VVB 101



Auditing & Accreditation (A&A) Team

23 May 2024

Housekeeping rules



- ✓ This session is being recorded.
- ✓ Please mute your microphone.
- ✓ Questions are welcomed.
- ✓ Contact information: auditing@verra.org
- ✓ A few quizzes



Your presenters: the A&A Team

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Agenda



- ✓ Introduction
- ✓ Roles and Responsibilities
- ✓ VVB Application criteria
- ✓ Verra VVB Program Rules and Requirements
- ✓ Audit Process & Quality Expectations
- ✓ VVB Oversight Activities
- ✓ A&A Future Developments
- ✓ Communication Channels
- ✓ Q&A session

Introduction

VERRA

Why VVB 101?

Flatten the learning curve



Reference point

Auditing@verra.org

Roles and Responsibilities

VERRA

Project/Jurisdictional Proponent

Project/Jurisdictional Proponent

- ✓ The entities with overall control and responsibility for projects or programs
- ✓ Establish and operate projects and programs in accordance with the VCS Program rules
- ✓ Provide the PD, MR and supporting documentation (including evidence of project ownership or program ownership) to facilitate validation and verification
- ✓ Projects demonstrate their conformance with the VCS Program rules and the applied methodology through the validation and verification processes

PP/JP must demonstrate conformance to the rules/methodology to the VVB

Validation/Verification Body

- ✓ Are accredited by top tier Accreditation Bodies to ISO 17029/14065 GHG standards to impartially validate/verify projects
- ✓ ISO accreditation demonstrates the VVB's competency to validate/verify GHG projects and issue the statements of opinion of the audit
- ✓ Critical role as independent third-party decision makers on project conformance to program rules/requirements
- ✓ When PP's and VVBs have different interpretation of requirement and/or conformance, the VVB is the accredited, competent body that has authority/decision making
- ✓ Once a VVB is contracted to conduct a validation or verification, by a PP, the VVB must make the 'judgement' call on conformance with all requirements

VVB's issue statements of opinion that the project conforms to the complete set of program rules and methodology requirements

VERRA

Source: VCS Program Guide 4.4 (2.5.2)

Verra

- ✓ Manages, oversees and develops the program(s)
- ✓ Maintains an impartial position in the market. Not to help PPs ensure their projects get approved, not to do the job of a VVB
- ✓ Does not provide VVB or consulting services. Does not tell PPs how to develop projects or how to conform to standards, does not tell VVBs how to assess conformance, does not resolve differences between PP/VVB
- ✓ Oversees and ensures the integrity of projects, programs, and VCUs.
- ✓ Oversees the performance of VVBs operating under Program(s).
- ✓ Conducts reviews of registration and verification requests to **ensure VVB has appropriately assessed, and fully described how it has assessed**, the project's conformance with the Verra Program rules Not re-audit the project, not identify non-conformities but…

Findings may be issued TO THE VVB seeking clarification how the VVB assessed and/or appropriately assessed project conformance to Verra Program rules

Role of A&A Team in Verra

VVB and AB onboarding

- ✓ Applications, Scope changes
- ✓ Orientation and Training
- ✓ Relationship management

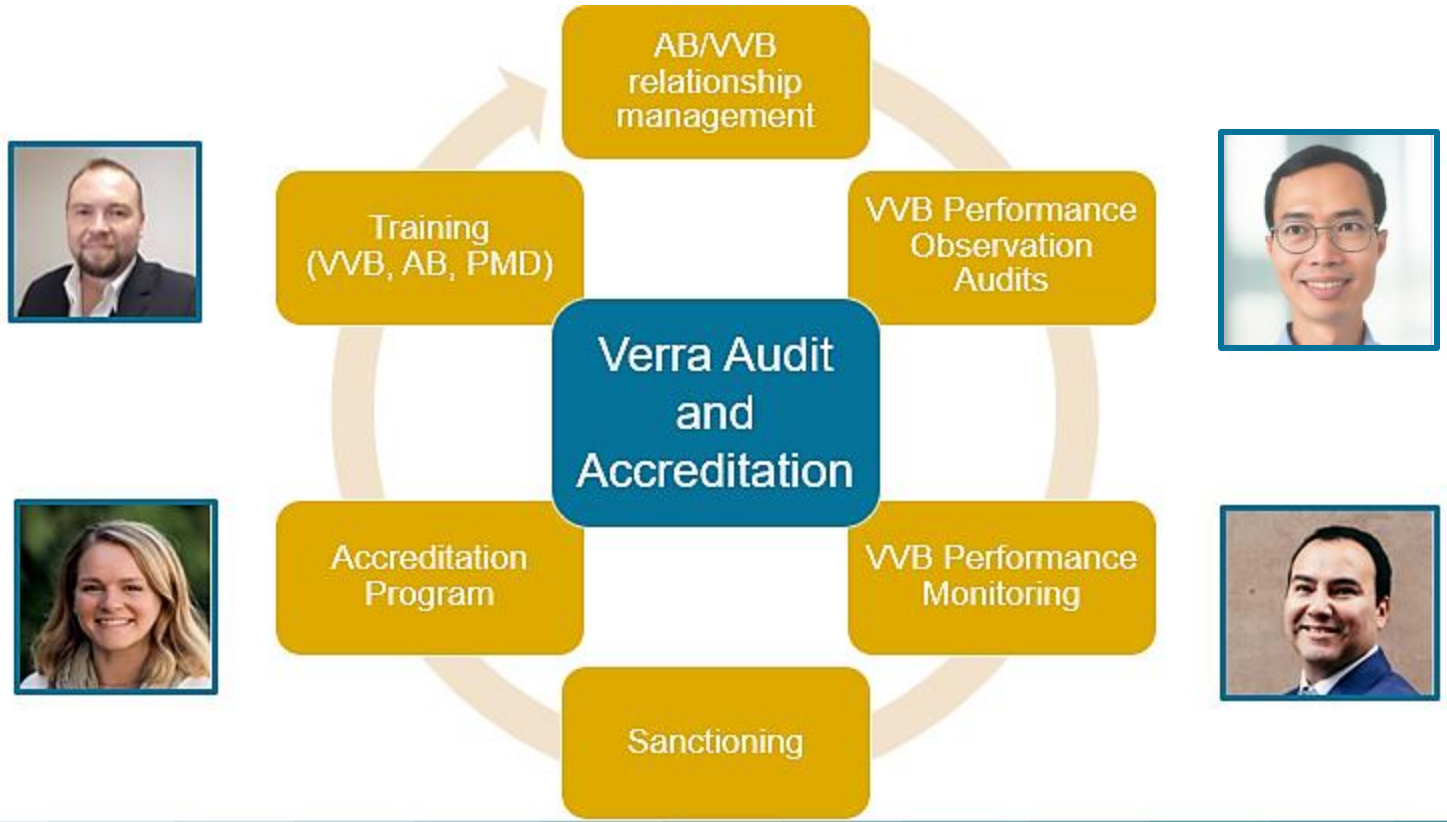
VVB Performance Management

- ✓ Assess and Address
- ✓ PO Audits
- ✓ PMP and Scorecards
- ✓ Sanctions

Accreditation Program

- ✓ Clear rules and requirements for VVBs and ABs

Training








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VVB Application Criteria

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VVB Application Process Flow



VVBs must share:

- ✓ VVB application form filled and signed.
- ✓ Proof of accreditation
- ✓ Copy of professional liability insurance
- ✓ Supporting evidence demonstrating experience in social and/or environmental auditing (applicable for SDVISta and Plastic Programs)
- ✓ Supporting evidence demonstrating experience in waste management systems, waste streams and value chains, circular economy and/or plastics (Plastic Program)
- ✓ Supporting evidence demonstrating sectoral scope competence (SDVISta Program)

VERRA

Source: https://verra.org/validation-verification/

VVB Application Process Flow

Possible outcomes

VVB Application approved

VVB Application denied

Conditional approval granted

A **conditional approval** *might* be granted to VVB's that have not yet fulfilled all the requirements to become approved, for example:

- ✓ Scenario 1**:** VVB's SDVISta or Plastic experience is not sufficient, so approval is granted with certain conditions (e.g., complete a training, Verra must observe the first audit, technical expert must join the audits); OR
- ✓ Scenario 2**:** VVB's ISO 14065, VCS scope, accreditation is pending but they need to contract a project and schedule a witness to complete the accreditation process.

IMPORTANT! VVBs that received conditional approval due to pending accreditation (Scenario 2) must submit the val/ver report of the witness audit to Verra when they submit it to the accreditation body, and complete a new VVB application once the accreditation is granted. Also, VVB cannot issue the finalized report until after the new application is fully approved and they are listed on the website as an approved VVB.

