



# **Sustainable Development Verified Impact Standard**

A VERRA STANDARD

# **Sustainable Development Verified Impact Standard**

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# 1 Introduction

The Sustainable Development Verified Impact Standard (SD VISta) is a global standard managed by Verra for projects that generate verifiable sustainable development benefits. SD VISta projects must demonstrate how they will advance the Sustainable Development Goals (SDGs) and deliver benefits for people, their prosperity and the planet, in accordance with the United Nations' 2015 resolution *Transforming our World: the 2030 Agenda for Sustainable Development* (hereafter referred to as the *2030 Agenda*).

The two principal documents of the SD VISta Program are the *Sustainable Development Verified Impact Standard* and the *SD VISta Program Guide*. The *Sustainable Development Verified Impact Standard* (this document) provides the requirements for project design and benefits to people, prosperity and planet as well as the requirements for validation, monitoring and verification of projects and related claims and assets. It is complemented by the *SD VISta Program Guide*, which sets out rules for all actors involved in implementing the Program. The *Sustainable Development Verified Impact Standard* should not be used without a complete reading of the *SD VISta Program Guide*.

This Section 1 sets out general information about the SD VISta Program. Sections 2-5 are requirements for project design and implementation. Section 6 sets out requirements of the project assessment process. The glossary is in Section 7, and Section 8 is a list of all resources referred to in this document.

## 1.1 VERSION AND UPDATE SCHEDULE

All information about version control under the SD VISta Program is contained in the *SD VISta Program Guide*.

This document will be updated from time to time and readers shall ensure that they are using the most current version of the document. The next review and potential update of this document is scheduled for 2020. Where external documents are referenced, and such documents are updated, the most recent version of the document shall be used.

## 1.2 SCOPE OF THE SD VISTA PROGRAM

The SD VISta Program sets out rules and requirements for the transparent and credible design, implementation and verification of sustainable development projects. It applies to any kind of project that aims to deliver sustainable development benefits. Example project types include, but are not limited to, the following: agriculture, forestry and other land use (AFOLU), ecosystem-based adaptation, energy efficiency, food security, health care, housing, cooking technologies, infrastructure, renewable energy, sustainable livelihoods, transportation, water access and women's empowerment.

The scope of the SD VISta Program does not include creation of credits for GHG emission reductions and removals (ERR), or cover carbon footprint assessments or carbon neutrality claims. These credits and claims may be generated by using another program, such as the Verified Carbon Standard (VCS) for GHG ERRs, concurrently with SD VISta.

1 **1.3 LANGUAGE**

2 **1.3.1** The operating language of the SD VISta Program is English. SD VISta Program documents may  
3 be translated into other languages to facilitate local use. However, the English versions of SD  
4 VISta Program documents, and the interpretation of same, shall take precedence over any other  
5 language translations.

6 **1.3.2** The project description, validation report, monitoring report, verification report and all other  
7 documentation (including any and all appendices) required under the SD VISta Program shall be  
8 written in English. For projects located in countries for which English is not a widely used  
9 language among project stakeholders<sup>1</sup>, the project proponent shall develop at least a summary of  
10 the project description and/or monitoring report in a relevant local or regional language. This shall  
11 be the same summary disseminated to project stakeholders (as described in Section 2.2.2).

12 **1.4 DEFINITIONS**

13 Definitions as set out in the document *SD VISta Program Definitions* shall apply to all SD VISta Program  
14 documentation. Note that defined terms in the SD VISta Program documents, in common with ISO  
15 convention, are used without capital first letters.<sup>2</sup>

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<sup>1</sup> Throughout the SD VISta Program, unless otherwise specified, the term 'stakeholder' means those stakeholders in the geographic vicinity of the project who could potentially be affected by project activities. Other potentially interested stakeholders — e.g. local or international NGOs — are identified as such.

<sup>2</sup> This consultation version of the document has a glossary; however, when the SD VISta Program is released the glossary will be removed to a separate *SD VISta Program Definitions* document.

## 2 Project Design

This section is for the demonstration of the project's objectives and plans for achieving them, including stakeholder engagement and rights.

### 2.1 PROJECT GOALS, CONTEXT AND LONG-TERM VIABILITY

#### *Concept*

The project has clear sustainable development objectives and is designed to meet these objectives. Opportunities and threats are identified and managed to generate and maintain project benefits within and beyond the life of the project. Causal chains, which map the cause-and-effect relationships resulting from the project's activities, are used to describe the project's outputs, outcomes and impacts (positive and negative, intended and unintended) for people, their prosperity and the planet.

#### *Requirements*

##### *Project Overview*

**2.1.1** The project shall have clearly defined sustainable development objective(s). These objectives shall include at least one United Nations Sustainable Development Goal (SDG) Target for which the project will demonstrate positive impact.

**2.1.2** Project sustainable development objectives shall be reassessed every ten years. If the objectives need to be changed, the project shall undergo a new validation.

**2.1.3** One or more causal chains describing the outputs, outcomes and impacts of the project's sustainable development activities shall be submitted at validation and updated as necessary at each verification. If the project will generate an SD VISta asset, the asset creation process shall be included in the causal chain(s). The causal chain shall include (positive and negative, intended and unintended) consequences of project activities.

**2.1.4** Precautions shall be taken where possible to avoid negative outputs, outcomes and impacts identified in the causal chain(s). If it is directly caused by project activities, any negative output, outcome or impact shall be mitigated.

**2.1.5** If the project's causal chain(s) do not indicate any significant negative or positive impacts of project activities on stakeholders, the project is exempted from the requirements of Section 3 Benefits for People and Prosperity. If causal chain(s) do not indicate any significant negative or positive impacts of project activities for natural capital and ecosystem services, the project is exempted from the requirements of Section 4 Benefits for the Planet. The project proponent shall demonstrate that project activities have generated net positive impacts by meeting the requirements of Section 3 or Section 4 or both.

**2.1.6** Project location shall be specified in the project description as follows:

- 1) Project location for non-AFOLU projects shall be specified by a single geodetic coordinate. Where there are multiple project activity instances, the following applies:

- 1 a) Where it is reasonable to do so, a geodetic coordinate shall be provided for each  
2 instance; or
- 3 b) Where there are a large number project activity instances (e.g., for cookstoves or energy  
4 efficient light bulb distribution), at least one geodetic coordinate shall be provided,  
5 together with sufficient additional geographic information (with respect to the location of  
6 the instances) to enable appropriate sampling by the validation/verification body.
- 7 2) Project location for grouped projects shall be specified using geodetic polygons to delineate  
8 the project's geographic area or areas and provided in a KML file.
- 9 3) Project location for AFOLU projects shall be specified using geodetic polygons to delineate  
10 the geographic area of each AFOLU project activity and provided in a KML file.
- 11 **2.1.7** If the project's sustainable development benefits will be experienced outside the project location  
12 (as identified in Section 2.1.6), those areas shall be specified by impact using geodetic polygons  
13 to delineate the geographic area and provided in a KML file.
- 14 **2.1.8** The project start date shall be the date on which activities that lead to the generation of  
15 sustainable development benefits are implemented.
- 16 **2.1.9** The project shall have a defined implementation schedule, indicating key dates and milestones in  
17 the project's development.

## 18 Stakeholder Identification

- 19 **2.1.10** The project shall use locally appropriate methods to identify and assess all stakeholders and  
20 stakeholder groups that could potentially be affected by the project.
- 21 **2.1.11** Stakeholder groups shall be described in the project description. All project stakeholders shall be  
22 part of at least one stakeholder group. Stakeholders who have rights to resources or land that  
23 may be affected by project activities shall be clearly identified.

## 24 Threat Management and Long-term Viability

- 25 **2.1.12** Likely natural and human-induced threats to the expected sustainable development benefits  
26 during the project lifetime shall be identified. Measures needed and taken to mitigate these  
27 threats shall be described. Threats may include shorter and longer term threats (those within the  
28 project lifetime and beyond the project lifetime, respectively), threats related to continued  
29 stakeholder willingness to participate in the project, threats related to the ability to adapt to  
30 climate change and climate variability, etc.
- 31 **2.1.13** Measures shall be identified and taken to maintain and enhance the sustainable development  
32 benefits beyond the project lifetime.
- 33 **2.1.14** The financial mechanisms utilized by the project, including actual and projected revenues from  
34 sustainable development claims, units or other sources, shall provide an adequate flow of funds  
35 for project implementation to achieve the project's sustainable development benefits.

36

## 2.2 STAKEHOLDER ENGAGEMENT

### Concept

Project stakeholders are involved in the project on an ongoing basis through full and effective consultation and participation, including access to information, participation in decision-making and implementation, and free, prior and informed consent. Timely and adequate information is accessible in a language and manner understood by each stakeholder group. Effective and timely consultations are conducted with all relevant stakeholders and participation is ensured, as appropriate, of those who want to be involved.

Effective feedback and grievance redress procedures are established.

Best practices are adopted for worker relations and safety.

### Requirements

#### Access to Information

**2.2.1** Full project documentation, including project description and monitoring reports as they become available, shall be accessible to all stakeholders. Special attention shall be paid to providing access to full project documentation by those stakeholders who are that are vulnerable (lacking ability to anticipate, cope with, resist and recover from stresses or shocks due to physical, social, economic and environmental factors or processes) and/or marginalized (unable to participate fully in economic, social, political and cultural life).

**2.2.2** Summary project documentation (including how to access full documentation) shall be actively disseminated to all stakeholder groups in relevant local or regional languages and widely publicized information meetings shall be held with all stakeholder groups. Such summary documentation shall include the following:

- 1) Prior to validation: at least the information in Section 2.1.
- 2) Prior to verification: information on monitoring results showing the following:
  - 3) That the project has delivered net positive impacts for people or their prosperity (Section 3.2) and/or for the planet (Section 4.2).
  - 4) If the project has not generated net positive impacts in Section 3.2 or Section 4.2, that it has done no harm in the section where it did not achieve net positive impact.
  - 5) The project's contributions to the SDG Target(s) identified in Section 2.1.1.

**2.2.3** Relevant and adequate information about potential costs, risks and benefits to all stakeholders shall be provided to them in a form they understand and in a timely manner prior to any decision they may be asked to make with respect to participation in the project.

Costs, risks and benefits to all stakeholder groups shall be identified using a participatory and transparent process. All assessment of costs, risks and benefits shall include those that are direct and indirect and include those related to social, cultural, environmental and economic aspects and to human rights and rights to lands territories and resources. Costs include those related to responsibilities and also opportunity costs.

1 **2.2.4** The process for SD VISta validation and/or verification by an independent validation/verification  
2 body shall be communicated to stakeholders using culturally appropriate and gender sensitive  
3 methods. Stakeholders shall receive timely information about the validation/verification body's site  
4 visit before the site visit occurs and the project proponent shall facilitate direct and independent  
5 communication between them or their representatives and the validation/verification body.

## 6 Consultation

7 **2.2.5** Effective consultation shall be used to enable project stakeholders, including all stakeholder  
8 groups, to influence project design and implementation. This consultation shall have a particular  
9 emphasis on optimizing benefits for marginalized and/or vulnerable groups, if relevant, and on  
10 respecting local customs, values and institutions.

11 **2.2.6** Project proponents shall document consultations and indicate if and how the project design and  
12 implementation has been revised based on such input. Special attention paid to marginalized  
13 and/or vulnerable groups shall be mutually acknowledged and agreed upon by both project  
14 proponents and marginalized and/or vulnerable.

15 **2.2.7** A plan shall be developed and implemented to continue communication and consultation between  
16 the project proponents and all stakeholder groups about the project and its impacts to facilitate  
17 adaptive management throughout the life of the project. Different stakeholder groups may require  
18 different communication and consultation methods.

19 **2.2.8** All consultations and participatory processes shall be undertaken with stakeholders directly or  
20 through their legitimate representatives, ensuring adequate levels of information sharing with the  
21 members of the groups.

## 22 Participation in Decision-making and Implementation

23 **2.2.9** Measures shall be taken to enable effective participation, as appropriate, of all  
24 stakeholder groups that want and need to be involved in project design, implementation,  
25 monitoring and evaluation throughout the project lifetime. These measures shall be implemented  
26 in a culturally appropriate and gender sensitive manner.

## 27 Anti-Discrimination

28 **2.2.10** Appropriate measures shall be taken to ensure that the project proponent and all other entities  
29 involved in project design and implementation are not involved or complicit in any form of  
30 discrimination or sexual harassment with respect to the project.

