

VCS PROGRAM UPDATE

RELEASE DATE: 21 MARCH 2018

AFOLU PROJECTS PARTICIPATING WITH NON-APPROVED GHG PROGRAMS

Introduction

The VCS rules currently prohibit AFOLU projects from registering with both the VCS Program and a non-approved GHG program at the same time. AFOLU projects are currently permitted only to register with an *approved* GHG program (e.g., CDM) and the VCS Program at the same time. However, upon review of the current rules, it is noted that there is fundamentally no difference between permitting an AFOLU project to register with a non-approved GHG program or an approved GHG program concurrently with the VCS Program.

Accordingly, VCS is revising its rules to lift the prohibition against AFOLU projects from registering with both the VCS Program and a non-approved GHG program at the same time.

Program Update

The prohibition against AFOLU projects from registering with both the VCS Program and a non-approved GHG program at the same time is hereby lifted.

The *VCS Standard, v3.7* is amended to read as follows:

Other GHG Programs

3.11.11 ~~Non-AFOLU~~ Projects registered under a GHG program that is not an approved GHG program may also register with the VCS Program where a validation or verification report has been issued under such program (by an entity approved under the program to issue such reports). For such projects, the following applies:

- 1) The project start date shall be on or after 19 November 2007.
- 2) A new *VCS Project Description Template* shall be completed (using a methodology eligible under the VCS Program) and a validation/verification body shall undertake a full validation of same in accordance with the VCS rules. The validation report shall be accompanied by a validation representation.

The validation or verification that is submitted to request registration under the other GHG program shall be completed within the relevant validation deadline set out in Section 3.7. Validation or verification is deemed to have been completed when the validation or verification report that is submitted to the other GHG program to request registration has been issued.

AFOLU projects shall comply with the additional requirements set out in VCS document *AFOLU Requirements*.

The *AFOLU Requirements*, v3.6 is amended to read as follows:

3.5 PARTICIATION UNDER OTHER GHG PROGRAMS

3.5.1 Projects registered under both the VCS Program and ~~an approved~~ another GHG program shall comply with the rules set out in the *VCS Standard*, in addition to the following:

- 1) All and any (VCS) monitoring and verification reports shall state the total amount of credits (GHG credits and, where applicable, buffer credits) issued under the other GHG program.
- 2) The project shall prepare a non-permanence risk report in accordance with VCS document *AFOLU Non-Permanence Risk Tool* and a validation/verification body shall undertake a full validation of same in accordance with the VCS rules. The non-permanence risk analysis shall be based upon the project as a whole, though the buffer withholding shall apply to the net change in carbon stocks for which credits are sought under the VCS Program.
- 3) Where temporary GHG credits (e.g., tCERs or ICERs) have been issued to the project, VCU's may be issued to the project only in accordance with the rules and requirements set out in VCS document *Registration and Issuance Process*.
- 4) Where a loss event or a reversal occurs, the project shall comply with the rules for reporting a loss event and holding/cancelling credits set out in Section 3.7.7 and VCS document *Registration and Issuance Process*. Such reporting, holding and cancelling shall apply to the proportion of credits (GHG credits and buffer credits) granted to date under the VCS Program. For example, if 50 percent of the total credits (GHG credits and, where applicable, buffer credits) related to the project have been issued under the VCS Program and a loss event results in a reversal of GHG emission reductions or removals achieved, buffer credits would be cancelled to cover 50 percent of the reversal. An example calculation is available on the VCS website.

~~3.5.2 Projects may not register under both the VCS Program and a non-approved GHG program.~~

The *Registration and Issuance Process*, v3.8 is amended to read as follows:

4.1.5 Projects registered under another GHG program may also register with the VCS Program (though project proponents shall not claim credit for the same GHG emission reductions or removals under both programs) and the following applies:

...

- 7) Where the project is a ~~non-AFOLU project~~ registered under a GHG program that is not an approved GHG program and is seeking registration with the VCS Program, and where a validation or verification report has been issued for the project under such program by an entity approved by the program, the following applies:

...

- 8) **Where an** AFOLU projects ~~may be~~ is registered under the VCS Program and an ~~approved~~ **another** GHG program, ~~and~~ the following applies:

...

4.2.14 The VCS Program also allows ~~non-AFOLU~~ projects registered under a non-approved GHG program to also register with the VCS Program. In such cases, the documentation required for the project registration process is the same as required for projects registering under the VCS Program only. Where GHG emission reductions or removals from one verification period are split between the VCS Program and a non-approved GHG program, the same requirements set out in Section 4.2.12(3) shall apply.

Effective Date

The program update set out above is effective immediately.