Accreditation requirements

VCS (VCS Program guide v4.4, Section 5)	CCB (CCB Program rules, v3.1, Section 5)	SDVISta (SDVISta Standard v1.0, Section 5.1.3)	Plastic (Plastic Program Guide v1.0, Section 3.3)
Accreditation by an International Accreditation Forum (IAF) member body under ISO 17029 and/or 14065 scope VCS.	Accreditation by an International Accreditation Forum (IAF) member body for ISO 14065 scope VCS, for sectoral scope 14 – AFOLU; OR	Accredited by a body in compliance with the latest version of ISO/IEC 17011; OR	Accreditation to ISO 14065 by a member of the International Accreditation Forum (IAF).
~~UNFCCC accreditation as a Clean Development Mechanism (CDM) Designated Operation Entity (DOE)~~ **	A Certification Body for sustainable Forest Management (FM) audits under the Forest Stewardship Council (FSC) (the validation/verification body shall hold such accreditation in the geographical area of the project to be evaluated); OR	Accreditation by a body that is a member of the ISEAL Alliance; OR	
	~~UNFCCC accreditation as a Clean Development Mechanism (CDM) Designated Operation Entity (DOE) for scope 14 & 15,~~	Approved as VVB under the VCS Program.	

*** In 2023, Verra granted exceptions for approved VVBs to continue using UNFCCC accreditation, provided they transition to an IAF MLA member for ISO 14065, Scope VCS.*

SDVISta sectoral scopes

Verra Sectoral Scopes	UN Sustainable Development Goals
1. Agriculture, forestry and other land use (AFOLU)	12. Responsible consumption and production; 15. Life on land
2. Climate change adaption	13. Climate action
3. Education	4. Quality education
4. Energy	7. Affordable and clean energy
5. Food	2. Zero hunger; 12. Responsible consumption and production
6. Governance	16. Peace, justice and strong institutions
7. Health	3. Good health and well-being
8. Housing	11. Sustainable cities and communities
9. Infrastructure	11. Sustainable cities and communities; 9. Industry, innovation and infrastructure
10. Livelihoods	1. No poverty; 8. Decent work and economic growth; 10. Reduced inequalities; 12. Responsible consumption and production
11. Transport	9. Industry, innovation and infrastructure; 11. Sustainable cities and communities
12. Water Access and Sanitation	6. Clean water and sanitation
13. Oceans and Marine Resources	14. Life below water
14. Women's empowerment	5. Gender Equality



VCS sectoral scopes	GHG Protocol/UNFCCC	IAF MD14 (ISO 14065)
1 – Energy (renewable/nonrenewable)	1 – Energy (renewable/nonrenewable)	Energy Industries (renewable/nonrenewable)
2 – Energy distribution	2 – Energy distribution	Energy distribution
3 – Energy demand	3 – Energy demand	Energy demand
4 – Manufacturing industries	4 – Manufacturing industries	Manufacturing industries
5 – Chemical industry	5 – Chemical industry	Chemical industry
6 – Construction	6 – Construction	Construction
7 – Transport	7 – Transport	Transport
8 – Mining / mineral production	8 – Mining / mineral production	Mining / mineral production
9 – Metal production	9 – Metal production	Metal production
10 – Fugitive emissions – from fuels	10 – Fugitive emissions – from fuels	Fugitive emissions from fuels
11 – Fugitive emissions – from industrial gases	11 – Fugitive emissions – from industrial gases	Fugitive emissions from industrial gases
12 – Solvents use	12 – Solvents use	Solvents use
13 – Waste handling and disposal	13. Waste handling and disposal: TA 13.1 Solid Waste and Wastewater TA 13.2 Manure	Waste handling and disposal - Waste handling and disposal - Animal waste management
14 – Agriculture, Forestry and Other Land Use (AFOLU)	14. Afforestation and Reforestation	Afforestation and Reforestation
	15. Agriculture	Agriculture
15 – Livestock and manure management	13. Waste handling and disposal: TA 13.1 Solid Waste and Wastewater TA 13.2 Manure	Waste handling and disposal - Waste handling and disposal - Animal waste management
16 – Carbon capture and storage	16. Carbon capture and storage of CO2 in geological formations	Carbon capture and storage of Co2 in geological formations

VCS sectoral scopes	ANAB	SCC	SLAB
1 – Energy (renewable/nonrenewable)	1. GHG emission reductions from fuel consumption	G2 SA.1 and/or G3 SA.1 – GHG Emission Reductions from fuel combustion: Renewable energy production	1. Energy (renewable/non-renewable)
2 – Energy distribution	1. GHG emission reductions from fuel consumption	G2 SA.1 and/or G3 SA.1 - GHG Emission Reductions from fuel combustion: Renewable energy production	2. Energy distribution
3 – Energy demand	1. GHG emission reductions from fuel consumption	G2 SA.2 and/or G3 SA.2 - GHG Emission Reductions from fuel combustion: Energy efficiency improvements	3. Energy demand
4 – Manufacturing industries	1. GHG emission reductions from fuel consumption / 2. GHG emission reductions for industrial processes	G2 SB and/or G3 SB - GHG Emission Reductions from industrial processes (non-combustion, chemical reaction, chemical fugitive emissions, flare & venting from oil, and other)	4. Manufacturing industries
5 – Chemical industry	2. GHG emission reductions for industrial processes	G2 SB and/or G3 SB - GHG Emission Reductions from industrial processes (non-combustion, chemical reaction, chemical fugitive emissions, flare & venting from oil, and other)	5. Chemical industry
6 – Construction	1. GHG emission reductions from fuel consumption	G2 SB and/or G3 SB - GHG Emission Reductions from industrial processes (non-combustion, chemical reaction, chemical fugitive emissions, flare & venting from oil, and other)	6. Construction
7 – Transport	**1. GHG emission reductions from fuel consumption**	**G2 SA.3 and/or G3 SA.3 - GHG Emission Reductions from fuel combustion: Transportation**	**7. Transport**
8 – Mining / mineral production	6. Waste Handling and Disposal	G2 SB and/or G3 SB - GHG Emission Reductions from industrial processes (non-combustion, chemical reaction, chemical fugitive emissions, flare & venting from oil, and other)	8. Mining/Mineral production
9 – Metal production	2. GHG emission reductions for industrial processes	G2 SB and/or G3 SB - GHG Emission Reductions from industrial processes (non-combustion, chemical reaction, chemical fugitive emissions, flare & venting from oil, and other)	9. Metal production
10 – Fugitive emissions – from fuels	2. GHG emission reductions for industrial processes / 6. Waste Handling and Disposal	G2 SB and/or G3 SB -GHG Emission Reductions from industrial processes (non-combustion, chemical reaction, chemical fugitive emissions, flare & venting from oil, and other)	10. Fugitive emissions from fuels
11 – Fugitive emissions – from industrial gases	2. GHG emission reductions for industrial processes	G2 SB and/or G3 SB - GHG Emission Reductions from industrial processes (non-combustion, chemical reaction, chemical fugitive emissions, flare & venting from oil, and other)	11. Fugitive emissions from Industrial gases
12 – Solvents use	2. GHG emission reductions for industrial processes	G2 SB and/or G3 SB - GHG Emission Reductions from industrial processes (non-combustion, chemical reaction, chemical fugitive emissions, flare & venting from oil, and other)	12. Solvent use
13 – Waste handling and disposal	6. Waste Handling and Disposal	G2 SF and/or G3 SF - Decomposition of Waste Material, Handling and Disposal	13. Waste handling and disposal
14 – Agriculture, Forestry and Other Land Use (AFOLU)	3. Land Use and Forestry	G2 SC and/or G3 SC - GHG Emission Reductions & Removals from Agriculture, Forestry & Other Land Use (AFOLU)	14. Agriculture, Forestry, Land Use
15 – Livestock and manure management	5. Livestock	G2 SE and/or G3 SE GHG Emissions from Livestock	15. Livestock and manure management
16 – Carbon capture and storage	4. Carbon capture and storage	G2 SD and/or G3 SD - Carbon Capture and Storage	16. Carbon capture and storage

VCS methodologies Vs Accreditation scope

Validation/Verification bodies are only eligible to carry out work for the sectoral scopes for validation and verification ***for which they hold accreditation*** *(VCS Program Guide v4.4, section 2.5.3)*

- ✓ The VCS Program grouped Agriculture, Forestry and Other Land uses in one single scope (14-AFOLU), while some accreditation bodies have it separate (e.g. afforestation and reforestation + agriculture)

- ✓ VVBs need to identify first what is the project activity. E.g., if the project involves any agricultural activities. Examples of AGR methodologies are VM0022, VM0026, VM0032, and VM0042.

NOTE: VM0041 is categorized as Verra Scope 15 (Livestock and manure management) but is considered an Agriculture methodology. This will be revised in V5 of the VCS Program update.