## 31 Grievance Redress Procedure

32 **2.2.11** A clear feedback and grievance redress procedure shall be established to address disputes with  
33 stakeholders that may arise during project planning, implementation and evaluation with respect  
34 but not limited to, free, prior and informed consent, rights to lands, territories and resources,  
35 benefit sharing, participation, discrimination and sexual harassment.

36 The feedback and grievance redress procedure shall include a process for receiving, hearing,  
37 responding to and attempting to resolve grievances within a reasonable time period. The  
38 feedback and grievance redress procedure shall take into account traditional methods  
39 that stakeholders use to resolve conflicts.

1 The feedback and grievance redress procedure shall have three stages with reasonable time  
2 limits for each of the following stages:

- 3 1) The project proponent shall attempt to amicably resolve all grievances and provide a written  
4 response to the grievances in a manner that is culturally appropriate.
- 5 2) Any grievances that are not resolved by amicable negotiations shall be referred to mediation  
6 by a neutral third party.
- 7 3) Any grievances that are not resolved through mediation shall be referred either to a)  
8 arbitration, to the extent allowed by the laws of the relevant jurisdiction or b) competent courts  
9 in the relevant jurisdiction, without prejudice to a party's ability to submit the grievance to a  
10 competent supranational adjudicatory body, if any.

11 **2.2.12** The feedback and grievance redress procedure shall be publicized and accessible to all project  
12 stakeholders, including any interested stakeholder. Grievances and project responses, including  
13 any redress, shall be documented and made publicly available.

## 14 Worker Relations

15 **2.2.13** Measures shall be taken to provide orientation and training for the project's workers and  
16 individual stakeholders involved in carrying out project activities with an objective of building  
17 locally useful skills and knowledge to increase local participation in project implementation. These  
18 capacity building efforts should target a wide range of people from among the stakeholders.  
19 Training shall be passed on to new workers when there is staff turnover, so that local capacity will  
20 not be lost. Special attention shall be given to marginalized and/or vulnerable people.

21 **2.2.14** All stakeholders shall be given an equal opportunity to fill all work positions (including  
22 management) if the job requirements are met. Members of local communities shall be given a fair  
23 chance to fill positions for which they can be trained.

24 **2.2.15** The project proponent shall submit a list in the project description of all relevant laws and  
25 regulations covering workers' rights in the host country, and the project shall meet or exceed  
26 these. The project proponent shall demonstrate conformity with and uphold the principles and  
27 rights of work addressed in the Core Labour Conventions of the International Labour Organization  
28 (ILO)<sup>3</sup>; this may be done at least in part by demonstrating the degree to which ILO requirements  
29 are addressed in national and regional regulations. Measures shall be taken to inform workers  
30 about their rights.

31 **2.2.16** The project proponent shall comprehensively assess situations and occupations that might arise  
32 through the implementation of the project and pose a substantial risk to worker or other  
33 stakeholder safety. Measures shall be taken to inform workers and individual stakeholders

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<sup>3</sup> The ILO Core Labour conventions are the Forced Labour Convention, 1930 (No. 29), Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), Right to Organise and Collective Bargaining Convention, 1949 (No. 98), Equal Remuneration Convention, 1951 (No. 100), Abolition of Forced Labour Convention, 1957 (No. 105), Discrimination (Employment and Occupation) Convention, 1958 (No. 111), Minimum Age Convention, 1973 (No. 138) and the Worst Forms of Child Labour Convention, 1999 (No. 182).

1 involved in carrying out project activities of risks and to explain how to minimize such risks.  
2 Where worker or stakeholder safety cannot be guaranteed, project proponents shall show how  
3 the risks are minimized using best work practices in line with stakeholders' culture and customary  
4 practices.

## 5 2.3 MANAGEMENT CAPACITY

### 6 *Concept*

7 The project can ensure sustainable resources for effective benefit delivery.

### 8 *Requirements*

9 **2.3.1** The project shall maintain governance structures and roles and responsibilities of all the entities  
10 involved in project design and implementation. For grouped projects, identify any new entities  
11 involved in the project since the last SD VISTa validation or verification.

12 **2.3.2** The project shall have on its staff key technical skills required to implement the project  
13 successfully, including stakeholder engagement, natural capital and ecosystem services  
14 assessment and management and, if appropriate, measurement and monitoring skills for the  
15 project-specific claim(s) and asset(s).

16 **2.3.3** Document the management team's expertise and prior experience implementing this type and  
17 scale of project. If relevant experience is lacking, the proponents shall either demonstrate how  
18 other organizations are partnered with to support the project or they have a recruitment strategy  
19 to fill the gaps.

20 **2.3.4** Measures shall be enforced to ensure that the project proponent and any of the other entities  
21 involved in project design and implementation are not be involved or complicit in any form of  
22 corruption such as bribery, embezzlement, fraud, favoritism, cronyism, nepotism, extortion, and  
23 collusion.

## 24 2.4 LEGAL STATUS AND RIGHTS

### 25 *Concept*

26 The project is based on an internationally accepted legal framework, complies with relevant statutory and  
27 customary requirements and has necessary approvals from the appropriate national, sub-national (e.g.  
28 state), local and indigenous authorities.

29 The project recognizes, respects and supports rights to lands, territories and resources, including the  
30 statutory and customary rights of Indigenous Peoples and others within its stakeholders. The free, prior  
31 and informed consent (as described in Section 2.4.5) of relevant property rights holders has been  
32 obtained at every stage of the project.

33 Project activities do not lead to involuntary removal or relocation of property rights holders from their  
34 lands or territories and do not force them to relocate activities important to their culture or livelihood. Any  
35 proposed removal or relocation occurs only after obtaining free, prior and informed consent from the  
36 relevant property rights holders.

## 1 **Requirements**

### 2 **Respect for Rights to Lands, Territories and Resources and Free, Prior and Informed** 3 **Consent**

4 **2.4.1** Statutory and customary tenure/use/access/management rights to lands, territories and  
5 resources affected by project activities, including individual and collective rights and including  
6 overlapping or conflicting rights, shall be described and mapped in the project description.

7 **2.4.2** Traditional communities should be supported in securing traditional statutory rights.

8 **2.4.3** All property rights shall be recognized, respected and supported.

9 **2.4.4** The project shall not encroach uninvited on private property, community property, or government  
10 property.

11 **2.4.5** The free, prior and informed consent shall be obtained of those whose property rights are  
12 affected by the project through a transparent, agreed process.

13 Free, Prior and Informed Consent is defined as:

- 14 1) Free means no coercion, intimidation, manipulation, threat and bribery;
- 15 2) Prior means sufficiently in advance of any authorization or commencement of activities and  
16 respecting the time requirements of their decision-making processes;
- 17 3) Informed means that information is provided that covers (at least) the following aspects:
  - 18 a) The nature, size, pace, reversibility and scope of any proposed project or activity;
  - 19 b) The reason/s or purpose of the project and/or activity;
  - 20 c) The duration of the above;
  - 21 d) The locality of areas that will be affected;
  - 22 e) A preliminary assessment of the likely economic, social, cultural and environmental  
23 impact, including potential risks and fair and equitable benefit sharing in a context that  
24 respects the precautionary principle;
  - 25 f) Personnel likely to be involved in the execution of the proposed project (including  
26 Indigenous Peoples, private sector staff, research institutions, government employees  
27 and others); and
  - 28 g) Procedures that the project may entail.
- 29 4) Consent means that there is the option of withholding consent and that the parties have  
30 reasonably understood that option.

31 Collective rights holders shall be able to participate through their own freely chosen  
32 representatives or institutions following a transparent process for obtaining their free, prior  
33 and informed consent that they have defined.

34 **2.4.6** Appropriate restitution or compensation shall be allocated to any parties whose lands have been  
35 or will be affected by the project.

36 **2.4.7** Project activities shall not lead to involuntary removal or relocation of property rights holders from  
37 their lands or territories and shall not force property rights holders to relocate activities important  
38 to their culture or livelihood. If any relocation of habitation or activities important to their culture or  
39 livelihood is undertaken within the terms of an agreement, the project proponents shall

1 demonstrate that the agreement was made with the free, prior and informed consent of those  
2 concerned and includes provisions for just and fair compensation.

3 **2.4.8** Any illegal activities taking place (e.g. illegal logging) that could affect the project's sustainable  
4 development impacts shall be monitored and, if necessary, measures shall be taken to mitigate or  
5 reduce these activities so that project benefits are not derived from illegal activities.

6 **2.4.9** Any ongoing or unresolved conflicts or disputes over rights to lands, territories and resources and  
7 also any disputes that were resolved during the last ten years, or last twenty years where such  
8 records exist, shall be specified in the project description. If applicable, measures shall be taken  
9 to resolve conflicts or disputes. No activity shall be undertaken by the project that could prejudice  
10 the outcome of an unresolved dispute over lands, territories and resources affected by project  
11 activities.

## 12 Legal Status

13 **2.4.10** The project proponent shall submit in the project description a list of all national, sub-national and  
14 local laws and regulations in the host country that are relevant to the project activities. Evidence  
15 shall be provided of the project's compliance with these.

16 **2.4.11** The project description shall be accompanied by one or more type of evidence establishing that  
17 the project has approval from the appropriate authorities, including the established formal and/or  
18 traditional authorities customarily required by stakeholders.

19 **2.4.12** The project description shall be accompanied by one or more of the following types of evidence  
20 establishing project ownership (the unconditional, undisputed and unencumbered ability to claim  
21 that the project will or did generate or cause the project's sustainable development benefits)  
22 accorded to the project proponent(s):

- 23 1) Project ownership arising or granted under statute, regulation or decree by a competent  
24 authority.
- 25 2) Project ownership arising under law.
- 26 3) Project ownership arising by virtue of a statutory, property or contractual right in the plant,  
27 equipment or process that generates sustainable development benefits (where the project  
28 proponent has not been divested of such project ownership).
- 29 4) Project ownership arising by virtue of a statutory, property or contractual right in the land,  
30 vegetation or conservational or management process that generates sustainable  
31 development benefits (where the project proponent has not been divested of such project  
32 ownership).
- 33 5) An enforceable and irrevocable agreement with the holder of the statutory, property or  
34 contractual right in the plant, equipment or process that generates sustainable development  
35 benefits which vests project ownership in the project proponent.
- 36 6) An enforceable and irrevocable agreement with the holder of the statutory, property or  
37 contractual right in the land, vegetation or conservational or management process that  
38 generates sustainable development benefits which vests project ownership in the project  
39 proponent.

- 1           7) Project ownership arising from the implementation or enforcement of laws, statutes or  
2           regulatory frameworks that require activities be undertaken or incentivize activities that  
3           generate sustainable development benefits.

## 4   2.5   GROUPED PROJECTS

### 5   *Concept*

6   Section 2.5 only applies to grouped projects. Grouped projects are projects structured to facilitate the  
7   expansion of a project activity subsequent to project validation. Validation is based upon the initial project  
8   activity instances identified in the project description.

### 9   *Requirements*

10 **2.5.1** Grouped projects shall include one or more sets of eligibility criteria for the inclusion of new  
11 project activity instances. At least one set of eligibility criteria for the inclusion of new project  
12 activity instances shall be provided for each combination of project activity and geographic area  
13 specified in the project description. and process for project expansion under the grouped project.

14 A set of eligibility criteria shall ensure that new project activity instances:

- 15           1) Adopt and implement the project activities in the same manner as specified in the project  
16           description.
- 17           2) If appropriate, meet the applicability conditions of the SD VISta asset methodology applied to  
18           the project.
- 19           3) Are subject to the same scenarios at project start with respect to stakeholders as determined  
20           for initial project instance(s), if (per Section 2.1.5 above) the project must meet the  
21           requirements of Section 3.
- 22           4) Are subject to the same scenarios at project start with respect to natural capital and  
23           ecosystem services as determined for initial project instance(s) if (per Section 2.1.5 above)  
24           the project must meet the requirements of Section 4.
- 25           5) Are subject to the same processes for stakeholder engagement described in Section 2.2.
- 26           6) Are subject to the same processes for respect for rights to lands, territories and resources –  
27           including free, prior and informed consent – described in Section 2.4.5.
- 28           7) Have similar monitoring elements.

