept, regulatory oversight, technical and non-technical requirements, non-permanence risk, project ownership, monitoring, closure, and crediting periods for proponents seeking to register a GCS project in the VCS Program.</p> <p>Definitions for GCS-related terms have also been added to the <i>VCS Program Definitions</i>.</p> <p>The <i>GCS Non-Permanence Risk Tool</i> has also been published to provide the procedures for assessing the non-permanence risk and buffer determination required for GCS projects.</p>	<p><i>VCS Standard v4.4;</i> <i>GCS Requirements v4.0;</i> <i>VCS Program Definitions v4.3;</i> <i>GCS Non-Permanence Risk Tool v4.0</i></p>	<p>Effective Immediately</p>
6.	<p>Added language in Sections 3.5.6 in the <i>VCS Standard</i> and 4.2.18 of the <i>Registration and Issuance Process</i> to clarify the requirement for no gaps in monitoring periods for AFOLU projects, grouped projects, and other projects with risk of reversal or loss.</p>	<p><i>VCS Standard v4.4;</i> <i>Registration and Issuance Process v4.3</i></p>	<ol style="list-style-type: none"> 1) Effective immediately for grouped projects, AFOLU projects, and other projects with a risk of reversal or loss that have gaps in monitoring periods. These projects shall submit monitoring and verification reports for such gaps before requesting verification approval for any subsequent verification period. 2) Projects which have already begun verification activities for a previous gap in monitoring periods may proceed with submitting such monitoring and

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			verification reports where confirmed by Verra, in writing, to the project proponent or an authorized representative on or before 21 December 2022.
7.	<p>Added new language in Section 3.5.7 and 4.1.18 in the <i>VCS Standard</i> to require ERRs in monitoring and verification reports to be broken down by vintages by calendar year. Updated relevant language in Section 4.1.2 of the <i>Registration and Issuance Process</i>.</p> <p>Updated relevant templates to facilitate reporting by calendar year, and to facilitate comparisons between actual vs estimated GHG ERRs.</p>	<p><i>VCS Standard v4.4;</i> <i>Registration and Issuance Process v4.3;</i> <i>VCS Verification Report Template v4.2;</i> <i>VCS Joint Validation and Verification Report Template v4.2;</i> <i>VCS Joint Project Description and Monitoring Report Template v4.2;</i> <i>VCS Monitoring Report Template v4.2</i></p>	The revised templates, including the calendar year breakdown, must be used from 1 April 2023.
8.	<p>Added requirements related to projects with multiple project activity instances. Updated language in <i>VCS Standard</i> Sections 3.6.4 – 3.6.17 to provide added clarity around requirements and eligibility criteria for grouped projects, projects with multiple activity instances, and capacity limits.</p>	<i>VCS Standard v4.4</i>	<p>For projects that request listing after 21 December 2022, effective immediately.</p> <p>For projects that requested listing on or before 21 December 2022:</p> <ol style="list-style-type: none"> 1) These requirements do not apply if validation is completed by 30 June 2023. 2) If projects that have already listed choose to combine prior to the deadline, the project proponent must: <ol style="list-style-type: none"> a. Update one of the projects to include the combined projects as new instances in the project description; and b. Withdraw from the Verra Registry the other projects that have been combined into one project.
9.	<p>Updated Section 3.9.8 of the <i>VCS Standard</i> to clarify that validation reports for crediting period renewal cannot be issued more than one year prior to the end of the current crediting period.</p>	<i>VCS Standard v4.4</i>	Effective immediately for projects that complete validation after 21 December 2022.
10.	<p>Definitions for terms related to leakage area, leakage belt, leakage management area, project area, project zone, and reference region have been added and/or updated for</p>	<i>VCS Program Definitions v4.3</i>	Effective immediately