VCS Standard v4.7, Appendix 1 – Eligible AFOLU Project Categories

Insurance coverage yearly update (USD insurance quotes)

Professional Indemnity Insurance

- ✓ VVB agreement, section 3.3.1: *The Service Provider shall incept and thereafter maintain, for the course of the Service Period, professional indemnity insurance (and provide evidence of same to Verra via a broker's letter) in an amount of at least USD 5 million inclusive of legal defence costs.*
- ✓ VVB agreement, section 2.3.2: *The Service Provider must provide Verra with a copy of its liability insurance policy maintained in accordance with Clause 3.3.*

Insurance Information (required for Plastic, SD VISta and VCS Programs)	
Insurer	*Name of organization/entity providing professional indemnity insurance*
Amount	*Professional indemnity insurance in the amount of at least USD 5 million is required for all VVBs operating under the Plastic Program, SD VISta Program, and/or VCS Program.* ***Professional indemnity insurance in any amount less than USD 5 million will not be accepted.*** *Include USD equivalence if insurance is in a currency other than USD.* *The Verra VVB Agreement includes further details about professional indemnity insurance and liability requirements.*

Program fees

- ✓ Annual fee, based on the number of approved Verra programs
- ✓ Invoice sent by Verra's finance department at the beginning of each year. Additional programs approved throughout the year are billed upon approval.

Fee	Rate
Validation/verification body annual fee	**# of programs** / **USD / year** 1 program / USD 5,000 2 programs / USD 7,250 3 or more programs / USD 9,000 Payable in full at approval and subsequently in January each year. Additional programs approved throughout the year will be billed and payable upon approval.[4]
Validation/verification body reinstatement assessment fee	USD 10,000 payable upon application for reinstatement by a validation/verification body that has been suspended or inactivated.

Source: VCS Program Fee Schedule, v4.4

Scope extensions/reductions

Scope extensions - Addition of Verra programs, or sectoral scopes

- ✓ Mandatory to have proper underlying accreditation granted by your AB.
- ✓ VVBs need to submit a new VVB application form and go through the application process.
- ✓ If approved, Schedule 2 of the Verra-VVB agreement will be updated.
- ✓ Addition of a Verra programs --> program fee invoice

Scope reductions - Withdrawal of Verra programs, or termination of sectoral scopes

- ✓ VVBs need to submit a new VVB application form and confirm the scopes they want to maintain.
- ✓ Schedule 2 of the Verra-VVB agreement will be updated.

Schedule 2

Verified Carbon Standard (VCS) Program			Sustainable Development Verified Impact Standard (SD VISta) Program		Plastic Waste Reduction Program (Plastic Program)	Climate, Community & Biodiversity Program
YES ☐			YES ☐		YES ☐	YES ☐
Applicable Scope(s)	Validation	Verification	Applicable Scope(s)	Validation/Verification	Validation/Verification	Validation/Verification
1. Energy (renewable/non-renewable)	☐	☐	1. Agriculture, forestry and other land use (AFOLU)	☐		
2. Energy distribution	☐	☐	2. Climate change adaptation	☐		
3. Energy demand	☐	☐	3. Education	☐		
4. Manufacturing industries	☐	☐	4. Energy	☐		
5. Chemical industry	☐	☐	5. Food	☐		
6. Construction	☐	☐	6. Governance	☐		
7. Transport	☐	☐	7. Health	☐		
8. Mining/Mineral production	☐	☐	8. Housing	☐		
9. Metal production	☐	☐	9. Infrastructure	☐		
10. Fugitive emissions – from fuels (solid, oil, and gas)	☐	☐	10. Livelihoods	☐		
11. Fugitive emissions – from Industrial gases (halocarbons and sulphur hexafluoride)	☐	☐	11. Transport	☐		
12. Solvents use	☐	☐	12. Water access and sanitation	☐		
13. Waste handling and disposal	☐	☐	13. Oceans and marine resources	☐		
14. Agriculture, forestry and other land use (AFOLU)	☐	☐	14. Women's empowerment	☐		
15. Livestock and manure management	☐	☐				
16. Carbon capture and storage	☐	☐				

Additional Comments/Scope Conditions:

Completed by (Verra):

Completed Date (Verra):

VVB Authorized Signatory (PRINT NAME):

VVB Signature:

Date:


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Verra VVB Program Rules and Requirements

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VCS Program Documents

Requirements Documents

- ✓ Standard
- ✓ Methodology
- ✓ JNR/GCS Requirements
- ✓ Program Definitions
- ✓ Fee Schedule
- ✓ Complaints & Appeals Policy

Procedures Documents

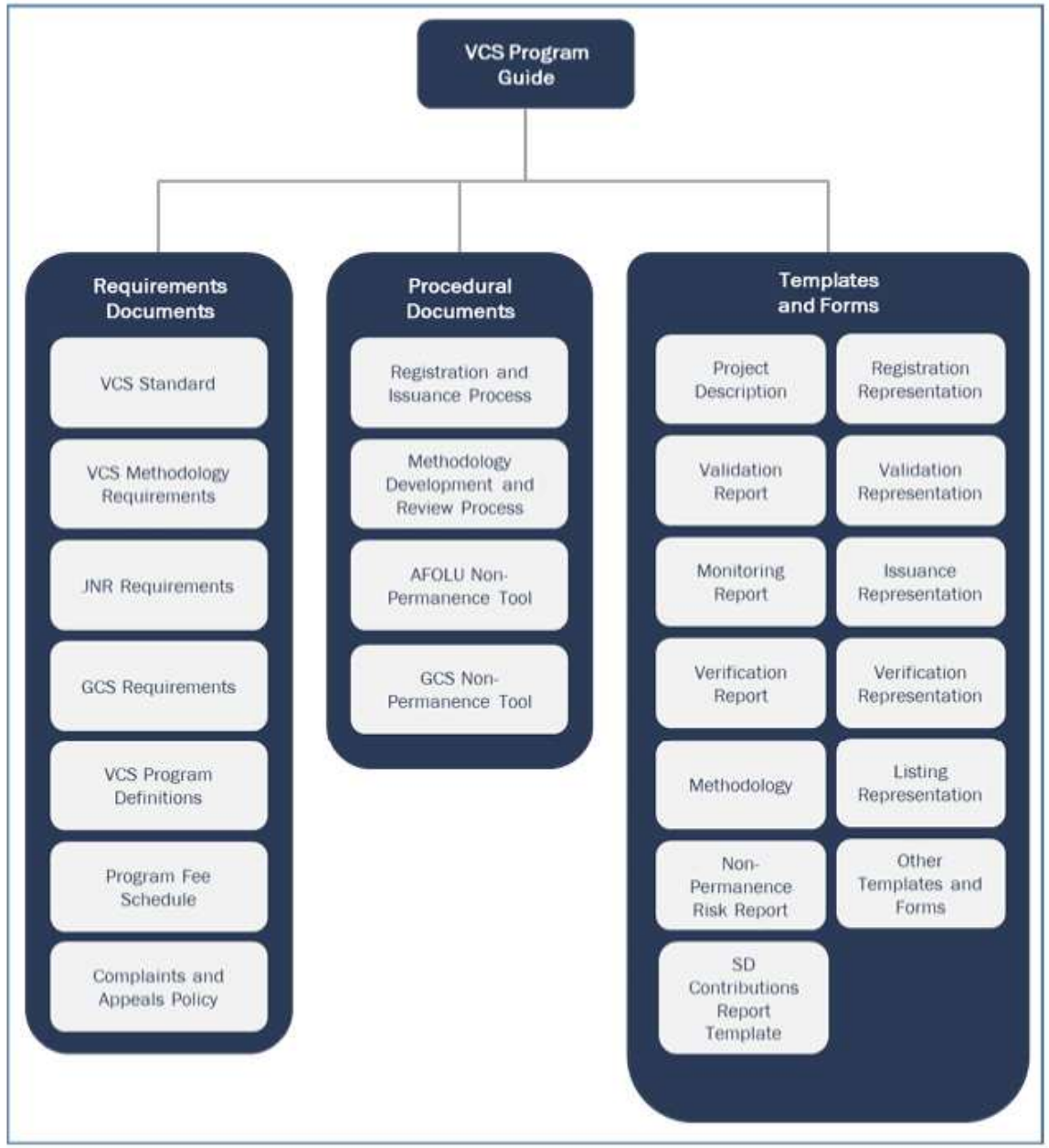
- ✓ RIP
- ✓ Methodology Development & Review Process
- ✓ AFOLU Non-Permanence Tool
- ✓ GCS Non-Permanence Tool

Templates and Forms

Normative (referenced) Documents:

- ✓ ISO 14065
- ✓ ISO 14064-2
- ✓ ISO 14064-3
- ✓ GHG Protocol (Chapter 7)

Diagram 1: Program Documents



VVB requirements in the different Programs

Program	Requirements	Document	Additional
VCS	Validation & Verification Requirements	VCS Standard, v4.7, Section 4	VVB eligibility is set out in the VCS Program Guide v4.4, Section 5
CCB	Validation & Verification Requirements	CCB Program Rules, v3.1, Section 4.2	Further clarity on validation and verification using the CCB standards are set out in the CCB Standards v3.1, Section 1.5
SDV	SD VISta Project Assessment	Sustainable Development Verified Impact Standard, v1.0, Section 5	Additional criteria with respect to the assessment process are set out in the SD VISta Program Guide v1.0, Section 3.5
PWRP	Validation & Verification Requirements	Plastic Standard, v1.0, Section 4	Validation and Verification process is set out in the Plastic Program Guide v1.0, Section 5.5

https://verra.org/validation-verification/

VVB Public Comment Period Requirements

Program	References
VCS	VCS Standard v4.7, Section 4.1.5
CCB	CCB Program Rules, v3.1, Section 4.3.11 and 4.6.4
SDV	SDVISta Program Guide, v1.0, Section 3.2.6 and 3.2.7
PWRP	Plastic Program Guide, v1.0, Section 5.4