29 **2.5.2** Establish scalability limits, if applicable, and describe measures needed and taken to address any  
30 threats to sustainable development benefits if the project expands beyond those limits. Grouped  
31 projects provide for the inclusion of new project activity instances subsequent to the initial  
32 validation of the project. New project activity instances shall:

- 33           1) Occur within one of the designated geographic areas specified in the project description.
- 34           2) Comply with at least one complete set of eligibility criteria for the inclusion of new project  
35           activity instances. Partial compliance with multiple sets of eligibility criteria is insufficient.

- 3) Be included in the monitoring report with sufficient technical, financial, geographic and other relevant information to demonstrate compliance with the applicable set of eligibility criteria and enable sampling by the validation/verification body.
- 4) Be validated at the time of verification against the applicable set of eligibility criteria.
- 5) Have evidence of project ownership, in respect of each project activity instance, held by the project proponent from the respective start date of each project activity instance (i.e., the date upon which the project activity instance implemented activities that lead to the generation of sustainable development benefits).
- 6) Have a start date that is the same as or later than the grouped project start date.

**2.5.3** A grouped project shall be described in a single project description, which shall contain the following (in addition to the content required for non-grouped projects):

- 1) One or more determinations of the without-project for the project activity in accordance with the requirements of the methodology applied to the project.
- 2) If appropriate, one or more demonstrations of additionality for the project activity in accordance with the requirements of the methodology applied to the project.
- 3) One or more sets of eligibility criteria for the inclusion of new project activity instances at subsequent verification events.
- 4) A description of the central monitoring and management system.

Note: Where the project includes more than one project activity, the above requirements shall be addressed separately for each project activity, except for the delineation of geographic areas and the description of the central monitoring and management system, which shall be addressed for the project as a whole.

## 2.6 PROJECT DESCRIPTION DEVIATIONS

### **Concept**

Deviations from the project description are permitted at verification. The procedures for documenting the deviation depend on whether the deviation the appropriateness of the without-project scenario or the applicability of the methodology.

### **Requirements**

**2.6.1** Procedures for a project description deviation are as follows:

- 1) Where the deviation impacts the appropriateness of the without-project scenario or the applicability of the methodology, the deviation shall be described and justified in a revised version of the project description. This shall include a description of when the changes occurred, the reasons for the changes and how the changes impact the appropriateness of the without-project scenario or the applicability of the methodology.
- 2) Where the deviation does not impact the appropriateness of the without-project scenario or the applicability of the methodology, and the project remains in compliance with the applied

1 methodology, the deviation shall be described and justified in the monitoring report. This shall  
2 include a description of when the changes occurred and the reasons for the changes. The  
3 deviation shall also be described in all subsequent monitoring reports. Examples of such  
4 deviations include changes in the procedures for measurement and monitoring, or project  
5 design changes that do not have an impact on the appropriateness of the without-project  
6 scenario or the applicability of the methodology.

7 Note that project proponents may apply project description deviations for the purpose of switching  
8 to the latest version of the methodology, or switching to a different methodology. For example, a  
9 project proponent may want to switch to the latest version of a methodology where such version  
10 includes additional types of carbon pools or project activities.

11 **2.6.2** The deviation shall be assessed by a validation/verification body and the process, findings and  
12 conclusions shall be reported in the verification report. The assessment shall determine whether  
13 the deviation is appropriately described and justified, and whether the project remains in  
14 compliance with the SD VISTa rules. The deviation shall also be reported on in all subsequent  
15 verification reports. Project description deviations are not considered to be precedent setting.

16 **2.6.3** The validation/verification body assessing the project description deviation shall be accredited for  
17 the validation, recognizing that assessment of project description deviations is a validation  
18 activity, as further set out in Section 6.4.

## 3 Benefits for People and Prosperity

This section is for the demonstration of a project's impacts on all stakeholders. If no outcomes or impacts primarily related to stakeholders have been identified in the project's causal chain(s) or by stakeholders (through ongoing communication and consultation, per Section 2.2.6), Section 3 does not apply.

Note: If the project has no significant negative or positive impacts on stakeholders, the project shall demonstrate that it has generated net positive impacts for natural capital and/or ecosystem services using Section 4 Benefits for the Planet.

For this section, project proponents must choose to demonstrate net benefits by using either the scenario method (a comparison of a without-project scenario with a with-project scenario where separate without- and with-project scenarios are defined and estimated) or the deemed estimates method (A method of quantifying the change resulting from an activity or set of activities where the change is estimated directly without separately defining and estimating without- and with-project scenarios). See the Guidance for this section for more information about these methods.

### 3.1 STAKEHOLDERS AT PROJECT START

#### **Concept**

Original conditions of stakeholder well-being and, optionally, expected changes under the without-project scenario are described.

#### **Requirements**

**3.1.1** The following shall be in the project description for each of the stakeholder groups identified in Section 2.1.11, including stakeholder well-being information and any community characteristics:

- 1) Condition at the start of the project.
- 2) Significant changes in the past.
- 3) Social, economic and cultural diversity within and between the stakeholder groups and the interactions between stakeholder groups.

**3.1.2** If a project is using the scenario method to quantifying the impact of project activities, the expected changes in stakeholder well-being under the without-project scenario shall be set out in the project description. The without-project scenario shall include impacts for all SDG Targets identified in Section 2.1.1 associated with people or their prosperity and any stakeholder well-being impacts that will be used as SD VISa claims or SD VISa assets (as identified in Section 5.1 or 5.2).

### 3.2 IMPACT ON STAKEHOLDERS

#### **Concept**

The project generates net positive impacts on any stakeholder group.

## Requirements

- 3.2.1** The project proponent shall use appropriate methodologies to assess the impacts, including expected and actual, direct and indirect benefits, costs and threats, on each of the stakeholder groups identified in Section 2.1.11 resulting from project activities under the with-project scenario. The assessment of the type and magnitude of impacts shall:
- 1) Include changes in stakeholder well-being due to project activities and an evaluation of impacts by the affected groups.
  - 2) Include changes that are based on activities that comply with statutory laws or conform with customary rights.
  - 3) Include any SDG Target(s) associated with people and their prosperity identified in Section 2.1.1 and any stakeholder well-being impacts that will be used as SD VISTa claims or assets.
  - 4) Be based on clearly defined and defensible assumptions.

**3.2.2** Measures shall be taken to mitigate any negative impacts on stakeholder groups consistent with the precautionary principle.

**3.2.3** Net stakeholder well-being impacts of the project shall be positive for all stakeholder groups. An exception may be made if a stakeholder group is not significantly affected by, or participating in, the project, in which case, net well-being impacts must not be negative for that group.

Note: If using the scenario method, net benefit should be demonstrated by comparing the projected or present situation with stakeholders' anticipated well-being conditions under the without-project development scenario. If using the deemed estimates method, estimate the impact by multiplying the number of activities implemented by the project by deemed estimate values that represent the change per activity taken (such values will be different for different activities).

## 3.3 MONITORING OF IMPACT ON STAKEHOLDERS

### Concept

Stakeholder impact monitoring assesses changes in stakeholder well-being resulting from project activities for all stakeholder groups.

### Requirements

**3.3.1** The project proponent shall develop and implement a monitoring plan that identifies the stakeholder groups to be monitored, the types of measurements, the sampling methods and the frequency of monitoring and reporting. Monitoring variables shall be directly linked to the project's objectives for stakeholder groups and to expected outputs, outcomes and impacts (negative and positive) identified in the project's causal chain related to the well-being of stakeholders (described in Section 2.1.3). Monitoring shall assess differentiated impacts, including any benefits, costs and risks, for each of the stakeholder groups and shall include an evaluation by the affected stakeholders.

1           The monitoring plan shall be designed to collect data sufficient to demonstrate the impact of  
2           project activities on any SDG Target(s) associated with people and their prosperity identified in  
3           Section 2.1.1 and any impacts on stakeholder well-being that will be used as SD VISTa claims or  
4           assets.

5           Where possible, the data monitored by the project should be aligned with that monitored by the  
6           national government with respect to the SDGs.

7   **3.3.2**   The monitoring plan and any results of monitoring undertaken in accordance with the monitoring  
8           plan shall be made publicly available on the internet and summaries disseminated to  
9           stakeholders through appropriate means.

## 4 Benefits for the Planet

This section is for the demonstration of a project's impacts on natural capital and ecosystem services. If no outcomes or impacts primarily related to natural capital or ecosystem services have been identified in the project's causal chain(s) or by stakeholders (through ongoing communication and consultation, per Section 2.2.6), Section 4 does not apply.

Note: If the project has no significant negative or positive impacts on natural capital or ecosystem services, the project shall demonstrate that it has generated net positive impacts for stakeholders by using Section 3 Benefits for People and Prosperity.

For this section, project proponents must choose to demonstrate net benefits by using either the scenario method or the deemed estimates method (see the guidance for Section 4 Benefits for People and Prosperity for more information about these methods).

### 4.1 NATURAL CAPITAL AND ECOSYSTEM SERVICES AT PROJECT START

#### **Concept**

Original natural capital and ecosystem services that will be affected by the project and, optionally, expected changes under the without-project scenario are described.

#### **Requirements**

**4.1.1** Natural capital and ecosystem services at the start of the project in areas potentially affected by the project and possible threats to these natural capital and ecosystem services shall be described in the project description using appropriate methodologies.

**4.1.2** If a project is using the scenario method for quantifying the impact of project activities, natural capital and ecosystem services conditions potentially affected by the project would be affected in the without-project scenario shall be set out in the project description. The without-project scenario for all SDG Targets identified in Section 2.1.1 associated with the planet and any natural capital and ecosystem services impacts that will be used as SD VISta claims or assets (as identified in Section 5.1 or 5.2) shall be included.

### 4.2 IMPACT ON NATURAL CAPITAL AND ECOSYSTEM SERVICES

#### **Concept**

The project generates net positive impacts for natural capital and ecosystem services.

#### **Requirements**

**4.2.1** The project proponent shall use appropriate methodologies to estimate changes in natural capital and ecosystem services, including assessment of expected and actual, positive and negative, direct and indirect impacts, resulting from project activities under the with-project scenario. The estimate shall:

- 1) Be based on clearly defined and defensible assumptions.
- 2) Include any SDG Target(s) associated with the planet identified in Section 2.1.1 and any natural capital and ecosystem services impacts that will be used as SD VISta claims or assets.

**4.2.2** The project's net impacts on natural capital and ecosystem services directly affected by project activities shall be positive.

Note: If using the scenario method, net benefit should be demonstrated by comparing the projected or present situation with stakeholders' anticipated well-being conditions under the without-project development scenario. If using the deemed estimates method, estimate the impact by multiplying the number of activities implemented by the project by deemed estimate values that represent the change per activity taken (such values will be different for different activities).

**4.2.3** Measures shall be taken to mitigate negative impacts on natural capital and ecosystem services consistent with the precautionary principle.

**4.2.4** Any unmitigated negative impacts on natural capital and ecosystem services indirectly affected by the project shall be evaluated and compared with its direct benefits for the same. The net effect of the project on natural capital and ecosystem services shall be positive.

**4.2.5** Any use of alien species shall be justified. Negative impacts, including disease introduction or facilitation, on native species shall be avoided.

**4.2.6** Any use of fertilizers, chemical pesticides, biological control agents and other inputs used for the project shall be justified. Negative impacts of these inputs must be mitigated.

**4.2.7** The project shall have a process for identifying, classifying and managing all waste products and pollution resulting from project activities.

### 4.3 MONITORING OF IMPACT ON NATURAL CAPITAL AND ECOSYSTEM SERVICES

#### **Concept**

Natural capital and ecosystem services impact monitoring assesses the changes in natural capital and ecosystem services resulting from project activities directly and indirectly affected by project activities.

#### **Requirements**

**4.3.1** The project proponent shall develop and implement a monitoring plan that identifies natural capital and ecosystem services variables to be monitored, the areas to be monitored, the sampling methods and the frequency of monitoring and reporting. Monitoring variables shall be directly linked to the project's natural capital and ecosystem services objectives and to expected activities, outcomes and impacts (negative and positive) identified in the project's causal chain related to natural capital and ecosystem services (described in Section 2.1.3).

The monitoring plan shall be designed to collect data sufficient to demonstrate the impact of project activities on any SDG Target(s) associated with the planet identified in Section 2.1.1 and

- 1 any natural capital and ecosystem services impacts that will be used as SD VISa claims or  
2 assets.
- 3 Where possible, the data monitored by the project should be aligned with that monitored by the  
4 national government with respect to the SDGs.
- 5 **4.3.2** The monitoring plan and any results of monitoring undertaken in accordance with the monitoring  
6 plan shall be made publicly available on the internet and summaries disseminated to  
7 stakeholders through appropriate means.