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	greater clarity in the <i>VCS Program Definitions</i> .		
11.	Updated language in Section 3.11.3 of the VCS Standard to clarify that an AFOLU project area must not overlap with another AFOLU project area .	<i>VCS Standard v4.4</i> ;	Effective immediately
12.	Clarified requirement in Section 3.11.5 that wetland restoration and conservation (WRC buffer zones) must not overlap with another project's area. Definitions related to blue carbon and WRC have been added to the <i>VCS Program Definitions</i> , including 'Blue Carbon' and 'WRC Buffer Zone'.	<i>VCS Standard v4.4</i> ; <i>VCS Program Definitions v4.3</i>	1) Effective immediately for projects that request listing after 21 December 2022. 2) Effective 01 July 2023 for projects which have requested listing on or before 21 December 2022 but do not complete validation by 30 June 2023
13.	Language has been added to Section 3.14.1 to clarify regulatory surplus additionality requirements . Definition for 'Regulatory Surplus' has been added to the <i>VCS Program Definitions</i> .	<i>VCS Standard v4.4</i> ; <i>VCS Program Definitions v4.3</i>	1) Effective immediately for projects that request listing after 21 December 2022. 2) Effective 01 July 2023 for projects which have requested listing on or before 21 December 2022 but do not complete validation by 30 June 2023
14.	A new section 3.21 has been added to clarify methodology grace periods . Language updated to clarify guidance for updating to the latest methodology version or switching to a new methodology in Section 3.20.2.	<i>VCS Standard v4.4</i>	Effective immediately
15.	Clarified requirements related to design changes for projects transferring from the CDM in 3.22.6 in the <i>VCS Standard</i> .	<i>VCS Standard v4.4</i>	Effective immediately for projects that complete validation after 21 December 2022.
16.	Sections 3.23.7 through 3.23.9 have been added to the <i>VCS Standard</i> to require public statements to help avoid double claiming of emissions reductions and removals in Scope 3 emissions inventories . New terms related to this update have also been added to the <i>VCS Program Definitions</i> , including: impacted goods and services, Scope 3 emissions double claiming, Scope 3 inventory emissions, and supply chain.	<i>VCS Standard v4.4</i> ; <i>VCS Program Definitions v4.3</i> ; <i>VCS Project Description Template v4.2</i> ; <i>VCS Monitoring Report Template v4.2</i> ; <i>VCS Joint Project Description and Monitoring Report Template v4.2</i> ; <i>VCS Joint Validation and Verification Report Template v4.2</i> ;	Effective 1 July 2023, public statements are required for all emission reductions and removals associated with impacted goods or services for which VCUs may be requested from this date onwards

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		<i>VCS Issuance Representation, single representor v4.2;</i> <i>VCS Registration Representation, single representor v4.2;</i>	
17.	<p>Updated references to ISO 14064-3:2006 to align with ISO 14064-3:2019, including updated requirements and terms, particularly in Section 4 in the <i>VCS Standard</i>. Definitions have been added or updated in the <i>VCS Program Definitions</i>, including validation, verification, and GHG statement.</p> <p>Some references to the specific versions of ISO 14064-2 and ISO 14065 were removed to allow VVBs to transition on to the most recent versions of these ISO standards.</p>	<i>VCS Standard v4.4;</i> <i>VCS Program Guide v4.3;</i> <i>VCS Program Definitions v4.3;</i> <i>Registration and Issuance Process v4.3,</i> <i>VCS Validation Report Template v4.2;</i> <i>VCS Verification Report Template v4.2;</i> <i>VCS Joint Validation and Verification Report Template v4.2</i>	Effective immediately for projects that initiate validation, verification, or joint validation and verification after 31 December 2022.
18.	Site visit requirements have been clarified in Section 4.1.9.	<i>VCS Standard v4.4</i>	Effective immediately for projects that initiate validation, verification, or joint validation and verification after 21 December 2022.
19.	Updated language in Section A1.4 (4) to clarify eligibility requirements for AFOLU projects in low-productive to high-productive (LtHP) forest project category.	<i>VCS Standard v4.4</i>	Effective immediately
20.	<p>The <i>VCS Methodology Approval Process</i> has been renamed the <i>VCS Methodology Development and Review Process</i>, with updates to improve efficiency and transparency of the process, and the quality of VCS methodologies:</p> <ul style="list-style-type: none"> • Addition of a methodology idea note for the development of new and revised methodologies, tools, or modules. • Establishment of a formal option for Verra to lead methodology development by hiring an expert consultant. • Introduction of a requirement for developers to collaborate under certain circumstances. • Updates to the process for methodology revisions. 	<i>Methodology Development and Review Process v4.2;</i> <i>VCS Methodology Requirements v4.3;</i> <i>VCS Program Definitions v4.3;</i> <i>VCS Program Guide v4.3;</i> <i>VCS Methodology Assessment Report Template v4.1;</i> <i>VCS Methodology Idea Note Template v4.0;</i> <i>VCS Methodology Concept Note Template v4.2;</i>	<p>Effective immediately, except:</p> <p>The review process for existing methodologies outlined in Section 5 the <i>Methodology Development and Review Process</i> will occur over two years from 20 December 2022 for existing methodologies.</p>