Validation shall not begin until the 30-day public comment period has begun, and the validation/ verification body shall not complete validation until after the 30-day public comment period has ended – VCS Standard v4.7, Section 4.1.5

The relevant validation and/or verification report shall be issued within one year of the last day of a public comment period. - SDVISta Program Guide, v1.0, Section 3.2.8 & Plastic Program Guide, v1.0, Section 5.3.7

VCS shall receive the validation and/or verification report and validation and/or verification statement within one year of the initiation of the relevant public comment period. – CCB Program Rules, v3.1, Section 4.2.4

Where the project does not meet the criteria for validation or verification by the end of the one-year audit period, the validation/verification body shall produce a negative validation or verification conclusion and provide the validation or verification report and project description or monitoring report to Verra – CCB Program Rules, v3.1, Section 4.2.6

VVB Rotation Requirements

Program	References
VCS	VCS Standard v4.7, Section 4.1.27
CCB	CCB Program Rules v3.1, Section 4.2.3
SD VISta	Sustainable Development Verified Impact Standard v1.0, Section 5.2.7
PWRP	Plastic Standard v1.0, Section 4.1.21

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

A validation/verification body shall not verify more than six consecutive years of a project's GHG emission reductions or carbon dioxide removals. The validation/verification body may undertake further verification for the project only when at least three years of the project's reductions or removals have been verified by a different validation/verification body. Notwithstanding these rules, where AFOLU projects have verification periods longer than six years, a validation/verification body is permitted to verify more than six consecutive years of a project's reductions or removals, and the subsequent verification shall be undertaken by a different validation/verification body.

VVB Site Visit Requirements

Program	Reference
VCS	VCS Standard v4.7, Section 4.1.11-4.1.14
SDVISta	SDVISta Program Guide, v1.0, Section 3.2.6, 3.5.5 & 3.5.6 SDVISta Standard v1.0, Section 2.2.17
CCB	CCB Program Rules, v3.1, Section 4.3.13, 4.3.14 & 4.6.4 CCB Standards v3.1, Section G3 3)
PWRP	Plastic Standard, v1.0, Section 3.13.14

1) A site visit that includes a visit to facilities and/or project areas shall be conducted at validation and project crediting period renewal validation (VCS Standard 4.1.11)
2) A site visit that includes a visit to facilities and/or project areas shall be conducted at verification under the following circumstances:
    1. The first verification of the project after validation;
    2. Verifications that include project baseline reassessments; and
    3. Verifications that assess a project description deviation where the deviation impacts the applicability of the methodology, additionality or the appropriateness of the baseline scenario. (VCS Standard 4.1.12)

NOVS forms submissions

- ✓ The Notice of Validation/Verification Service (NOVS) forms intend to inform Verra of the upcoming site visits (on-site or remote) scheduled by the VVB.
- ✓ It must be submitted through the ProjectHub minimum of 15 business days prior to conducting the validation or verification opening meeting. This timeframe will allow Verra to:
  - ✓ Assess if Verra should conduct a Performance Observation (PO) audit; if so,
  - ✓ Inform the VVB and the PP about the PO audit
  - ✓ Identify the PO audit team
  - ✓ Plan the PO audit logistics (travel, accommodation, etc.)
  - ✓ Request and review the necessary project-related documents.
- ✓ *If you encounter any issues with the ProjectHub, please contact hubsupport@verra.org, and inform us through auditing@verra.org.*

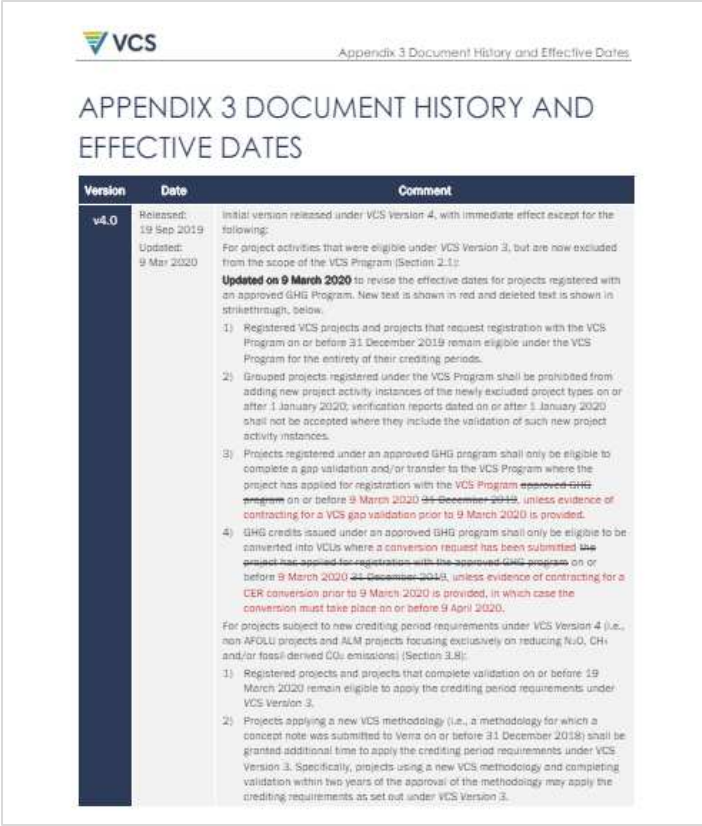
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Program updates

Program updates

- ✓ Announcements are made through the Verra website:
  - ✓ Program Notice: verra.org/program-notices/
  - ✓ News: https://verra.org/news/
- ✓ VVB Newsletter: VVB Newsletter (mailchi.mp)
- ✓ Updated documents can be found under each Verra Program webpage

Effective dates



VCS Appendix 3 Document History and Effective Dates

APPENDIX 3 DOCUMENT HISTORY AND EFFECTIVE DATES

Version	Date	Comment
v4.0	Released: 19 Sep 2019 Updated: 9 Mar 2020	Initial version released under VCS Version 4, with immediate effect except for the following: For project activities that were eligible under VCS Version 3, but are now excluded from the scope of the VCS Program (Section 2.1): **Updated on 9 March 2020** to revise the effective dates for projects registered with an approved GHG Program. New text is shown in 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 31 December 2019 remain eligible under the VCS Program for the entirety of their crediting periods. 2) Grouped projects registered under the VCS Program shall be prohibited from adding new project activity instances of the newly excluded project types on or after 1 January 2020; verification reports dated on or after 1 January 2020 shall not be accepted where they include the validation of such new project activity instances. 3) Projects registered under an approved GHG program shall 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 ~~approved GHG program~~ on or before 9 March 2020 ~~31 December 2019~~, 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 shall only be eligible to be converted into VCUs where a conversion request has been submitted ~~the project has applied for registration with the approved GHG program~~ on or before 9 March 2020 ~~31 December 2019~~, 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. For projects subject to new crediting period requirements under VCS Version 4 (i.e., non-AFOLU projects and ALM projects focusing exclusively on reducing N_2O, CH_4 and/or fossil derived CO_2 emissions) (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) shall 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.

Where to find docs

Where to find docs?

- ✓ VCS Program Details: https://verra.org/programs/verified-carbon-standard/vcs-program-details/#rules-and-requirements
- ✓ CCB Program Details: https://verra.org/programs/ccbs/ccbs-program-details/#rules-and-requirements/ccbs-program-details/#rules-and-requirements
- ✓ SDVISta Program Details: https://verra.org/programs/sd-verified-impact-standard/sd-program-details/#rules-and-requirements
- ✓ Plastic Program Details: https://verra.org/programs/plastic-waste-reduction-standard/plastic-program-details/#rules-and-requirements

Where to find old versions?