# 5 Claims and Assets

Projects that earn validation and verification to SD VISTA may also make claims on individual elements of sustainable development and generate, register and transact related social and environmental assets. SD VISTA claims and assets should not be used in a way that causes double-claiming or double-counting.

## 5.1 OPTIONAL: SD VISTA CLAIMS

### Concept

An SD VISTA claim is a user-defined statement about a specific sustainable development benefit directly resulting from project design and implementation validated and verified by an SD VISTA-accredited auditor. Such claims are noted along with the project's SD VISTA validated or verified status in the validation/verification body's report and statement.

The claim(s) and its/their justification are identified by project proponents in the project description. SD VISTA claim(s) shall be verified at each verification audit.

### Requirements

**5.1.1** The project proponent shall identify in the project description any distinct benefits to people and their prosperity (associated with Section 3) or the planet (associated with Section 4) intended for use as claims, including those related to SDG Target(s). The benefit described in the claim shall be clearly attributed to the project through its monitored outputs, outcomes and impacts, referring to actions taken and data collected to meet the requirements of Sections 3 and 4 of this document as appropriate.

**5.1.2** To make a general claim of net positive greenhouse gas mitigation impact, the project should use). No credit for GHG emission reductions and removals (ERR), carbon footprint assessment or carbon neutrality can be claimed as the result of using the SD VISTA Climate Module (see Appendix 1. SD VISTA Climate Module).

## 5.2 OPTIONAL: SD VISTA ASSETS

### Concept

A project may choose to create an SD VISTA asset: a user-defined environmental or social unit that is recorded on and has the potential to be transacted through the Verra registry system. SD VISTA assets may be sold and/or retired. The asset and justification for its creation are identified by project proponents in the project description. To aid in readability, in this Section 5.2 the term *methodology* refers to SD VISTA asset methodologies.

Note: Details on the SD VISTA asset methodology requirements can be found in Appendix 2. SD VISTA Asset Methodology Requirements and in *SD VISTA Program Guide*. Approved methodologies are available on the Verra website.

## Requirements

- 1 **5.2.1** The project proponent shall identify any distinct benefits to people and their prosperity  
2 (associated with Section 3) or the planet (associated with Section 4) intended for use as SD VISTa  
3 assets.  
4
- 5 **5.2.2** All assets associated with SD VISTa shall be generated using a methodology approved by Verra.  
6 Methodologies shall be applied in full, including the full application of any tools or modules  
7 referred to by a methodology. The list of methodologies and their validity periods is available on  
8 the Verra website.
- 9 **5.2.3** Project activities shall meet each of the methodology's applicability conditions.
- 10 **5.2.4** Where SD VISTa assets are created for offset purposes, projects shall apply a methodology that  
11 includes a procedure for the determination of additionality in order to ensure the asset creation is  
12 beyond business-as-usual.
- 13 **5.2.5** SD VISTa assets shall be verified at one or more audits.

## Methodology Revisions and Deviations

- 14 **5.2.6** Deviations from the applied methodology are permitted where they represent a deviation from the  
15 criteria and procedures relating to monitoring or measurement set out in the methodology (i.e.,  
16 deviations are permitted where they relate to data and parameters available at validation, data  
17 and parameters monitored, or the monitoring plan). Methodology deviations shall not negatively  
18 impact the conservativeness of the quantification of the quantification of the benefit. Deviations  
19 relating to any other part of the methodology shall not be permitted.  
20
- 21 **5.2.7** Methodology deviations shall be permitted at validation or verification and their consequences  
22 shall be reported in the validation or verification report, as applicable, and all subsequent  
23 verification reports. Methodology deviations are not considered to be precedent setting.
- 24 **5.2.8** Where the project does not fully comply with its chosen methodology, the validation/verification  
25 body shall determine whether this represents a methodology deviation or a methodology revision  
26 (in accordance with the specifications for each), and the case shall be handled accordingly.
- 27 **5.2.9** Methodology revisions are appropriate where a project activity is broadly similar to the project  
28 activities eligible under an existing methodology and such project activity can be included through  
29 reasonable changes to that methodology. Methodology revisions are also appropriate where an  
30 existing methodology can be materially improved. Materially improving a methodology involves  
31 comparing the existing and proposed methodologies so as to show that the changes will deliver  
32 material improvements that will result in greater accuracy of measurement of sustainable  
33 development impacts, improved conservatism and/or reduced transaction costs.
- 34 **5.2.10** Methodology revisions shall be prepared using the *SD VISTa Methodology Template* and shall be  
35 managed via the methodology approval process (as set out in the *SD VISTa Program Guide*).  
36 They may be prepared and submitted to the methodology approval process by the developer of  
37 the original methodology or any other entity.
- 38 **5.2.11** Where the project applies a revision to an approved asset methodology and the version of the  
39 (underlying) methodology referenced by the methodology revision is no longer current, the

1 validation/verification body shall determine whether material changes have occurred to the  
2 underlying methodology that affect the integrity of the methodology revision. Where such material  
3 changes have occurred, the project shall not be approved.

#### 4 **Crediting Period Renewal**

5 **5.2.12** Where projects with crediting periods fail to renew the project crediting period, the project  
6 crediting period shall end and the project shall be ineligible for further crediting.

7 **5.2.13** The following shall apply with respect to the renewal of the project crediting period:

8 1) The validity of the original without-project scenario shall be demonstrated, or where invalid a  
9 new without-project scenario shall be determined, when renewing the project crediting period,  
10 as follows:

11 a) The validity of the original without-project scenario shall be assessed. Such assessment  
12 shall include an evaluation of the impact of new relevant national and/or sectoral policies  
13 and circumstances on the validity of the without-project scenario.

14 b) Where it is determined that the original without-project scenario is still valid, the  
15 sustainable development impacts associated with the original without-project scenario  
16 shall be reassessed.

17 c) Where it is determined that the original without-project scenario is no longer valid, the  
18 current without-project scenario shall be established in accordance with the SD VISta  
19 rules.

20 d) The project description, containing updated information with respect to the without-  
21 project, the estimated SD VISta assets and the monitoring plan, shall be submitted for  
22 validation. Such updates shall be based upon the latest approved version of the  
23 methodology or its replacement. Where the project does not meet the requirements of the  
24 latest approved version of the methodology or its replacement, the project proponent  
25 shall select another applicable approved methodology (which may be a new methodology  
26 or methodology revision it has had approved via the methodology approval process), or  
27 shall apply a methodology deviation (where a methodology deviation is appropriate).  
28 Failing this, the project shall not be eligible for renewal of its project crediting period.

29 2) The updated project description shall be validated in accordance with the SD VISta rules. In  
30 addition, the project shall be validated against the (current) scope of the SD VISta. Such  
31 validation report shall be issued after the end of the (previous) project crediting period but  
32 within two years after the end of the (previous) project crediting period.

33 Projects switching to a new SD VISta methodology and completing such validation within one  
34 year of the approval of the methodology by Verra may complete such validation within three  
35 years of the end of the (previous) project crediting period.

36

## 5.3 CLAIMS AND ASSETS FROM OTHER PROGRAMS

### *Concept*

The project identifies any claims or assets (sometimes referred to as credits or units) it has generated under programs other than SD VISTa. The Verra registry administrator confirms at the point of issuance request that SD VISTa assets are not double-counted.

### *Requirements*

**5.3.1** Projects may be registered under both the SD VISTa Program and another program for issuing sustainable development-related credits, be they the same or different than the SD VISTa asset(s) issued by the project. The rules and requirements set out in the sections below apply. Project proponents shall not claim credit for the same sustainable development benefit(s) under the SD VISTa Program and another program. Projects issuing SD VISTa assets using the same methodology under both the SD VISTa Program and another program shall also comply with the rules and requirements set out in Section 5.3.2 below.

**5.3.2** Projects may generate other forms of sustainable development-related credits, such as renewable energy certificates (RECs), Verified Carbon Units (VCUs), or W+ units, though the specific sustainable development benefits presented for SD VISTa asset issuance shall not also be recognized as a similar form of sustainable development-related credit.

Project proponents interested in issuing (sequentially) both SD VISTa assets and another sustainable development-related credit should consider which periods of time they wish to issue one credit or the other. Project proponents should also investigate whether such other sustainable development-related credits can be cancelled from the relevant program, in case such credits have already been issued for periods where the project proponent wishes to issue VCUs. Note that additional requirements regarding evidence that no double issuance has occurred are set out in Section 5.3.6 below.

**5.3.3** Where projects have sought or received another form of sustainable development-related credit, the following information shall be provided to the validation/verification body:

- 1) Name and contact information of the relevant crediting program.
- 2) Details of the project as registered under the crediting program (e.g., project title and identification number as listed under the program).
- 3) Monitoring periods for which sustainable development-related credits were sought or received under the crediting program.
- 4) Details of all sustainable development-related credits sought or received under the environmental credit program (e.g., volumes and serial numbers).

**5.3.4** Where projects are eligible to participate under one or more programs to create another form of sustainable development-related credit, but are not currently doing so, a list of such programs shall be provided to the validation/verification body.

**5.3.5** Projects rejected by other project level certification programs due to procedural or eligibility requirements can be considered under the SD VISTa Program. The project description (where the

1 other program has rejected the project before SD VISta validation) or monitoring report (where  
2 the other program has rejected the project after SD VISta validation) shall clearly state programs  
3 to which the project has applied for registration and the reason(s) for rejection. Such information  
4 shall not be deemed as Indicate whether the project has been rejected by, attempted certification  
5 (including validation and/or verification) unsuccessfully or withdrawn from any other programs.  
6 Where any of these situations has occurred, provide the relevant information, including the  
7 reason(s) for the rejection and justification of eligibility under the SD VISta Program.

8 **5.3.6** Where claims and assets generated by the project under other programs cover the same or  
9 similar benefits as SD VISta claims and SD VISta assets, the relationship between such benefits  
10 shall be explained.

11 For example, where a wind power project makes an SD VISta claim about its contribution to SDG  
12 Target 7.2 (increase substantially the share of renewable energy in the global energy mix) and  
13 generates VCUs under the Verified Carbon Standard, it shall explain how the SD VISta claim and  
14 the VCUs are related.

15 **5.3.7** Specify how double counting of assets created under other programs with SD VISta assets is  
16 avoided, particularly for offsets or for assets that may be used in a compliance mechanism.

17 For example, because a renewable energy certificate (REC) from the US or Canada represents  
18 property rights to the environmental, social and other non-power attributes of renewable electricity  
19 generation, where projects have created renewable energy certificates (RECs), evidence shall be  
20 provided to the Verra registry administrator demonstrating that the MWh (and its associated  
21 environmental, social and other non-power attributes) presented for SD VISta asset issuance has  
22 not also been recognized as a REC, or that any such RECs have not been used and have been  
23 cancelled under the relevant program.

24 **5.3.8** All assets for which an SD VISta label exists shall be designated by that label. For example,  
25 where a project generates VCUs under the Verified Carbon Standard for a period of time  
26 completely encompassed within a period for which that project has been verified to SD VISta,  
27 those VCUs must be designated by the SD VISta label. For more information on labeling, see the  
28 *SD VISta Program Guide*. A list of programs that support SD VISta labeling is available on the  
29 Verra website.

# 6 SD VISta Project Assessment

The SD VISta certification process involves two steps: validation and verification. Validation is the independent assessment of the project by a validation/verification body that determines whether the project complies with the SD VISta rules. Verification is the periodic ex-post independent assessment by a validation/verification body, conducted in accordance with the SD VISta rules, of the sustainable development outcomes and impacts that have occurred as a result of the project during the monitoring period. Validation and verification may be undertaken concurrently.

A validation audit will cover the requirements in this document related to the project design. A verification audit will assess those requirements related to the ongoing implementation of the project and the monitored results of project activities. Certain requirements will be assessed only at validation, others only at verification, while certain requirements will be assessed at both validation and verification, such as stakeholder engagement.

## 6.1 GENERAL REQUIREMENTS

**6.1.1** The criteria for validation and verification shall be *SD VISta Version 1*. This means the validation or verification shall ensure conformance of the project with the SD VISta rules and, if appropriate, the methodology applied to the project.

