

# 1 INTRODUCTION

This document summarizes the main points of feedback received during the June 2019 VCS Version 4 public consultation. The June 2019 consultation was the second 60-day public consultation held as part of the VCS Version 4 development process. After receiving more than 300 comments during the first 60-day public consultation, held in May 2018, Verra analyzed the feedback, engaged with relevant stakeholders, and refined the proposed VCS Version 4 updates. The proposal documents posted for the June 2019 consultation included information about the comments received during the May 2018 public consultation, any changes made to the proposed update, and the specific text changes to existing requirements and proposed text for new requirements.

During the 2019 public consultation, Verra received comments from 23 different stakeholders, including project developers, methodology developers, validation/verification bodies, trade associations, NGOs and other market participants. Section 2, below, provides a summary of the comments received related to each proposed update, and how Verra has taken due account of each comment in preparation of the final VCS Version 4 program documents.

# 2 SUMMARY OF COMMENTS

	Update	Document	Summary of Comment(s)	Response to Comment(s)
1	Revision to Scope of VCS Program	VCS <i>Standard</i> , Section 2.1	Verra's proposal to revise the scope of the VCS Program will necessarily exclude small scale, micro-grid projects, which are still highly additional in many contexts.	Verra appreciates this point, which was made by several stakeholders. Accordingly, Verra has added flexibility in the scope revision proposal to permit certain micro-grid projects to pursue certification under the VCS Program. This flexibility is reflected in a footnote associated with the relevant updates in the <i>VCS Standard</i> .
2	Revision to Scope of VCS Program	VCS <i>Standard</i> , Section 2.1	Verra's proposal to revise the scope of the VCS Program will cut off much-needed carbon finance for the project activities it is proposing	Verra appreciates that the approach taken under this proposal will lead to the exclusion of certain truly additional projects from registering

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			to exclude, and will ultimately exclude truly additional projects.	with the VCS Program. However, Verra believes that ensuring the environmental integrity of all VCUs issued under the VCS Program justifies this approach.
3	Revision to Scope of VCS Program	VCS <i>Standard</i> , Section 2.1	Verra's proposal to revise the scope of the VCS Program will exclude projects that can provide significant sustainable development benefits which may not be realized if they are not able to be certified under the VCS Program.	Verra agrees with the notion that the project types proposed for exclusion have the potential to generate significant sustainable development benefits. However, we do not believe this fact negates the rationale underpinning the original proposal, and Verra would encourage such projects to pursue certification of their sustainable development benefits under another certification program, such as Verra's <i>Sustainable Development Verified Impact Standard (SD VISTa)</i> .
4	Revision to Scope of VCS Program	VCS <i>Standard</i> , Section 2.1	The geographic restrictions set out under Verra's proposal to revise the scope of the VCS Program are too restrictive.	Verra appreciates there may be subnational regions within certain countries that exhibit similar economic characteristics as Least Developed Countries (LDCs). Verra spent significant time researching methods by which to demarcate such regions, but believes the original approach of relying on a defined categorization of countries is consistent with the objective of setting out clear and conservative criteria (as is the delineation between small and large scale activities, as set out in the proposal).
5	Revision to Scope of VCS Program	VCS <i>Standard</i> , Section 2.1	Rather than set out blanket exclusions of certain project types, Verra should instead introduce more strict criteria for assessing additionality, or look into activity penetration	Verra believes that the strict approach set out under this proposal provides a critical level of clarity and conservativeness in respect of the eligibility of project activities. We do not believe

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			levels (or other metrics) as a proxy for additionality.	that a more nuanced approach of introducing new and potentially more cumbersome additionality criteria would provide the same requisite level of clarity and conservativeness.
6	Revision to Scope of VCS Program	VCS <i>Standard</i> , Section 2.1	The grace period set out under Verra's proposal to revise the scope of the VCS Program is too short. Verra should also provide additional clarity in respect of the operation of the proposed grace period.	<p>The grace period for this proposal is that (a) registered VCS projects and (b) projects that apply for VCS registration within three (3) months of the release of VCS Version 4, remain eligible under the VCS Program for the entirety of their project crediting periods. For example, if VCS Version 4 were released on 30 September 2019, new projects would have until the end of 2019 (i.e., 3 months after the release of VCS Version 4) to request registration. Already-registered projects need not "reapply" for registration. After such date, no new registration requests will be accepted from projects subject to exclusion under this proposal.</p> <p>Verra originally announced this grace period during the first VCS Version 4 consultation, which was initiated in May 2018. Verra believes this should have provided ample time for projects already anticipating moving forward with validation to complete that validation and request registration.</p>
7	Domestic Climate Contribution	N/A	Verra should be mindful not to introduce confusion or inequities via introduction of the DCC.	The DCC concept was not included as part of the second VCS Version 4 consultation.