- ✓ Visit the *Governance and Development* page for each program
  - ✓ VCS Program Governance and Development: https://verra.org/programs/verified-carbon-standard/vcs-program-previous-versions/
  - ✓ CCB Program Governance and Development: https://verra.org/programs/ccbs/governance-and-development/
  - ✓ SDVISta Governance and Development: https://verra.org/programs/sd-verified-impact-standard/governance-and-development/
  - ✓ Plastic Governance and Development: https://verra.org/programs/plastic-waste-reduction-standard/plastic-program-governance-and-development/


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Audit Process & Quality Expectations

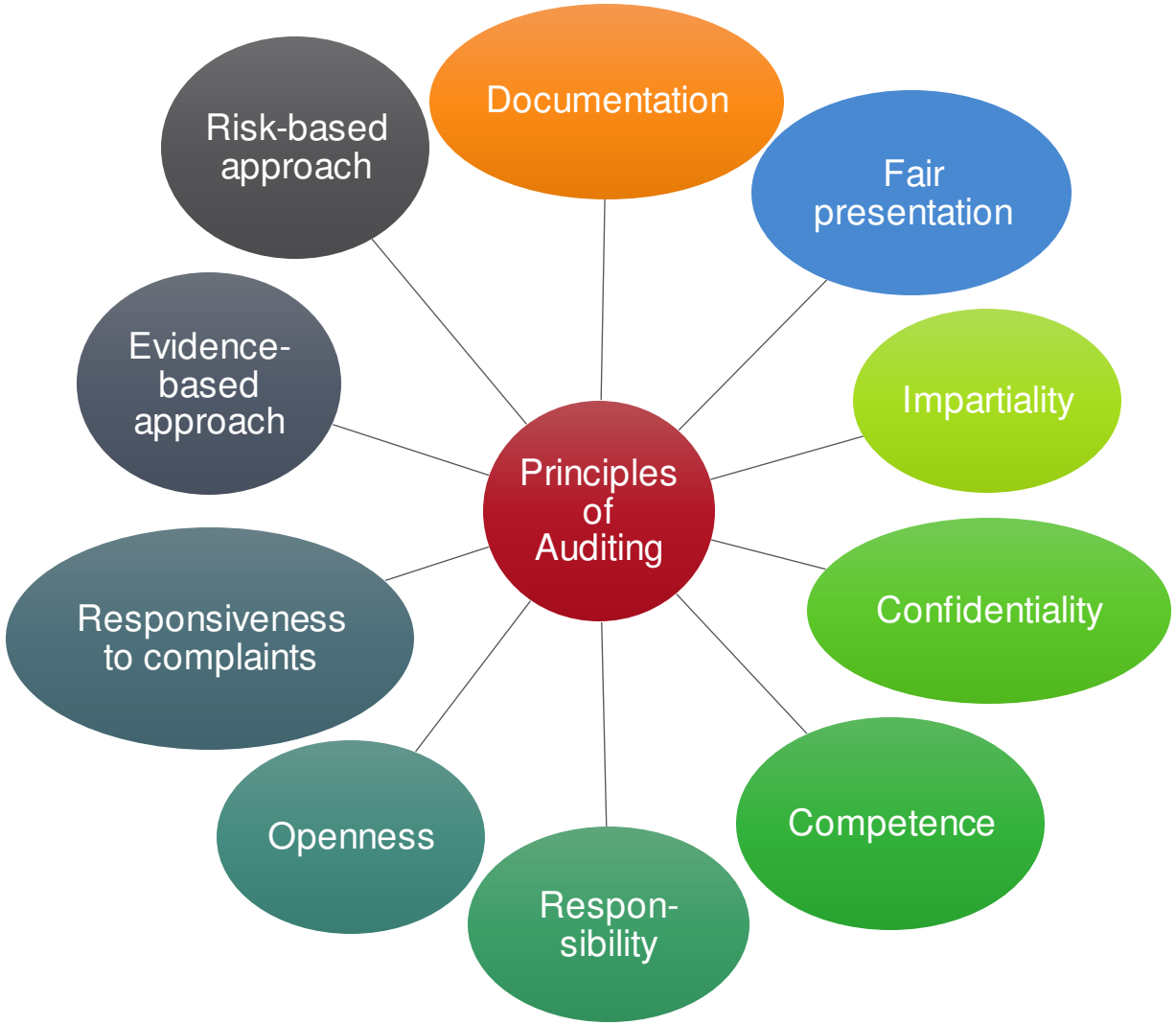
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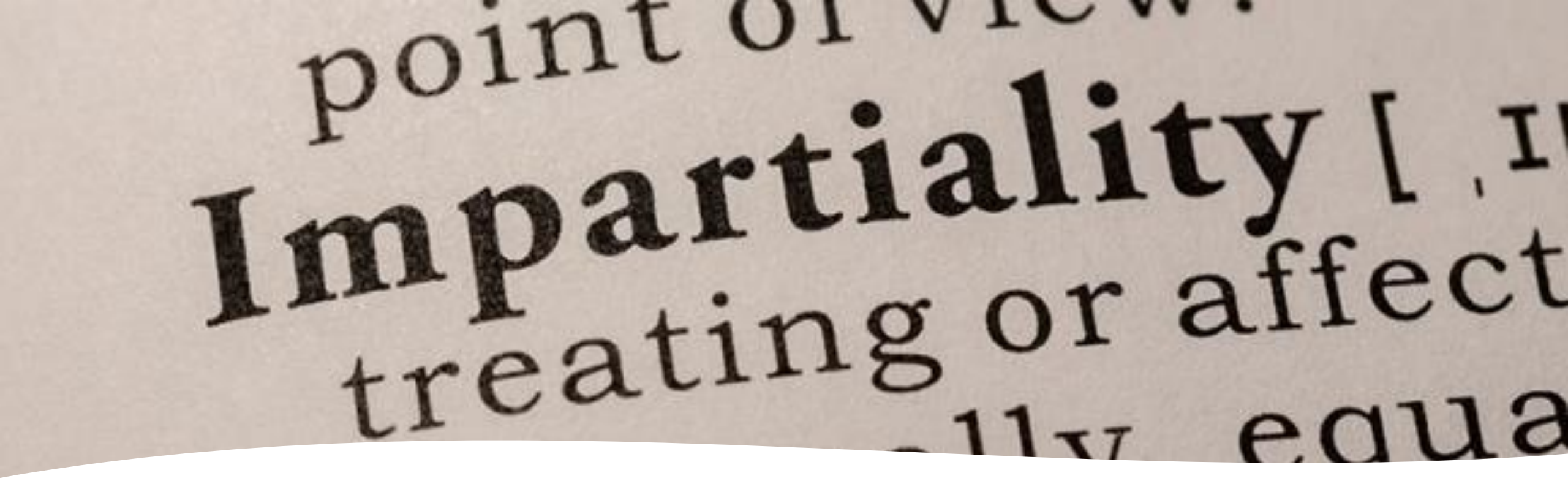
Principles for the VVB Audits

10 Principles according to ISO 17029:2019

If the principles are followed:

- ✓ Auditors working independently from one another will reach similar conclusions;
- ✓ Instill higher confidence and credibility of the projects





Impartiality

Design and execute the verification/ validation engagement so that it is objective and does not introduce bias.

- ✓ Perform work objectively
- ✓ Demonstrate competence
- ✓ Remain fair and unbiased
- ✓ It is not influenced

Evidence-based approach

The rational method for reaching reliable and reproducible audit conclusions in a systematic audit process

Audit evidence must be **objective** and **verifiable**.

- ✓ When/where the issue was identified
- ✓ How it was identified
  - ✓ Observation
  - ✓ Interview
  - ✓ Documentation review
- ✓ What was the standard requirement that was/was not met



Fair presentation

The obligation to report truthfully and accurately the findings, conclusions and opinions from the Val/Ver activities.

The communication should be:

- ✓ Truthful
- ✓ Accurate
- ✓ Objective
- ✓ Timely
- ✓ Clear
- ✓ Complete.





Documentation

Document the verification/validation and ensure it establishes the basis for the conclusion and conformity with the criteria.

Conservativeness

When assessing comparable alternatives, use a selection that is cautiously moderate.

Conservativeness is a principle that is used to choose between options that are similar in completeness and accuracy. Consequently, the principles of completeness and accuracy always apply, and the principle of conservativeness may apply.



✓ Resources are always limited!

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VVB Expectations

ISO 17029:2019	Principle
4.2.1 Evidence-based approach to decision making	The process deploys a method for reaching: • Reliable and reproducible v/v conclusions and • Based on sufficient and appropriate objective evidence and • The v/v statement is based on evidence collected through an objective validation/verification of the claim.
4.2.2 Documentation	The v/v process is documented and establishes the basis for the conclusion and decision regarding conformity of the claim with the specified requirements.
4.2.3 Fair presentation	V/V must ensure the truthful and accurate reflection of: • Activities • Findings • Conclusions and Statements

Document quality is poor, incorrect, or incomplete where VVBs do not truthfully, **accurately document and describe** in the **VVR** the activities conducted, the evidence collected and objectively assessed to support assessment of conformance of **all requirements**.

VVR Reporting: Information and Level of Detail



VVR's are **central** to the transparency of val/ver processes



Primary means for Verra/other stakeholders to **understand and trust VVB rationale** for assessment of **conformance**



Vital for market confidence in the VCS program, projects and VCUs



VVR essential and mandatory component for succeeding VVB (ISO risk assessment)

VVB Expectations

- ✓ PD template instructions require project proponents to adhere to all instructions, as set out in the program standard(s). Instructions relate back to the rules and requirements set out in the program standard(s) and accompanying program documents.
- ✓ It is the responsibility of the VVB to assess if the information in the PD, along with any additional supporting evidence, demonstrates conformance of the project with the applicable program rules.
- ✓ The VVB has not met Verra requirements for assessing the project's conformance with the full set of program rules where:
  - ✓ The VVB has not fully assessed the project proponent adhered to all instructions in the PD template.
  - ✓ The VVB has not identified where PD:
    - ✓ Does not conform to all program rules and requirements.
    - ✓ Contains inaccurate, incomplete or missing required information.
    - ✓ Contains information conflicting with/contradicting other evidence the VVB assessed.