**6.1.2** Validation and verification is a risk-based process. The validation/verification body shall select samples of data and information to be validated or verified to provide a reasonable level of assurance and to meet the materiality requirements. Quantitative materiality demands that the threshold for materiality with respect to the aggregate of errors, omissions and misrepresentations, individually or in the aggregate, for each reported SD VISta claim and/or SD VISta assets shall be limited five percent. Qualitative materiality demands that the validation and verification determine whether the project conforms to program rules and methodological requirements. In qualitative scenarios, professional judgement shall be used to determine whether non-compliances with the program rules or methodological requirements is material..

**6.1.3** The level of assurance of validation and verification shall be reasonable, with respect to material errors, omissions and misrepresentations, for both validation and verification.

**6.1.4** The project proponent shall assist with the validation/verification audit by providing the validation/verification body with the necessary documentation and other evidence to show how the project satisfies the SD VISta rules. In a timely manner, the project proponent shall submit additional evidence as needed and requested, respond to questions and findings from the validation/verification body, and assist in arranging meetings with stakeholders as requested and required. The burden of proof in the validation/verification process ultimately rests with the project proponent.

**6.1.5** A project shall be verified under the SD VISta Program within five years of issuance of the latest validation or verification statement.

## 6.2 VALIDATION/VERIFICATION BODY REQUIREMENTS

**6.2.1** The project shall be validated and its sustainable development benefits verified by an approved validation/verification body. To be approved by Verra, auditors and organizations must meet the following requirements:

- 1) Accreditation by:
  - a) A body in compliance with the latest version of ISO/IEC 17011 Conformity assessment -- Requirements for accreditation bodies accrediting conformity assessment bodies (currently ISO/IEC 17011:2017); OR
  - b) An accreditation body that is a member of ISEAL.
- 2) Demonstration of sufficient organization and staff competencies for managing the validation and verification activities for, at minimum, one of the SD VISTA scopes:
  - a) Agriculture, forestry and other land use (AFOLU),
  - b) Climate change adaptation,
  - c) Education,
  - d) Energy (conservation, renewable, etc.),
  - e) Food (provision, nutrition, security),
  - f) Health,
  - g) Housing,
  - h) Infrastructure,
  - i) Livelihoods,
  - j) Transport,
  - k) Water, and;
  - l) Women's empowerment.

Competencies may be demonstrated by approval to certify a reputable sustainability standard falling within a certain scope.

- 3) Demonstration of operational policies for assessment and demonstration of technical competencies in the SD VISTA rules, including a regular internal audit of compliance with such policies by the organization and its personnel.

- 4) Liability insurance in the amount specified in the SD VISTA Validation/Verification Body Agreement.

**6.2.2** Validation and verification of the project may be undertaken by the same validation/verification body, noting the rules on rotation of validation/verification bodies set out in Section 6.4.2 below. Validation may occur before the first verification or at the same time as the first verification.

**6.2.3** The validation/verification body and validation and verification team shall meet the competence requirements set out below:

1 1) Relevant sectoral experience in the project country or region.

2 2) Relevant social and cultural expertise.

3 If the project is using a methodology that sets out more specific details in either of these  
4 categories, the requirements of the methodology apply.

5 **6.2.4** Rotation of validation/verification bodies is required in respect of validation and verification, as  
6 follows:

7 1) Validation and the first verification of a project may be undertaken by the same  
8 validation/verification body. However, the subsequent verification shall be undertaken by a  
9 different validation/verification body. For example, if validation and verification were  
10 undertaken at the same time, the subsequent verification would have to be undertaken by a  
11 different validation/verification body. If validation were undertaken first (i.e., separately), the  
12 first verification could be undertaken by the same validation/verification body, but the  
13 subsequent verification would have to be undertaken by a different validation/verification  
14 body.

15 2) A validation/verification body may not verify more than six consecutive years of a project's  
16 sustainable development impacts. The validation/verification body may undertake further  
17 verification for the project only when at least three years have been verified by a different  
18 validation/verification body. Where a project is also registered under the Verified Carbon  
19 Standard Program and undergoing a join verification, the VCS rules for verification, including  
20 those related to VVB rotation, shall take precedent.

21 Note: Validations and verifications (or other types of assessment) performed under other  
22 programs that are not concurrent with an SD VISa validation or verification shall be counted  
23 when assessing adherence to these requirements.

## 24 **6.3 VALIDATION AND VERIFICATION OF GROUPED PROJECTS**

25 **6.3.1** Validation and verification of grouped projects shall assess conformance of the project with the  
26 requirements for grouped projects set out in the SD VISa rules (below in this section and in  
27 Section 2.5 above.

28 **6.3.2** New project activity instances shall be validated, based on the information reported in the  
29 monitoring report, against the applicable set of eligibility criteria. The validation/verification body  
30 shall specify which instances meet the eligibility criteria for inclusion in the project. Such  
31 validation may be reported in the verification report or a separate validation report.

32 **6.3.3** Where, due to the number of project activity instances, it is unreasonable to undertake an  
33 individual assessment of each initial or new instance, the validation/verification body shall  
34 document and explain the sampling methods employed for the validation of such instances. Such  
35 sampling methods shall be statistically sound. The number of instances included in the project  
36 eligible for monitoring, quantification in SD VISa claims and generation of SD VISa assets shall  
37 be proportional to the percentage of sampled instances found to be in compliance by the  
38 validation/verification body.

1 **6.3.4** The verification report for grouped projects shall document and explain the sampling methods  
2 employed by the validation/verification body for the verification of SD VISta claims or SD VISta  
3 assets generated by the project. Such methods shall be statistically sound. Any subsequent  
4 changes to the sampling method(s) required as a result of the verification findings shall be  
5 documented.

## 6 **6.4 VALIDATION OF PROJECT DESCRIPTION DEVIATIONS**

7 **6.4.1** Project description deviations shall be validated at the time of verification.

8 **6.4.2** The public comment period and, if necessary, the validation/verification body's site visit for the  
9 validation of the project description deviation may be concurrent with the public comment period  
10 and site visit for the verification.

11 **6.4.3** Only the sections of the project description changed through the project description deviation will  
12 undergo public comment.

13 **6.4.4** A new validation statement shall be issued concurrent with the verification statement. The new  
14 validation statement shall be completed using the SD VISta *Validation Statement Template* and  
15 shall include the following:

- 16 1) Reference to the original validation of the project and the validation of any previous project  
17 description deviations, including dates of each; and,
- 18 2) Reference the *Sustainable Development Verified Impact Standard* and project description  
19 sections updated through the project description deviation.

## 20 **6.5 VALIDATION AND VERIFICATION REPORTING**

21 **6.5.1** The validation report describes the validation process, any findings raised during validation and  
22 their resolutions, and the conclusions reached by the validation/verification body. The  
23 validation/verification body shall use the *SD VISta Validation Report Template*, *SD VISta Joint  
24 Validation & Verification Report Template*, *SD VISta & VCS Validation Report Template* or the  
25 *CCB & SD VISta & VCS Validation Report Template*, as appropriate, and adhere to all  
26 instructional text within the template. The validation report shall be accompanied by a validation  
27 representation, which shall be prepared using the *SD VISta Validation Deed of Representation  
28 Template*.

29 **6.5.2** The verification report describes the verification process, any findings raised during verification  
30 and their resolutions, and the conclusions reached by the validation/verification body. The  
31 validation/verification body shall use the *SD VISta Verification Report Template*, *SD VISta Joint  
32 Validation & Verification Report Template*, *SD VISta & VCS Verification Report Template* or the  
33 *CCB & SD VISta & VCS Verification Report Template*, as appropriate, and adhere to all  
34 instructional text within the template. The verification report shall be accompanied by a  
35 verification representation, which shall be prepared using the *SD VISta Verification Deed of  
36 Representation Template*.

37

## 6.6 VALIDATION AND VERIFICATION STATEMENT

6.6.1 The validation report and the verification report shall be accompanied by a validation statement and a verification statement, respectively.

6.6.2 Validation and verification statements shall:

- 1) Describe the level of assurance of the validation or verification.
- 2) Describe the objectives, scope and criteria of the validation or verification.
- 3) Describe whether the data and information supporting the project's compliance with the SD VISTa rules and any SD VISTa claims and/or SD VISTa assets were hypothetical, projected and/or historical in nature.
- 4) Include the validation/verification body's conclusion on the project's compliance with the SD VISTa rules and any SD VISTa claims and/or SD VISTa assets, including any qualifications or limitations.

6.6.3 The verification statement shall state, as appropriate:

- 1) Any and all SD VISTa claims generated during the monitoring period that have been verified.
- 2) Any and all quantities of SD VISTa assets generated during the monitoring period that have been verified.

## 6.7 NEGATIVE AUDIT CONCLUSIONS

6.7.1 Where the project does not meet the criteria for validation or verification, the validation/verification body shall produce a negative validation conclusion and provide the validation, or verification, report and project description, or monitoring report to Verra. With the consent of the project proponent, these documents will be posted to the project record on the Verra project database.

6.7.2 The project shall be ineligible for registration until such time as corrective action is taken and the (same) validation/verification body has provided a positive validation or verification. The validation/verification body shall determine whether a new site visit is needed in order to close the corrective actions.

## 6.8 RECORDS OF VALIDATION AND VERIFICATION

The validation/verification body shall keep all documents and records in a secure and retrievable manner for at least two years after the end of the project lifetime, even where the SD VISTa project validation expires (further information on validation expiration date can be found in the *SD VISTa Program Guide*).

Additional requirements with respect to the validation and verification process are set out in the *SD VISTa Program Guide* and shall be adhered to.

## 7 Glossary

- 2 **Adaptive Management:** A systematic approach for improving resource management by learning from  
3 management outcomes
- 4 **Agriculture, Forestry and Other Land Use (AFOLU):** The sectoral scope that covers sustainable  
5 development benefits from project or program activities in the agriculture, forestry, and other land  
6 use/land use change sectors (adapted from the 2006 Intergovernmental Panel on Climate Change  
7 Guidelines for National Greenhouse Gas Inventories, where it describes a category of activities which  
8 contribute to anthropogenic greenhouse gas emissions)
- 9 **Alien Species:** A species, subspecies, or lower taxon occurring outside of its natural past or present  
10 distribution (i.e. outside the range it occupies naturally or could not occupy without direct or indirect  
11 introduction or care by humans); includes any part, gametes or propagule of such species that might  
12 survive and subsequently reproduce (definition from the Convention on Biological Diversity and IUCN)
- 13 **Benefits for People, their Prosperity and the Planet:** Benefits for people are defined as alleviation of  
14 poverty and hunger and enhancements to dignity, equality or healthy environment resulting from project  
15 activities. Benefits for people's prosperity are defined as increases in prosperity or life fulfillment or  
16 advances in economic, social and technological progress in harmony with nature resulting from project  
17 activities. Benefits for the planet are defined as protection of the planet from degradation by maintenance  
18 or enhancement of natural resources and ecosystem services resulting from project activities.
- 19 **Causal Chain:** A conceptual diagram tracing the process by which an activity leads to positive and  
20 negative impact(s) through a series of interlinked logical and sequential stages of cause-and-effect  
21 relationships
- 22 **Crediting Period:** The time period for which the SD VISta assets generated by the project are eligible for  
23 issuance
- 24 **Customary Rights:** Patterns of long-standing community lands, territories and resource usage in  
25 accordance with Indigenous Peoples' and local communities' customary laws, values, customs and  
26 traditions, including seasonal or cyclical use, rather than formal legal title to lands, territories and  
27 resources issued by the State
- 28 **Deemed Estimates Method:** A method of quantifying the change resulting from an activity or set of  
29 activities where the change is estimated directly without separately defining and estimating without- and  
30 with-project scenarios (sometimes called a "deemed savings" or "unit savings" approach)
- 31 **Defensible Methodological Approach (for GHG accounting):** An approach that includes procedures  
32 for delineating the conditions under which the methodological approach can be applied: defining the  
33 project boundary including any GHG sources, sinks and reservoirs; conservatively estimating without-  
34 project GHG ERRs (including leakage); monitoring GHG ERRs over the project lifetime and that follows  
35 the principles of relevance, completeness, consistency, transparency and conservativeness