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	(DCC)			
8	Update to Project Crediting Period Requirements	VCS <i>Standard</i> , Section 3.8	The grace period set out for this proposal is unclear and/or seems to contradict grace periods set out under other proposals.	<p>The grace period associated with this proposal is that projects that have completed validation within 6 months of the release of VCS Version 4 will be eligible to apply the current crediting period requirements. This grace period, by definition, extends to already-registered projects.</p> <p>Verra also believes that this grace period does not necessarily need to align with the grace periods set out under other proposals. Grace periods set out under various Version 4 proposals are defined in a manner that makes sense for each proposal, meaning that some grace periods may not (and need not) be perfectly aligned.</p>
9	Update to Validation / Verification Body (VVB) Accreditation Recognition	VCS <i>Program Guide</i> , Section 5	Verra should continue to allow for validation/verification bodies (VVBs) to be accredited under the two existing pathways under the VCS Program: 1) accreditation under an approved GHG program (e.g., the Clean Development Mechanism (CDM)) and 2) accreditation to ISO-14065, scope VCS, by an accreditation body that is a member of the International Accreditation Forum. Many VVBs that are accredited under the CDM, for example, have already demonstrated	Verra appreciates that many VVBs accredited under approved GHG programs (e.g., the CDM) have competence in the VCS Program rules and requirements. However, Verra believes that being able to establish direct communication with and oversight of the accreditation body justifies this approach.

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			competence in the VCS Program rules and requirements, and therefore should not be required to go through a separate accreditation process in order to continue conducting validations and verifications under the VCS Program.	
10	Update to Validation / Verification Body (VVB) Accreditation Recognition	VCS <i>Program Guide</i> , Section 5	<p>ISO-14065 is the generic standard that establishes requirements for validations and verifications of GHG projects. However, ISO/CASCO is developing the new ISO/IEC-17029 to set out general principles for validation and verification bodies, with final publication of this standard expected later in 2019.</p> <p>The update to VVB accreditation pathways would require some existing VVBs to become accredited to ISO-14065, and then switch their accreditation again after ISO-17029 is published.</p>	Verra is tracking the ISO process for the development of ISO-17029. Verra disagrees that ISO-14065 is a <i>more</i> generic standard, as it is specific to GHG validation and verification services; ISO-17029 is intended to be a generic standard for certification services. As such, Verra believes that ISO-14065 will continue to be the most appropriate standard to reference as the basis for accreditation of VVBs under the VCS Program.
11	Update to Streamline the <i>Methodology Approval Process</i>	<i>Program Fee Schedule</i>	The increase in the methodology administration fee is not well justified. The cost of developing new methodologies is already very high.	Although the <i>methodology approval process administrative fees</i> are increasing with this update, the overall cost for methodology developers is expected to decrease with this update because they will only be responsible for funding one validation/verification body assessment, rather than two separate assessments.
12	Update to Streamline the	<i>Methodology Approval</i>	The VCS <i>Methodology Approval Process</i> should set out a time limit for methodology approval -	Verra does not agree with setting a time limit for methodology approval, as this would place an

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	Methodology Approval Process	<i>Process</i>	12 months for new methodologies and 6 months for methodology revisions.	arbitrary deadline on methodology development.
13	Updates to AFOLU Requirements – Mechanism for Identifying Inactive Projects	<i>Registration and Issuance Process, Section 4.7.1</i>	It is not clear how a project would become active again after receiving an inactive label, or the appropriate means for stakeholders to establish communication with Verra.	The “late to verify” project status would be removed upon submission of a new verification report from a project with that status. Verra believes that this is sufficiently clear in the proposed text.
14	Updates to AFOLU Requirements – Mechanism for Identifying Inactive Projects	<i>Registration and Issuance Process, Section 5.3.4</i>	The timeline of 15 years after the submission of a verification report until buffer credits are cancelled is too long. This should be reduced to ten years to align with the requirement for certain AFOLU projects to reassess their baseline scenario.	This comment is in respect of an existing requirement under VCS Version 3 that Verra is not proposing to change, and therefore which was not included within the scope of the second VCS Version 4 consultation.
15	Updates to AFOLU Requirements – Strengthened Local Stakeholder Engagement	VCS <i>Standard, Section 3.16.16</i>	The definition of "protection of local stakeholders' property rights" should be based on the definitions and requirements set by more widely used requirements, such as the World Bank Environmental and Social Framework.	Verra finds that the definitions and requirements set by other standards, including the World Bank Environmental and Social Framework, are too narrowly defined. Verra believes that the broad definition used by the <i>CCB Standards</i> is appropriate for use with VCS AFOLU projects. These definitions ensure the protection of any property rights holders that may be impacted by project activities.
16	Updates to AFOLU Requirements	VCS <i>Standard, Section</i>	We support this proposed update and believe that it will help address concerns about whether projects are continuing to invest in the	The text has been updated to clarify what projects must demonstrate during each verification and to align it better with the similar

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	- Positive Activity Implementation	3.2.6	project area and provide benefits. However, the requirement should be updated to clarify what projects must demonstrate at each verification. Further, Verra should better align this requirement with the similar requirement under the <i>CCB Standards</i> .	requirement in the <i>CCB Standards</i> .
17	Updates to AFOLU Requirements - Positive Activity Implementation	VCS <i>Standard</i> , Section 3.2.6	The justification for this proposed update is not clear and there is a risk that this update would add administrative burden to the verification process. It would seem that a project successfully completing a verification would be sufficient evidence that there is active project activity implementation and accompanying investment of time and resources.	Verra does not agree that this proposed update would add any additional administrative burden where a project proponent can demonstrate that the project continues to be maintained in accordance with the validated project design.
18	Other	N/A	Comments were received about existing VCS Program rules and requirements which Verra is not proposing to change as part of VCS Version 4.	Existing VCS Program rules and requirements that Verra is not proposing to update as part of VCS Version 4 were not included within the scope of the second VCS Version 4 consultation.