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	<ul style="list-style-type: none"> Enhanced review process, including a review at least every five years. Modification of the use of external experts for certain assessment responsibilities. <p>Definitions pertaining to the new <i>Methodology Development and Review Process</i> have been added and/or updated in <i>VCS Program Definitions</i> and associated forms and templates have been updated</p>	<p><i>VCS Methodology Template v4.2;</i></p> <p><i>VCS Module Template v4.1;</i></p> <p><i>VCS Methodology Submission Form and Agreement v4.0</i></p> <p><i>VCS Program Guide v4.3;</i></p>	
21.	<p>The Fee Schedule has been updated to align with the <i>Methodology Development and Review Process v4.2</i> and update the methodology compensation rebate eligibility.</p> <p>Corresponding updates have been made to the <i>VCS Program Guide</i>.</p>	<i>VCS Program Fee Schedule v4.2</i>	Effective 1 January 2023 for approved methodologies and methodology concepts accepted to proceed to the methodology drafting stage prior to this date; all other new methodologies are not eligible for a methodology compensation rebate.
22.	Updated language in Sections 3 and 4 of the <i>Registration and Issuance Process</i> to simplify descriptions of Verra review processes .	<i>Registration and Issuance Process v4.3</i>	Effective immediately
23.	Updated language in 3.1.15 and 3.1.18 of the <i>Registration and Issuance Process</i> to provide further information on how projects request reactivation from inactive status on the Verra Registry.	<i>Registration and Issuance Process v4.3</i>	Effective immediately
24.	Language added to Sections 3.1.17 and 3.1.19 of the <i>Registration and Issuance Process</i> , and Section 2.5.6 of the <i>VCS Program Guide</i> to clarify Verra's process to reject project pipeline listing requests .	<i>Registration and Issuance Process v4.3;</i> <i>VCS Program Guide v4.3</i>	Effective immediately
25.	Updated language in Section 4.2.3 of the <i>Registration and Issuance Process</i> to clarify the requirement that project proponents must submit necessary supporting annexes and ERR calculation sheets at the time of review request .	<i>Registration and Issuance Process v4.3</i>	Effective immediately
26.	Updated language in Section 4.2.20 of the <i>Registration and Issuance Process</i> to clarify requirement that VVBs must be accredited for the relevant sectoral scope and provide information on how Verra checks that requirement.	<i>Registration and Issuance Process v4.3</i>	Effective immediately
27.	Requirement added in Section 2.2.4 of the <i>VCS Methodology Requirements</i> to clarify that a standardized method must be used as the preferred option for additionality.	<i>VCS Methodology Requirements v4.3</i>	Effective immediately

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28.	Definition of ' Non-Permanence Risk ' has been added to the <i>VCS Program Definitions</i> .	<i>VCS Program Definitions v4.3</i>	Effective immediately
29.	Updated instructions to indicate requirement to include the auditing history of the current project crediting period.	<i>VCS Project Description Template v4.2;</i> <i>VCS Joint Project Description and Monitoring Report Template v4.2;</i> <i>VCS Monitoring Report Template v4.2</i>	Effective immediately