- 1 **Ecosystem Services:** The benefits people obtain from ecosystems. Ecosystem services include  
2 provisioning services such as food, water, timber, and fiber; regulating services that affect climate, floods,  
3 disease, wastes and water quality; cultural services that provide recreational, aesthetic and spiritual  
4 benefits; and supporting services such as soil formation, photosynthesis and nutrient cycling (definition  
5 from the Millennium Ecosystem Assessment).
- 6 **Effective Consultation:** A process by which the project proponent uses socially and culturally  
7 appropriate methods to enable transparent sharing of information with stakeholders and their meaningful  
8 participation in decision making, dispute resolution and/or other subjects of consultation
- 9 **Grouped Project:** A project to which additional instances of the project activity, which meet pre-  
10 established eligibility criteria, may be added subsequent to project validation
- 11 **Impact:** Any result of the project activities that itself lasts beyond the project lifetime or leads to another  
12 outcome or impact of equal or longer duration. In the context of SD VISta, impacts include benefits, costs  
13 and risks, including those that are direct and indirect, those related to social, cultural, environmental and  
14 economic aspects, those related to human rights and those related to rights to lands territories and  
15 resources.
- 16 **Indigenous Peoples:** (a) tribal peoples in independent countries whose social, cultural and economic  
17 conditions distinguish them from other sections of the national community, and whose status is regulated  
18 wholly or partially by their own customs or traditions or by special laws or regulations; (b) peoples in  
19 independent countries who are regarded as indigenous on account of their descent from the populations  
20 which inhabited the country, or a geographical region to which the country belongs, at the time of  
21 conquest or colonization or the establishment of present state boundaries and who, irrespective of their  
22 legal status, retain some or all of their own social, economic, cultural and political institutions. (Definition  
23 of peoples to whom the International Labour Organization's Indigenous and Tribal Peoples Convention,  
24 1989 (No. 169) applies.)
- 25 **Interested Stakeholder:** Any person, group of persons, or entity that has shown an interest, or is known  
26 to have an interest, in the activities of the project but that will not be materially affected by those activities  
27 (similar to the UNFCCC term "global stakeholder"; adapted from the FSC-STD-01-002 FSC Glossary of  
28 Terms)
- 29 **Local Laws:** All norms given by organisms of government whose jurisdiction is less than the national level  
30 (e.g. departmental, municipal and customary norms)
- 31 **Marginalized and/or Vulnerable Groups:** See "Marginalized People or Groups" and "Vulnerable People  
32 or Groups"
- 33 **Marginalized People or Groups:** Those people and groups unable to participate fully in economic,  
34 social, political and cultural life (also called socially excluded people or groups) (definition adapted from  
35 United Nations Department of Economic and Social Affairs)
- 36 **Materiality:** The concept applied to determine if errors, omissions and misstatements in information could  
37 affect the net sustainable development impact assertion and influence decisions resulting from it

- 1 **Methodology:** A specific set of criteria and procedures, which apply to specific project activities, for  
2 identifying the project boundary, determining the baseline scenario, demonstrating additionality (if an  
3 asset is being used for offsetting purposes), quantifying net sustainable development impacts, and  
4 specifying monitoring procedures
- 5 **Methodology Deviation:** A deviation from the criteria and procedures for monitoring or measurement set  
6 out in a methodology applied to the project
- 7 **Methodology Revision:** A revision to the criteria and procedures of an existing methodology
- 8 **Monitoring Report [SD VISTa Monitoring Report]:** The document that records data to allow the  
9 assessment of the sustainable development benefits, SD VISTa claims and SD VISTa assets generated by  
10 the project during a given time period in accordance with the monitoring plan set out in the project  
11 description, and which is prepared using the *SD VISTa Monitoring Report Template* or a Verra-approved  
12 template for projects conducting monitoring concurrently for SD VISTa and another program
- 13 **Native Species:** A species, subspecies, or lower taxon, occurring within its natural range (past or  
14 present) and dispersal potential (i.e. within the range it occupies naturally or could occupy without direct  
15 or indirect introduction or care by humans) (definition from IUCN)
- 16 **Natural Capital:** Earth's systems, geological resources and ecosystem stocks, including climate and  
17 hydrological systems, mineral and energy resources, land, soil resources, timber resources, aquatic  
18 resources, biological resources other than timber and aquatic resources, water resources (surface,  
19 groundwater and soil water resources), and ecosystem assets (including, but not limited to, assets that  
20 provide regulating and cultural services) (definition adapted from The London Group)
- 21 **Project Activity:** The specific set of technologies, measures and/or outcomes that alter the conditions  
22 that exist at the start of the project and which result in sustainable development benefits
- 23 **Project Activity Instance:** A particular set of implemented technologies and/or measures that constitute  
24 the minimum unit of activity necessary to comply with the criteria and procedures applicable to the project  
25 activity under the methodology applied to the project
- 26 **Project Boundary:** Identifies the spheres of influence (both primary and secondary, intended and  
27 unintended) where project activities must be assessed to identify and determine positive benefit.
- 28 **Project Description [SD VISTa Project Description]:** The document that describes the project's  
29 sustainable development activities and that uses either the *SD VISTa Project Description Template* or a  
30 Verra-approved project description template for projects to meet both SD VISTa and another program's  
31 rules
- 32 **Project Description Deviation [SD VISTa Project Description Deviation]:** A deviation from the project  
33 design, procedures and other specifications set out in the project description
- 34 **Project Lifetime:** The time period over which project activities are implemented; starts on the project start  
35 date
- 36 **Project Ownership:** The legal right to control and operate the project activities

- 1 **Project Proponent:** The individual or organization that has overall control and responsibility for the  
2 project, or an individual or organization that together with others, each of which is also a project  
3 proponent, has overall control or responsibility for the project. The entity(s) that can demonstrate project  
4 ownership in respect of the project.
- 5 **Project Start Date:** The date on which activities that lead to the generation of sustainable development  
6 benefits are implemented
- 7 **Property Rights:** Statutory and customary tenure/use/access/management rights to lands, territories and  
8 resources
- 9 **Property Rights Holders:** Entities that have individual or collective property rights
- 10 **Reasonable Level of Assurance:** A degree of assurance whereby the validator or verifier provides a  
11 reasonable, but not absolute, level of assurance that the responsible party's sustainable development  
12 benefit assertion is materially correct
- 13 **Registration [SD VISa Registration]:** The formal acceptance by Verra of a validated project under the  
14 SD VISa Program
- 15 **Renewable Energy Certificate (REC):** A market-based instrument that represents the property rights to  
16 the environmental, social and other non-power attributes of renewable electricity generation; issued when  
17 one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable  
18 energy resource
- 19 **Scalability Limit:** The scale beyond which, if new project activities are added, the project may not  
20 benefits deliver benefits to people, prosperity and/or the planet, such as capacity limits, economic and  
21 managerial constraints, and thresholds for project expansion beyond which there may be negative  
22 impacts on people, prosperity or planet
- 23 **Scenario Method:** A comparison of a without-project scenario with a with-project scenario where  
24 separate without- and with-project scenarios are defined and estimated
- 25 **SD VISa Asset:** A user-defined environmental or social unit that is generated according to an approved  
26 SD VISa methodology, verified by an accredited auditor, recorded and has the potential to be transacted  
27 on the Verra registry system
- 28 **SD VISa Claim:** A user-defined statement about a specific sustainable development benefit validated  
29 and verified by an accredited auditor
- 30 **SDG Indicator:** An indicator for any Sustainable Development Goal Target that is any of the following: 1)  
31 Approved as part of the global indicator framework, accessible at  
32 <https://unstats.un.org/sdgs/Requirements/Requirements-list/>; 2) approved as part of a regional or national  
33 indicator framework; or 3) approved by Verra. Verra-approved SDG Requirements are listed on the Verra  
34 website
- 35 **Stakeholder:** Any person who can potentially be affected by the project; similar to the UNFCCC term  
36 "local stakeholder". In identification of stakeholders, it is permitted to consider significance of user  
37 populations and how deeply affected they may be by the project such that distant or intermittent user

1 groups who will be affected in very limited ways by the project need not be defined as stakeholders. Note:  
2 Any reference in these requirements to stakeholders that does not explicitly refer to interested  
3 stakeholders is limited to this group of potentially affected stakeholders.

4 **Stakeholder Group:** Groups whose members derive similar income, livelihood, well-being and/or cultural  
5 values from the project and whose values are different from those of other groups; such as Indigenous  
6 Peoples, women, youth or other social, cultural and economic groups. Every individual stakeholder must  
7 belong to at least one stakeholder group.

8 **Sustainable Development Benefits:** A project's benefits for people, for their prosperity and for the  
9 planet

10 **Uncertainty:** A parameter associated with the result of measurement that characterizes the dispersion of  
11 the values that could be reasonably attributed to the measured amount

12 **Validation Report [SD VISa Validation Report]:** The written report of validation prepared by the  
13 validation/verification body in accordance with the SD VISa rules

14 **Validation Representation [SD VISa Validation Representation]:** The deed issued by the  
15 validation/verification body, referencing the validation report to which it relates, containing a unilateral  
16 representation that it has validated the project's compliance with the applicable SD VISa rules, and which  
17 is prepared using the *SD VISa Validation Deed of Representation*

18 **Validation/Verification Body:** An organization approved by Verra to act as a validation/verification body  
19 in respect of providing validation and/or verification services in accordance with the SD VISa rules and  
20 requirements

21 **Verification Report [SD VISa Verification Report]:** The written report of the verification prepared by  
22 the validation/verification body in accordance with the SD VISa rules

23 **Verification Representation [SD VISa Verification Representation]:** The deed issued by the  
24 validation/verification body, referencing the verification report to which it relates, containing a unilateral  
25 representation that it has verified the project's sustainable development benefits, SD VISa claims and SD  
26 VISa assets in accordance with the applicable SD VISa rules, and which is prepared using the *SD VISa*  
27 *Verification Deed of Representation Template*

28 **Verified Carbon Unit (VCU):** A unit issued by, and held in the Verified Carbon Standard (VCS) registry  
29 representing the right of an accountholder in whose account the unit is recorded to claim the achievement  
30 of a GHG emission reduction or removal in an amount of one (1) metric tonne of CO<sub>2</sub> equivalent that has  
31 been verified by a validation/verification body in accordance with the VCS rules

32 **Verra Website:** [www.terra.org](http://www.terra.org)

33 **Vulnerable People or Groups:** Those people and groups who lack ability to anticipate, cope with, resist  
34 and recover from stresses or shocks due to physical, social, economic and environmental factors or  
35 processes (definition adapted from World Health Organization (Wisner and Adams), United Nations Office  
36 of Disaster Risk Reduction and Climate, Community & Biodiversity Standards *Program Definitions*).

- 1 **Well-being:** People's experience of the quality of their lives and may include social, economic,
- 2 psychological, spiritual, and medical dimensions. The improvement of well-being may include providing
- 3 opportunity, ensuring and enhancing security and empowerment.
- 4 **With-Project Scenario:** The events or conditions most likely to occur in the presence of project activities
- 5 **Without-Project Scenario:** The events or conditions most likely to occur in the absence of project
- 6 activities
- 7 **Workers:** People directly working on project activities in return for compensation (financial or otherwise),
- 8 including employees, contracted workers, sub-contracted workers and any other stakeholders that are
- 9 paid to carry out project-related work.

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# Appendix 1. SD VISta Climate Module

This module shall be used to demonstrate a project's net positive climate benefits and not for claiming greenhouse gas (GHG) emissions reductions and removal (ERR) units that may be used as offsets.

For this section, project proponents must choose to demonstrate net benefits by using either the scenario method or the deemed estimates method.

## C1 GHG EMISSIONS AND REMOVALS AT PROJECT START

### Concept

GHG sources and sinks that will be affected by the project are described.

### Requirements

**C1.1** A defensible methodological approach<sup>4</sup> shall be used to estimate the total GHG ERRs in areas affected by project activities under the without-project scenario.

**C1.2** Metric tonnes shall be used as the unit of measure and the quantity of each type of GHG shall be converted to tonnes of CO<sub>2</sub>e. The six Kyoto Protocol greenhouse gases and ozone-depleting substances shall be converted using 100 year global warming potentials derived from the most recent assessment by the Intergovernmental Panel on Climate Change (IPCC).

**C1.3** The timeframe for this analysis shall be the project lifetime.

**C1.4** It is allowable for the analysis of the without-project scenario to exclude GHG emissions from sources such as biomass burning, fossil fuel combustion, synthetic fertilizers, and to exclude non-CO<sub>2</sub> GHG emissions such as CH<sub>4</sub> and N<sub>2</sub>O gases in cases where this can be justified as conservative. The analysis of ERRs shall include GHG sinks expected to increase significantly under the without-project scenario.