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VVB Manual Guidance

Early Scoping	• Conduct Pre-Validation Assessment
Check 1:	• Project/Program Eligibility Rules • e.g. Validations can be done within deadline (relate to fixed start date)

Check 2:	• Based on PD, preliminary assessment of project's conformance with:
	  • All Program requirements
	  • All requirements of the applied (valid) methodology

Outcome:	• Gap Analysis and/or decline to do Val/Ver

VVB Manual Guidance

Val/Ver Engagement	• Assess project's conformance:
	  • All VCS Program requirements
	  • All requirements of the applied (valid) methodology

Check 1:	• PD/MR includes all required information as set out in PD template instructions
Check 2:	• Assess PD/MR information against standard/methodology requirements
Outcome (Val/Ver Report):	• Findings triangulate the independent VVB evidence or activities that support PD/MR information • Nonconformities: PD/MR missing information, information conflicts with other evidence/VVB findings, and general project non conformance



VVR Reporting: Information and Level of Detail

Report templates include guidance on documenting processes, findings and conclusions.

Level of detail required: Readers must be able to understand VVB Val/Ver process and draw informed conclusions about the project.

All sections of the templates (other than validation or verification findings) require only a description. VVBs must indicate:

- ✓Activities conducted
- ✓Methods used
- ✓Criteria applied and
- ✓Other information as appropriate

Succinct BUT with enough detail for the reader to understand what approaches were taken.

VVBs are not required to include details on why they pursued a chosen course of action

VVR Reporting: Information and Level of Detail

In contrast, VAL/VER findings sections DO require the identification, discussion and justification of all conclusions.

VVBs must indicate findings and provide details on:

- ✓ Project proponent assertions
- ✓ Types/amounts of evidence sampled/tested (to triangulate findings)
- ✓ Material and non-material discrepancies identified and how they were addressed
- ✓ Results of data testing supporting VAL/VER conclusions
- ✓ VVB's reports must contain an itemized breakdown of GHG emission reductions and removals where appropriate

Documenting audit decisions/statements of opinion

ISO 17029/14065 require VVBs to issue a decision on VV audits they engage in (any audit where they sign a contract to undertake validation/verification require a decision). The VVBs must either:

Choose NOT to issue an opinion when the engagement is terminated prior to completion (ISO 9.7.15)

- Prior to completion interpreted to mean prior to finalization of the actual audit activities and the validation/verification body shall inform the client they will not issue an opinion.

Issue an opinion:

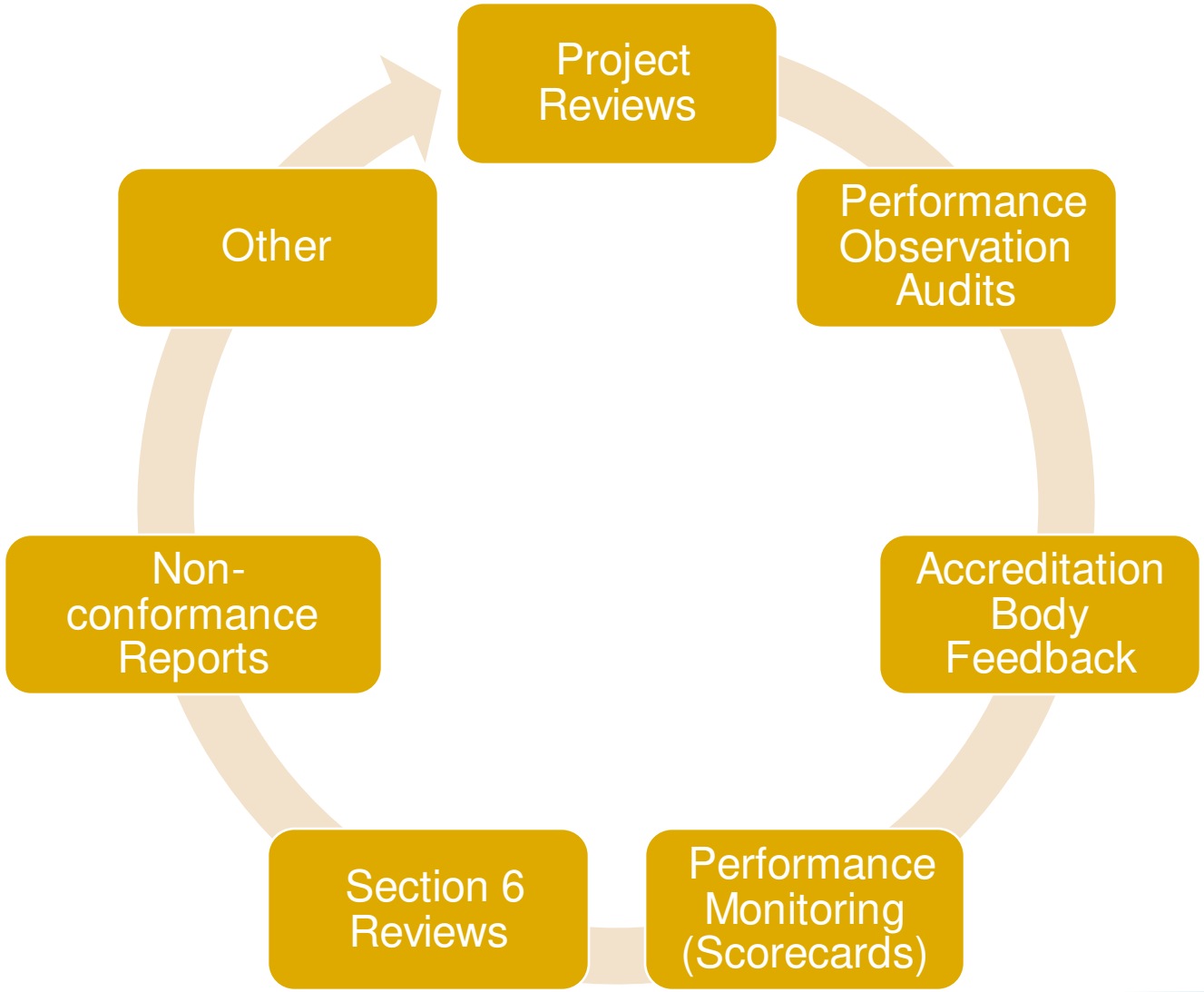
- Unmodified (Positive)
- Modified (Qualitive Positive)
- Adverse (Negative)
- (ISO 9.7.1.6)

Disclaim the issuance of an opinion when it is unable to obtain sufficient and appropriate evidence to come to a conclusion (9.7.1.7)

VVB Oversight Activities

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Verra Oversight Activities



Project Review



Process Overview:

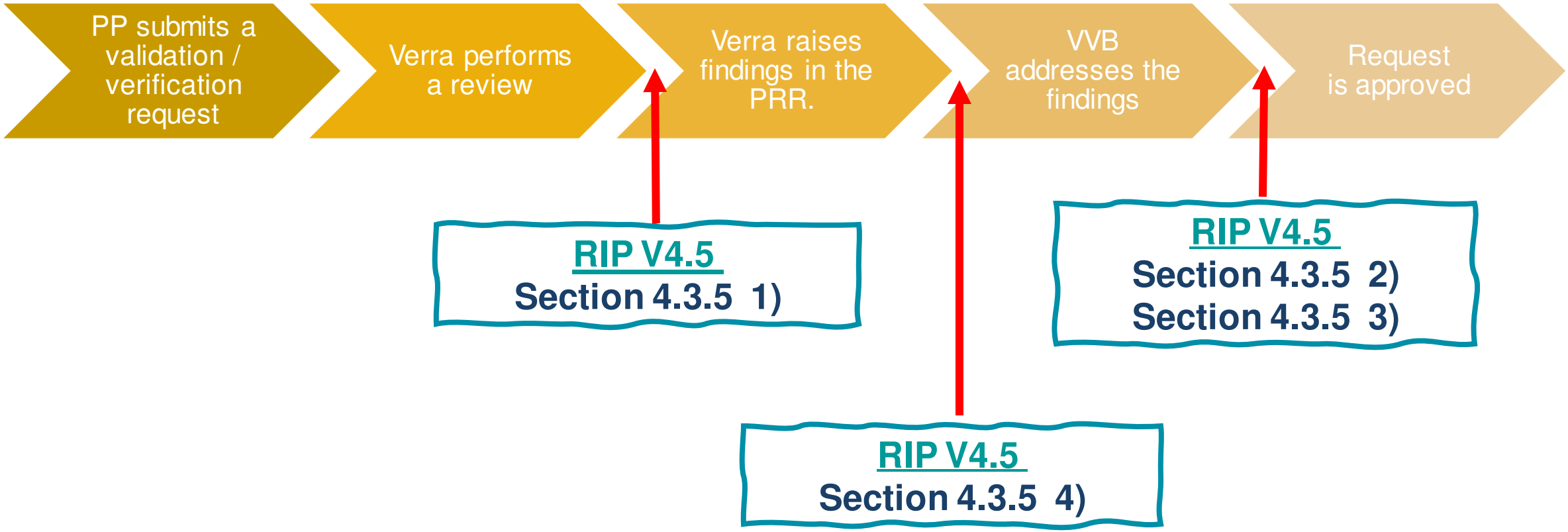
- ✓ PP must submit complete set of project documents
- ✓ Project reviews ensure that the VVB has appropriately assessed, and fully described how it has assessed, the project's conformance with the VCS Program rules. Reviews do not replace validation or verification
- ✓ Findings raised by Verra are sent to the VVB (and PP is cc'd)
- ✓ It is the VVB who has to respond to the findings. VVBs have up to 3 rounds of review to close findings to Verra's satisfaction
- ✓ Where no findings are raised or when all findings raised are closed to Verra's satisfaction, the project registration/issuance request can be approved

