VCS VERSION 4: OVERVIEW OF SUBSTANTIVE UPDATES TO PROGRAM RULES & REQUIREMENTS

Updated: 9 March 2020

Initial Release Date: 19 September 2019

This document includes information about the substantive changes that were made to existing VCS Program rules and requirements, and new requirements, that were added as part of VCS Version 4.

All VCS Version 4 documents are effective on the date of release, except for the rules and requirements described below.

	Requirement	Document	Effective Date
1	Revised validation/verification body (VVB) accreditation pathway recognition	*VCS Program Guide, v4.0,* Section 5	1) Accreditation under an approved GHG program shall be recognized only until such time as Verra determines that a sufficient number of validation/verification bodies are accredited under other recognized accreditation pathways, or two years from the date of release of VCS Version 4, whichever is earlier. After such date, all validation/verification bodies must be accredited through another approved accreditation pathway. 2) Removal of temporary accreditation pathway is effective immediately.
2	Revised the scope of the VCS Program	*VCS Standard, v4.0,* Section 2.1	For project activities that were eligible under *VCS Version 3*, but are now excluded from the scope of the VCS Program: **Updated on 9 March 2020** to revise the effective dates for projects registered with an approved GHG Program. New text is shown in

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		red and deleted text is shown in strikethrough, below.
		1) Registered VCS projects and projects that request registration with the VCS Program on or before <u>31 December 2019</u> remain eligible under the VCS Program for the entirety of their crediting periods.
		2) Grouped projects registered under the VCS Program are prohibited from adding new project activity instances of the newly excluded project types on or after <u>1 January 2020</u>; verification reports dated on or after <u>1 January 2020</u> will not be accepted where they include the validation of such new project activity instances.
		3) Projects registered under an approved GHG program will only be eligible to complete a gap validation and/or transfer to the VCS Program where the project has applied for registration with the VCS Program <s>approved GHG program</s> on or before <u>9 March 2020</u> <s>31 December 2019</s>, unless evidence of contracting for a VCS gap validation prior to 9 March 2020 is provided.
		4) GHG credits issued under an approved GHG program will only be eligible to be converted to VCUs where a conversion request has been submitted <s>the project has applied for registration with the approved GHG program</s> on or before <u>9 March 2020</u> <s>31 December 2019</s>, unless evidence of contracting for a CER conversion prior to 9 March 2020 is provided, in which case the conversion must take place on or before 9 April 2020.
3	Clarified that AFOLU projects must demonstrate that new activities were implemented, or previously commenced activities continued to be implemented, at each verification	*VCS Standard, v4.0*, Section 3.2.6	Effective immediately

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4	Updated the timeline for reporting the discovery of a likely loss event	*VCS Standard, v4.0*, Section 3.2.15 and *Registration and Issuance Process, v4.0*, Section 5.3.1	Effective immediately for likely loss events discovered after 19 September 2019.
5	Revised the crediting period requirements for non-AFOLU projects and ALM projects focused exclusively on reducing N_2O, CH_4 and/or fossil derived CO_2, to seven years twice renewable (for a total of 21 years) or ten years fixed.	*VCS Standard, v4.0*, Section 3.8	1) Registered projects and projects that complete validation on or before 19 March 2020 remain eligible to apply the crediting period requirements under *VCS Version 3.* 2) Projects applying a new VCS methodology (i.e., a methodology for which a concept note was submitted to Verra on or before 31 December 2018) will be granted additional time to apply the crediting period requirements under *VCS Version 3*. Specifically, projects using a new VCS methodology and completing validation within two years of the approval of the methodology may apply the crediting requirements as set out under *VCS Version 3*.
6	Added optional default leakage deductions for AFOLU projects	*VCS Standard, v4.0*, Section 3.14.13	Effective immediately.
7	Added strengthened local stakeholder safeguards for AFOLU projects	*VCS Standard, v4.0*, Section 3.16	Effective immediately for AFOLU projects, unless evidence of contracting for validation prior to 19 March 2020 is provided.
8	Revised the methodology approval process to reflect Verra's detailed review of each methodology element, and to require only one validation/ verification body assessment. Updated the "methodology approval process administration" fees.	*Methodology Approval Process, v4.0* (throughout) *Program Fee Schedule, v4.0*, Section 2	1) Draft methodology elements submitted to Verra for public comment on or after 19 September 2019 must be approved through the process set out in the *Methodology Approval Process*, v4.0, and will be charged at the fee rates set out in the *Program Fee Schedule*, v4.0. 2) Draft methodology elements that were submitted to Verra for public comment

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			prior to <u>19 September 2019</u> must be approved through the process set out in the *Methodology Approval Process* version 3.7.
9	Introduced a new procedure for identifying potentially inactive projects	*Registration and Issuance Process, v4.0*, Section 4.7.1	Effective immediately.
10	Reorganized and restructured the VCS Program documents (see <u>VCS Version 4 Rules Map</u>), and removed redundant and outdated information	All *VCS Version 4* program documents	Effective immediately.
11	Updated versions of all VCS Program templates and representations	All templates and representations	Must be used from <u>19 March 2020</u>. *Note – Verra did not update the combined CCB+VCS templates at this time, as we are expecting to release an update to the CCB Program in 2020. The CCB+VCS combined templates will be updated at that time.*