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<sup>4</sup> A defensible methodological approach that includes procedures for delineating the conditions under which the methodological approach can be applied: defining the project boundary including any GHG sources, sinks and reservoirs; conservatively estimating without-project GHG ERRs (including leakage); monitoring GHG ERRs over the project lifetime. A defensible methodological approach shall also observe principles of relevance, completeness, consistency, transparency and conservativeness for carbon accounting such as the Intergovernmental Panel on Climate Change's 2006 *Guidelines for National GHG Inventories*.

The principle of conservativeness means that where accounting relies on assumptions, values and procedures with high uncertainty, the most conservative option in the biological range should be chosen so as not overestimate GHG removals or GHG emissions.

## 1 C2 NET POSITIVE GHG IMPACTS

### 2 *Concept*

3 Project activities result in net positive difference between ERRs in the without-project scenario (including  
4 CO<sub>2</sub> and non-CO<sub>2</sub> GHG emissions) and total ERRs resulting from project activities.

### 5 *Requirements*

- 6 **C2.1** A defensible methodological approach shall be used to estimate the total ERRs expected as a  
7 result of project activities under the with-project scenario. This estimate shall be based on clearly  
8 defined and defensible assumptions about changes in ERRs under the with-project scenario  
9 over the project lifetime or the project GHG accounting period. The GHG emissions estimate  
10 must include non CO<sub>2</sub> emissions such as CH<sub>4</sub> and N<sub>2</sub>O and GHG emissions from sources such  
11 as biomass burning, fossil fuel combustion, use of synthetic fertilizers and the decomposition of  
12 N-fixing species, etc., if those GHG emissions sources are cumulatively likely to account for more  
13 than 20% of the project's expected total GHG emissions in the with-project scenario.<sup>5</sup>
- 14 **C2.2** Net ERRs generated by the project shall be positive.

## 15 C3 GHG IMPACT MONITORING

### 16 *Concept*

17 Climate impact monitoring assesses changes in project-related carbon pools, project emissions and non-  
18 CO<sub>2</sub> GHG emissions if relevant, resulting from project activities.

### 19 *Requirements*

- 20 **C3.1** A defensible methodological approach, including a frequency of monitoring of specific  
21 parameters, shall be used to develop and implement a plan for monitoring changes in relevant  
22 carbon pools, non-CO<sub>2</sub> GHGs and emissions sources. Any sources expected to cumulatively  
23 contribute more than 20% of total GHG emissions in the with-project scenario must be monitored.
- 24 **C3.2** The monitoring plan and any results of monitoring undertaken in accordance with the monitoring  
25 plan shall be made publicly available on the internet and summaries disseminated to  
26 stakeholders through appropriate means.

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<sup>5</sup> GHG sources may be excluded from this estimate where cumulatively emissions from those sources are less than 20% of the project's expected total GHG emission in the with-project scenario. GHG sources with the lowest cumulative contribution up to 20% may be excluded from the estimate (i.e., to determine which sources may be excluded, rank sources order of their relative contribution to the total GHG emissions in the with-project scenario, starting with the lowest source and added until the total cumulative level of 20% is reached). The threshold of 20% has been adopted as a reasonable limit for demonstration of net climate benefits so that it is not necessary to measure emissions sources if cumulatively they are clearly lower than this level.

# Appendix 2. SD VISta Asset Methodology Requirements

This section sets out requirements for SD VISta asset methodologies. The requirements in this section only apply to projects generating SD VISta assets. Information on the review and approval process for SD VISta asset methodologies is can be found in the *SD VISta Program Guide*.

To aid in readability, this section uses the term *methodology* exclusively in reference to methodologies for SD VISta assets.

## M1 GENERAL REQUIREMENTS

### *Concept*

Specific sustainable development benefits are measured, monitored and reported as environmental or social units according to benefit-specific methodologies. The list of methodologies approved with the SD VISta Program, together with their respective validity periods, is available on the Verra website. Methodologies may employ a modular approach in which a framework document provides the structure of the methodology and separate modules and/or tools are used to perform specific methodological tasks. Methodologies may use default factors or proxies as long as they are credible and rigorous.

### *Requirements*

**M1.1** All new methodologies applying for approval under the SD VISta Program shall use the *SD VISta Methodology Template*, comply with the requirements set out in this Appendix 2 and any other applicable requirements set out in the VD VISta rules, and be approved via the methodology approval process set out in the *SD VISta Program Guide*.

**M1.2** Methodologies shall be informed by a comparative assessment of the project and its alternatives in order to identify the without-project scenario. Such an analysis shall include, at a minimum, a comparative assessment of the implementation barriers and net benefits faced by the project and its alternatives.

**M1.3** Modular methodologies shall use the *SD VISta Methodology Template* for the framework document and the *SD VISta Module Template* for the modules and tools. The framework document shall clearly state how the modules and/or tools are to be used within the context of the methodology.

**M1.4** New methodologies shall not be developed where an existing methodology could reasonably be revised (i.e., developed as a methodology revision) to meet the objective of the proposed methodology.

**M1.5** Methodologies shall be guided by the principles set out in Section 3 of the *SD VISta Program Guide*. They shall clearly state the assumptions, parameters and procedures that have significant

1 uncertainty, and describe how such uncertainty shall be addressed. Where applicable,  
2 methodology elements shall provide a means to estimate a 90 or 95 percent confidence interval.

3 **M1.6** Where methodologies mandate the use of specific models to simulate processes that generate  
4 SD VISta assets (i.e., the project proponent is not permitted to use other models), the following  
5 applies, given the note below:

- 6 1) Models shall be publicly available, though not necessarily free of charge, from a reputable  
7 and recognized source (e.g., the model developer's website).
- 8 2) Model parameters shall be determined based upon studies by appropriately qualified experts  
9 that identify the parameters as important drivers of the model output variable(s).
- 10 3) Models shall have been appropriately reviewed and tested (e.g., ground-truthed using  
11 empirical data or results compared against results of similar models) by a recognized,  
12 competent organization, or an appropriate peer review group.
- 13 4) All plausible sources of model uncertainty, such as structural uncertainty or parameter  
14 uncertainty, shall be assessed using recognized statistical approaches.
- 15 5) Models shall have comprehensive and appropriate requirements for estimating uncertainty,  
16 and the model shall be calibrated by parameters to be appropriate for the given location.
- 17 6) Models shall apply conservative factors to discount for model uncertainty (in accordance with  
18 the requirements set out in Section M1.5), and shall use conservative assumptions and  
19 parameters that are likely to underestimate, rather than overestimate, the SD VISta assets.

20 Note: The criteria set out in (2)-(6) above are targeted at more complex models. For simple  
21 models, certain of these criteria may not be appropriate, or necessary to the integrity of the  
22 methodology. Such criteria may be disregarded, though the onus is upon the methodology  
23 developer to demonstrate that they are not appropriate or necessary.

24 **M1.7** Where methodologies use default factors and standards to ascertain sustainable development  
25 impact data and any supporting data for establishing without-project scenarios and demonstrating  
26 additionality, the following applies:

- 27 1) Where the methodology uses third party default factors and/or standards, such default factors  
28 and standards shall be available from a recognized, credible source and must be reviewed  
29 for publication by an appropriately qualified, independent organization or appropriate peer  
30 review group, or be published by a government agency.
- 31 2) Where the methodology itself establishes a default factor, the following applies:  
32 a) The data used to establish the default factor shall comply with the following requirements:  
33 i) Data collected directly from primary sources shall comply with relevant and  
34 appropriate standards, where available, for data collection and analysis, and be  
35 audited at an appropriate frequency by an appropriately qualified, independent  
36 organization.

- 1                   ii) Data collected from secondary sources shall be available from a recognized, credible  
2                   source and must be reviewed for publication by an appropriately qualified,  
3                   independent organization or appropriate peer review group, or be published by a  
4                   government agency.
- 5                   iii) Data shall be from a time period that accurately reflects available technologies and/or  
6                   current practice, and trends, within the sector.
- 7                   iv) Where sampling is applied in data collection, the methodology developer shall  
8                   demonstrate that sampling results provide an unbiased and reliable estimate of the  
9                   true mean value (i.e., the sampling does not systematically underestimate or  
10                  overestimate the true mean value).
- 11                  v) Data shall be publicly available or made publicly available. Proprietary data (e.g.,  
12                  data pertaining to individual facilities) may be aggregated, and therefore not made  
13                  publicly available, where there are demonstrable confidentiality considerations.  
14                  However, sufficient data shall be publicly available to provide transparency and  
15                  credibility to the dataset. All data shall be made available, under appropriate  
16                  confidentiality agreements as necessary, to the VCSA and each of the  
17                  validation/verification bodies assessing the proposed performance benchmark  
18                  methodology, to allow them to reproduce the determination of the performance  
19                  benchmark. Data shall be presented in a manner that enables them to independently  
20                  assess the presented data.
- 21                  vi) Data shall be appropriate to the methodology's geographic scope and the project  
22                  activities applicable under it.
- 23                  vii) All reasonable efforts shall be undertaken to collect sufficient data and the use of  
24                  expert judgment as a substitute for data shall only be permitted where it can be  
25                  demonstrated that there is a paucity of data. Expert judgment may be applied in  
26                  interpreting data.
- 27                  b) The methodology shall describe in detail the study or other method used to establish the  
28                  default factor.
- 29                  c) The methodology developer shall identify default factors which may become out of date  
30                  (i.e., those default factors that do not represent physical constants or otherwise would not  
31                  be expected to change significantly over time). Such default factors are subject to  
32                  periodic re-assessment.
- 33                  3) Where methodologies allow project proponents to establish a project-specific factor, the  
34                  methodology shall provide a procedure for establishing such factors.

35 **M1.8** Where proxies are used, it shall be demonstrated that they are strongly correlated with the value  
36 of interest and that they can serve as an equivalent or better method (e.g., in terms of reliability,  
37 consistency or practicality) to determine the value of interest than direct measurement of the  
38 value itself.

39

## 1 M2 SCOPE OF SD VISTA METHODOLOGIES

### 2 **Concept**

3 Methodologies must include concepts core to accounting for sustainable development benefits. The WRI  
4 *GHG Protocol for Project Accounting* shall be used for more detailed guidance on the concepts in M2.2,  
5 substituting GHG emission reductions and removals with sustainable development benefits.

### 6 **Requirements**

7 **M2.1** Methodologies approved by the SD VISTa Program must include the key concepts set out in  
8 Section M2.2. These concepts are important for the determination of sustainable development  
9 benefits and quantification of SD VISTa assets.

10 **M2.2** The methodology document shall include, and the scope of the methodology assessment shall  
11 encompass, the following concepts:

- 12 1) Scope and applicability conditions: the methodology shall use applicability conditions to  
13 specify the project activity(s) to which it applies and shall establish criteria that describe the  
14 conditions under which the methodology can (and cannot, if appropriate) be applied. Any  
15 applicability conditions set out in tools or modules used by the methodology shall also apply.
- 16 2) Project boundary: the assessment boundary identifies the spheres of influence (both primary  
17 and secondary, and intended and unintended) where project activities must be assessed,  
18 including any causal chain, to identify and determine positive and negative sustainable  
19 development impacts in order to quantify the overall project benefit. The methodology shall  
20 establish criteria and procedures for describing the project boundary and identifying and  
21 assessing areas or concepts relevant to the project and without-project scenarios.  
22 Justification for all areas or concepts included or excluded shall be provided.
- 23 3) Without-project scenario: a hypothetical description of what activities would have most likely  
24 occurred in the absence of the project scenario. Methodologies shall establish criteria and  
25 procedures for identifying alternative without-project scenarios and determining the most  
26 plausible scenario, taking into account the following:
  - 27 a) The identification of all areas or concepts included in the project boundary.
  - 28 b) Existing and alternative project types, activities and technologies providing equivalent  
29 type and level of activity of products or services to the project
  - 30 c) Data availability, reliability and limitations
  - 31 d) Other relevant information concerning present or future conditions, such as legislative,  
32 technical, economic, socio-cultural, environmental, geographic, site-specific and temporal  
33 assumptions or projections.
- 34 4) Validation deadline: to produce SD VISTa assets that are eligible to be used as an offset,  
35 project activities must be validated within two years of their initiation.