Denials

REASONS FOR DENIALS		Requirement
A	Documentation is deemed incomplete, of unsatisfactory quality, or where immediate non-conformances with the Program rules are identified. *	RIP V4.5 Section 4.3.5 1)
B	PP or VVB significantly alters the project documents outside the scope of the findings issued by Verra.	RIP V4.5 Section 4.3.5 2)
C	Findings were not satisfactorily closed after three (3) rounds of review.	RIP V4.5 Section 4.3.5 3)
D	No response is received from the VVB within 60 days from the date PRR was issued.	RIP V4.5 Section 4.3.5 4)

CCB Program: CCB-Corrections-and-Clarifications-2-2024.pdf (verra.org)
SDVISTA Program: SD-VISta-Corrections-and-Clarifications-02.2024.pdf (verra.org)
Plastic Program: Plastic-Program-Corrections-and-Clarifications-2024.pdf (verra.org)

Denials during the Project Review Process



Performance Observation audits

PO audit process

Performance Observation (PO) audits are part of Verra's continuous assessment process to verify the competence and effectiveness of approved VVBs in conducting validations and/or verifications within a defined scope.

- Understand how Verra rules are interpreted and applied in practice
- Input into VVB Performance Monitoring Program
- Identify needs for standard clarification and program updates
- Identify gaps within and between VVBs (training)
- Support the PRR process by pointing out areas of risk

Performance Monitoring System

The PM is a system designed by Verra for the oversight of VVBs

Designed to strengthen the performance of VVBs

4 categories with specific indicators within each category

Project Review	Performance Observation	Sanctions & Cooperation	Feedback from Accreditation Bodies
7 Indicators	5 Indicators	4 Indicators	1 Indicators

Indicators Monitored

Section 1: Project Review Indicators	Section 2: Performance Observation Audit Indicators	Section 3: Sanctions and Cooperation Indicators	Section 4: Accreditation Body Feedback Indicators
1.1 Submissions denied during project review	2.1 VVB performance observation preparation	3.1 Non-Conformity Reports/Warning letters issued to the VVB	4.1 Accreditation Body feedback
1.2 Average findings raised per submission	2.2 Time management and Audit Techniques	3.2 Other sanctions imposed to the VVB	
1.3 Recurring findings	2.3 Sampling plan	3.3 Cooperation of VVB with Verra request	
1.4 Rounds of Reviews	2.4 Stakeholders engagement	3.4 NOVS form is submitted on time	
1.5 Project Rejections	2.5 VVB evaluation of conformance requirements		
1.6 Conformance with VVB rules			
1.7 Reporting Quality			
Section 5: VVB Performance Scoring Summary			
Section 6: VVB Performance Evaluation Feedback			

Performance Monitoring Outcomes

Implement VVB training and capacity building systems

Updates to the Verra Programs

Additional oversight activities

- ✓ Targeted Performance Observations.
- ✓ Nonconformance reports
- ✓ Risk-based approach based on VVB performance.

Quality Control of Registered Projects

- ✓ Also knows as Section 6 Reviews
- ✓ Verra may review at its discretion registered projects where it has concerns
  - A VVB identifies an error or quality issue in a previous validation or verification.
  - A PP identifies an error or quality issue after the registration or issuance of the project.
  - A stakeholder has concerns about a registered project
  - Verra itself identifies an error or quality issue, as part of routine operations.
- ✓ Findings/non conformities issued to VVB
- ✓ VVB must do root cause analysis
- ✓ VVB may face further sanctions

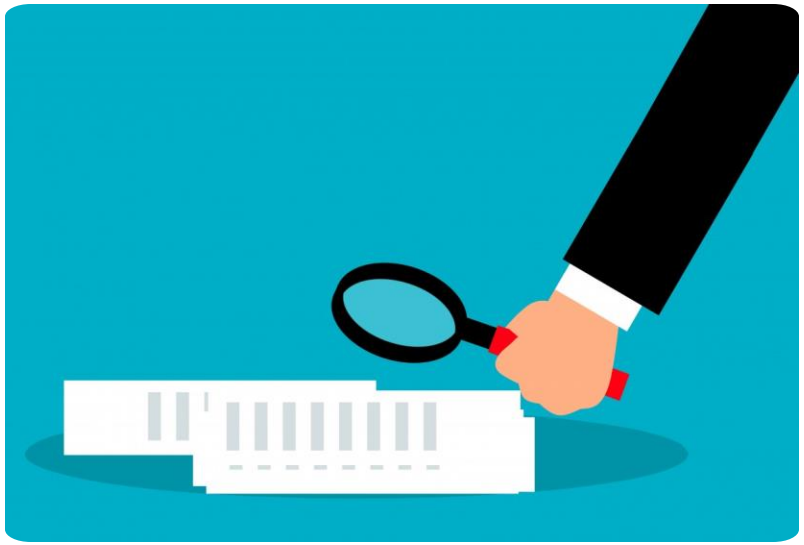
Table 4: Actions for Validations and Verifications Completed on or After 8 April 2014

	Issues found, but no excess VCU issuance and no risk of future excess issuance	Issues found, with excess VCU issuance and/or risk of future excess issuance
Project qualifies under program	1) Validation/verification body shall conduct a root cause analysis 2) Validation/verification body or project proponent, as appropriate, shall revise project documents 3) Verra lifts suspension on VCU issuance, upon acceptance of project document revisions 4) Verra uploads revised project documents to the Verra Registry	1) Validation/verification body shall conduct a root cause analysis 2) Where significant performance issues are found, and as appropriate, disciplinary action shall be taken against the validation/verification body 3) Validation/verification body or project proponent, as appropriate, shall revise project documents 4) Project proponent may need to compensate for excess issuance (see Section 6.1.5) 5) Verra lifts suspension on VCU issuance, upon acceptance of project document revisions by Verra 6) Verra uploads revised project documents to the Verra Registry
Project does not qualify under program	1) Validation/verification body shall conduct a root cause analysis 2) Where significant performance issues are found, and as appropriate, disciplinary action shall be taken against the validation/verification body 3) No further VCU issuance is permitted	1) Validation/verification body shall conduct a root cause analysis 2) Where significant performance issues are found, and as appropriate, disciplinary action shall be taken against the validation/verification body 3) Project proponent may need to compensate for excess issuance (see Section 6.1.5) 4) No further VCU issuance is permitted

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Nonconformance Reports

- ✓ A nonconformance report describes material and/or reoccurring nonconformities in the VVB performance.
- ✓ VVBs have to address the nonconformities to Verra's satisfaction by:
  - Investigating the root cause of each nonconformity described.
  - Documenting the root cause of each nonconformity and the corrective action taken to prevent the nonconformity from reoccurring.
  - Attach supporting documentation as needed.



Verra reviews and assesses whether the VVB's root cause analysis and corrective action plan are satisfactory.