36

1 5) Determination of additionality: to produce SD VISta assets that are eligible to be used as an  
2 offset, projects must exceed the most likely “business-as-usual” scenario to identify that the  
3 sustainable development asset would not occur without revenue from the SD VISta project.  
4 Where the determination of additionality is required, the methodology shall establish a  
5 procedure for the demonstration and assessment of additionality based upon the following  
6 requirements:

7 a) Regulatory surplus: the project shall not be mandated by any law, statute or other  
8 regulatory framework, or any systematically enforced law, statute or other regulatory  
9 framework.

10 b) Implementation barriers: the project shall face one or more distinct barrier(s) compared  
11 with barriers faced by alternatives to the project, such as investment barriers (projects  
12 face capital or investment return constraints), technical barriers (project face technical-  
13 related barriers to implementation), or institutional barriers (project face organization,  
14 cultural, or social barrier that asset revenue stream can help overcome).

15 6) Quantification of sustainable development benefits: the methodology shall establish criteria  
16 and procedures for quantifying the sustainable development impacts of both the without-  
17 project scenario as well as the project scenario in order to determine the net sustainable  
18 development impact benefit. These procedures must include the necessary equations,  
19 parameters, and finally the ultimate unit for how the sustainable development benefit is  
20 measured.

21 7) Monitoring: the methodology shall describe the data and parameters to be reported, including  
22 sources of data and units of measurement. When highly uncertain data and information are  
23 relied upon, conservative values shall be selected that ensure that the quantification does not  
24 lead to an overestimation of sustainable development benefits.

25 The methodology shall establish criteria and procedures for monitoring, which shall cover the  
26 following: purpose of monitoring; Monitoring procedures, including estimation, modeling,  
27 measurement or calculation approaches; procedures for managing data quality; and,  
28 monitoring frequency and measurement procedures.

29 8) Crediting Period: to produce SD VISta assets that are eligible to be used as an offset, the  
30 methodology shall identify a crediting period for SD VISta assets that is a minimum of 10  
31 years up to a maximum of 50 years, which may be renewed at most four times with a total  
32 project crediting period not to exceed 100 years.

# 1 Appendix 3. Guidance

2 Sections that do not have specific guidance are not included in this appendix.

## 3 2.1 Project Goals, Design and Long-term Viability

4 **G 2.1.2** The causal chain(s) shall be validated not only at the initial validation but on each verification to  
 5 ensure that all potential project impacts are considered and, if necessary, monitored. For background on  
 6 causal chains, see Section 6 of the World Resources Institute *Policy and Action Standard*. For guidance  
 7 on developing causal chains, see the Initiative for Climate Action Transparency's *Sustainable*  
 8 *Development Guidance*. Because both of these documents were developed to address the GHG effects  
 9 of policies and actions, the term “project activity” should be substituted for “policy or action” when  
 10 applying either document to SD VISta contexts.

11 **G 2.1.10** Stakeholder identification and analysis should include an assessment of rights, interests and  
 12 relevance to the project for each stakeholder group. The *Social and Biodiversity Impact Assessment*  
 13 *(SBIA) Manual for REDD+ Projects: Part 1 – Core Guidance for Project Proponents* can be used for  
 14 guidance on stakeholder identification and analysis.

15 The number of appropriate stakeholder groups will depend on the size and complexity of communities  
 16 affected by the project. Marginalized and vulnerable groups are not mutually exclusive; some individuals  
 17 may belong to multiple groups.

## 18 2.2 Stakeholder Engagement

19 **G 2.2.5** Effective consultation requires project proponents to inform and engage broadly with  
 20 stakeholders using socially and culturally appropriate methods to enable meaningful influence on the  
 21 subject of consultation. Consultations must be gender and inter-generationally sensitive with special  
 22 attention to vulnerable and/or marginalized people and must be conducted at mutually agreed locations  
 23 and through representatives who are designated by the groups themselves in accordance with their own  
 24 procedures. Such special attention shall be mutually acknowledged and agreed upon by both project  
 25 proponents and marginalized and/or vulnerable. Different approaches may be appropriate for different  
 26 stakeholder groups.

27 Stakeholders potentially affected by the project must have an opportunity to evaluate impacts and raise  
 28 concerns about potential negative impacts, express desired outcomes and provide input on the project  
 29 design including the theory of change, both before the project design is finalized and during  
 30 implementation. Consultations must include participatory identification of ecosystem services important  
 31 for stakeholders, for example through participatory mapping. Consultations must also include an  
 32 evaluation of the type and magnitude of impacts resulting from project activities and participatory design  
 33 of feedback and grievance redress procedures.

34 In cases where it is unclear whether a project will be implemented or not, it is acceptable to start with  
 35 preliminary consultations, provided there are plans for appropriate full consultations before the start of the  
 36 project. Where conformance with the SD VISta rules is being applied to a project already

1 under implementation, project proponents must either provide documentation of appropriate consultations  
2 during the project design phase or demonstrate how more recent consultations have been effective in  
3 evaluating stakeholder benefits and adapting project design and implementation to optimize stakeholder  
4 benefits and respect local customs.

5 **G 2.2.8** Discrimination may include but is not limited to that based on gender, race, religion, sexual  
6 orientation or other habits.

## 7 **2.4 Legal Status and Rights**

8 **G Concept:** Project proponents must adhere to the United Nations' Protect, Respect and Remedy  
9 Framework, as outlined in the document *Guiding Principles on Business and Human Rights*.

10 Article 10 of the *UN Declaration on the Rights of Indigenous Peoples* sets out Indigenous Peoples' right to  
11 free, prior and informed consent regarding relocation and compensation.

12 Customary rights are defined per the World Bank Operational Manual *OP 4.10 – Indigenous*  
13 *Peoples* as patterns of long-standing community lands, territories and resource usage in accordance with  
14 Indigenous Peoples' and local communities' customary laws, values, customs and traditions, including  
15 seasonal or cyclical use, rather than formal legal title to lands, territories and resources issued by the  
16 State.

17 **G 2.4.4** Community property includes lands, territories and resources to which communities have  
18 collective rights (either customary or statutory). Customary collective rights include traditional ownership,  
19 occupation or other use or acquisition whether or not such ownership has been formally recorded.

20 **G 2.4.5** For guidance on FPIC, please see the manual *Free Prior and Informed Consent: An indigenous*  
21 *peoples' right and a good practice for local communities*.

22 It is important to note that consultation is not the same as consent. Free, prior and informed consent is  
23 the decision made by a stakeholder group following a consultation. A project proponent must receive  
24 affirmative consent from the relevant property rights holders prior to commencing with project activities.

25 If non-contacted peoples are located or believed to be located in the area(s) which will be impacted by  
26 project activities, their right to remain in isolation should be respected in accordance with local, national  
27 and international laws and recommendations. Unless invited to make contact, implementing entities  
28 should not engage in any activities that may impact these populations, including project activities. There  
29 should be a buffer zone between the area(s) which will be impacted by project activities and the area in  
30 which indigenous populations living in voluntary isolation reside, or are believed to reside. See the report  
31 *Indigenous Peoples in Voluntary Isolation and Initial Contact in the Americas* for recommendations on  
32 respecting the human rights of people in that situation.

33 **G 2.4.6** Compensation should include both the financial and non-financial costs of the loss of land (e.g.,  
34 loss of culture or loss of business opportunity).

35 **G 2.4.7** Article 28 of the *UN Declaration on the Rights of Indigenous Peoples* indicates that unless  
36 otherwise agreed upon, compensation should be in the form of lands, territories or resources equivalent  
37 in quality, size and legal status to those taken. When such compensation is not available, monetary

1 compensation is appropriate. This principle is consistent Article 16 of the International Labour  
 2 Organization's *Indigenous and Tribal Peoples Convention, 1989 (No. 169): Convention concerning*  
 3 *Indigenous and Tribal Peoples in Independent Countries*.

4 **G 2.4.8** If the project enables previously illegal activities to become legal by means of appropriate laws  
 5 and other means, benefits from these activities may be considered for the net benefit analysis in Sections  
 6 3.2 and 4.2.

7 **G 2.4.9** According to Principle 25.1 of the FAO's *Voluntary Guidelines on the Responsible Governance of*  
 8 *Tenure*, "all parties should take steps to prevent and eliminate issues of tenure of land, fisheries and  
 9 forests as a cause of conflict and should ensure that aspects of tenure are addressed before, during and  
 10 after conflict, including in situations of occupation where parties should act in accordance with applicable  
 11 international humanitarian law".

### 12 **3 Benefits for People and Prosperity**

#### 13 **Scenario Method**

14 Using the scenario method, users quantify the impact of a project activity by comparing two scenarios:

- 15 • The *without-project scenario*, which represents the events or conditions most likely to occur in the  
 16 absence of the project activity; and
- 17 • The *with-project scenario*, which represents the events or conditions most likely to occur in the  
 18 presence of the project activity.

#### 19 **Deemed Estimates Method**

20 The deemed estimates method (sometimes called a “deemed savings” or “unit savings” approach) is a  
 21 simplified variation of the scenario method. This method involves calculating the impact of a project  
 22 activity without separately defining and estimating without- and with-project and comparing the two. This  
 23 method may be appropriate for certain common or homogeneous policies and actions where deemed  
 24 estimate values are reliable or in cases where the scenario method is not practical.

25 Table 1. Examples of the scenario and deemed estimates method

Method	Activity	Process for establishing impact
Scenario method	REDD+ project	Use a projection of deforestation over the next 20 years and compare that with projected/actual deforestation taking into account project activities
Deemed estimates method	Retrofit of urban apartment buildings with clean energy	Count number of houses/buildings/facilities with access to clean energy to be installed/resulting from the project

26

1 For more guidance on options for estimating project impacts, see the Initiative for Climate Action  
2 Transparency's *Sustainable Development Guidance* (from which the above text was adapted).

### 3 **3.1 Stakeholders at Project Start**

4 **G 3.1.1** Community characteristics may include shared language, mythology, history, culture, livelihood  
5 systems, traditional authority structures, institutions, practices, values, relationships with specific sites of  
6 historical, cultural or spiritual significance, relationships with natural resources, or the customary  
7 institutions and rules governing the use of resources and sites.

### 8 **3.2 Impact on Stakeholders**

9 **G 3.2.1** The *Social and Biodiversity Impact Assessment (SBIA) Manual for REDD+ Projects: Part 1 –*  
10 *Core Guidance for Project Proponents* is recommended for guidance on appropriate methodologies.

11 Evaluation by the affected stakeholder groups can be undertaken through a documented opportunity for  
12 feedback from communities and their stakeholder groups as part of a participatory rural appraisal,  
13 community meetings or some other process.

14 **G 3.2.2** The precautionary principle originated in the Convention on Biological Diversity. That  
15 document states "in order to protect the environment, the precautionary approach shall be widely applied  
16 by States according to their capabilities. Where there are threats of serious or irreversible damage, lack of  
17 full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent  
18 environmental degradation".

### 19 **3.3 Monitoring of Impact on Stakeholders**

20 **G 3.3.1** Potential stakeholder variables to be monitored may include but are not limited to: income,  
21 employment generation, health, market access, schools, food security and education.

22 **G 3.3.2** Guidance will be provided to support monitoring within specific stakeholder groups as dictated by  
23 the SDG Indicator. E.g., to meet the Target 2.3, Double the productivity and incomes of small-scale food  
24 producers, a project would need to monitor the productivity and incomes of small-scale food producers  
25 among its stakeholders.

## 26 **4 Benefits for the Planet**

27 See Guidance for Section 3.

### 28 **4.1 Natural Capital and Ecosystem Services Planet at Project Start**

29 **G 4.1.1** See Guidance for Section 3.2.1.

### 30 **4.2 Impact on Natural Capital and Ecosystem Services**

31 **G 4.2.6** The process of identifying, classifying and managing all waste products resulting from project  
32 activities may include, but is not limited to, the following:

- 33 • Methods of collecting, storing, moving, treating and disposing of animal, plant, food processing,  
34 municipal and industrial wastes

- 1 • Development of products from waste materials, including biofuels
- 2 • Engineering and analysis of projected and existing waste disposal systems and pesticide
- 3 containers
- 4 • Recycling pre- and post-consumer wastes
- 5 • Improved methods for mitigating environmental impacts and biosecurity risks from agricultural,
- 6 forestry, municipal and industrial wastes, etc.

#### 7 **4.3 Monitoring of Impact on Natural Capital and Ecosystem Services**

8 **G 4.3.1** Potential variables may include but are not limited to: species abundance; population size, range,  
9 trends and diversity; habitat area, quality and diversity; landscape connectivity; and forest fragmentation.

10