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5



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A&A Future Developments

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Verra Accreditation program

- ✓ Complete set of Verra defined auditing, competency, training, and monitoring program requirements for validation/verification bodies (VVBs) who audit projects to Verra's standards
- ✓ Ensure Verra's standards are highly credible and implemented as intended
- ✓ Build on ISO 14065, 14064-2, 14064-3 and 14066
- ✓ Clearer requirements without additional burden
- ✓ Significant, specific VVB consultation
- ✓ AB consultation



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Digitization

- 22 Templates, 19 Methodologies for PD, MR, VVR (all programs) already digitized
- PP's, VVB's submit documents through the 'Project Hub' using digital templates
- Project Hub being accessed from 132 countries since launch in Oct 2023
- Digitization will enable DRMV, with possibility of frequent issuances of credits through real time DRMV
- A VVB dashboard will be developed to house all VVB training, training records, competencies, scorecards etc.
- VVBs encouraged to participate in testing Project Hub

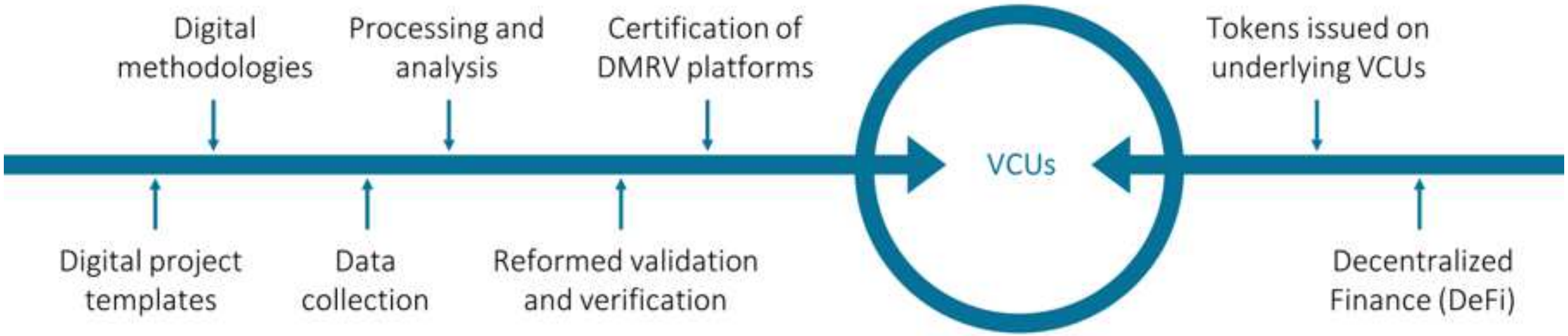
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Potential Promise of Digitization

Market scaling enabled through digitalization

Mobilization of finance to accelerate climate action

Not exclusively digital – analog MRV and VCU-based investment continue



Project HUB

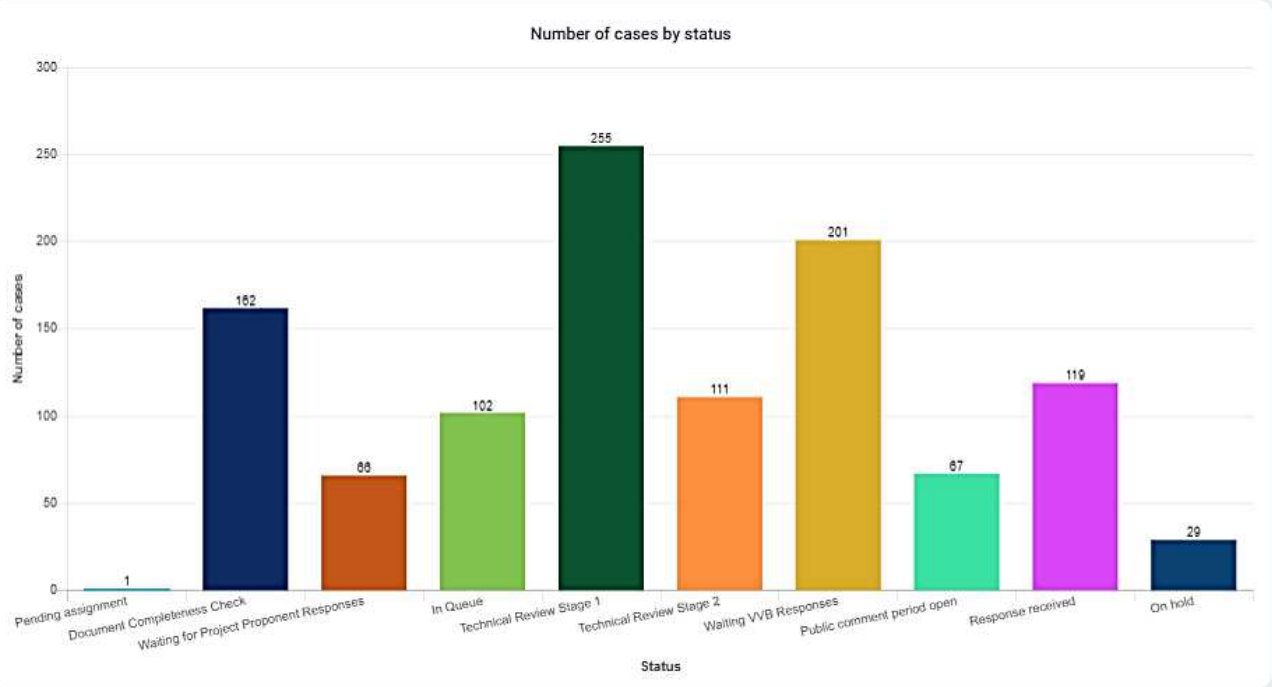
VERRA Standards for a Sustainable Future **Project Tracker**

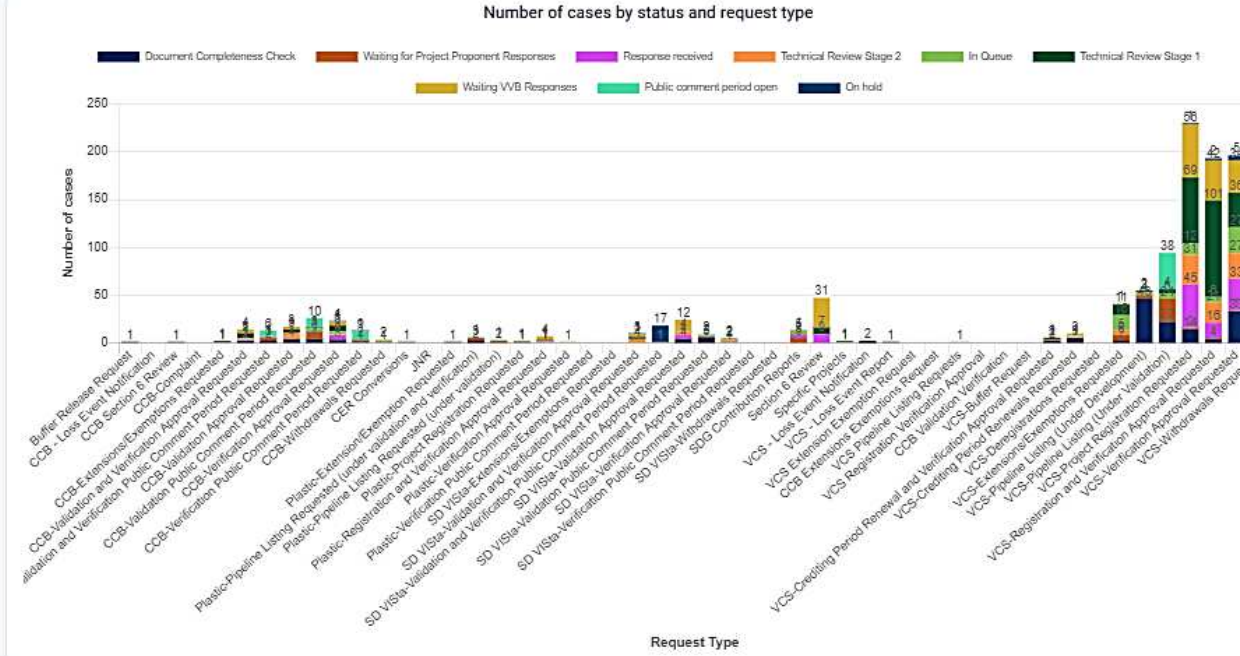
Forms | Project Tracker | Tools

Include Closed Cases

Search

Link Pro





CASE NO	PROJECT ID	ACCOUNT NAME	SUBJECT	CASE TYPE	STATUS	REQUEST TYPE
50159	2505		Project ID 2505 - Fuel Efficient Cooking in South Africa - VCS - Verification approval requested (01/08/2023 - 31/01/2024)	Project	Document Completeness Check	VCS-Verification Approval Requested
50142	5055	Terra Vista	Project ID 5055 - Açai REDD+ Project - VCS - Pipeline listing requested (under development)	Project	Document Completeness Check	VCS-Pipeline Listing (Under Development)
50141	3836	Sustainability Investment Promotion and Development Joint Stock Company	Project ID 3836 - Grouped Projects for Viet Nam Cookstove Program – Phase 2 - SD Vista - Validation public comment period requested	Project	Document Completeness Check	SD VISta-Validation Public Comment Period Requested
50140	3835	Sustainability Investment Promotion and Development Joint Stock Company	Project ID 3835 - Grouped projects for water purifiers for climate and community action – Phase 2 - SD Vista - Validation public comment period requested	Project	Document Completeness Check	SD VISta-Validation Public Comment Period Requested

Communication channels

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Where should I go?

Auditing@verra.org – VVB Application, scope changes, general questions.

Secretariat@verra.org - Project-specific questions. E.g., status of a PRR. That the status of a project can also be confirmed through the Project Tracker in ProjectHub.

Stakeholder portal - Stakeholder Form Inquiries.

HubSupport@verra.org – Issues with the digital NOVS Forms and NPRT.

Registry@verra.org - Issues related to your registry account. E.g., login access, update of main contact or email address.



Q&A + Comments

Any questions on the changes Verra will be implementing?

Thank you!

We welcome further engagement. Please send any questions or suggestions to:

The A&A Team - auditing@verra.org



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