



**Jurisdictional
& Nested REDD+**

JNR Registration and Issuance Process



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1 INTRODUCTION

This document outlines the procedures for listing and registering jurisdictional programs and jurisdictional forest reference emission levels (FRELs) (hereinafter referred to individually or collectively as *jurisdictional element(s)*) and nested projects and issuing verified carbon units (VCUs) for jurisdictional programs under the VCS Program.¹ This document is intended for use by jurisdictional proponents, project proponents, VCU buyers, VCU sellers and any other entities participating in the VCU market. Note that the *Jurisdictional and Nested REDD+ (JNR) Requirements* (including the *JNR Guide*, *JNR Scenario 1 Requirements*, *JNR Scenario 2 Requirements* and *JNR Scenario 3 Requirements*) and its related documents provide the rules and requirements for developing jurisdictional elements, and this document (the *JNR Registration and Issuance Process*) should not be used for such purpose. Further, note that the *JNR Validation and Verification Process* sets out the requirements for the validation and verification of jurisdictional elements, including the Verra review process.

Jurisdictional programs may have one or many proponents, though to aid readability, this document uses jurisdictional proponent in the singular. For jurisdictions with multiple proponents, *jurisdictional proponents* should be substituted in place of *jurisdictional proponent*, as appropriate.

Jurisdictional proponents interact with the Verra registry to list and register jurisdictional elements, and issue VCUs (i.e., jurisdictional program listing, registration, and VCU issuance are handled by the Verra registry). Verra staff are responsible for undertaking a completeness check on documentation and for ensuring adherence to the VCS Program rules with respect to the pipeline listing process and the registration process. Verra staff also upload information to the Verra registry.

The Verra registry provides the central repository for all information and documentation relating to pipeline and registered jurisdictional elements. The registry is also responsible for ensuring uniqueness of jurisdictional elements, issuing VCU serial numbers and tracking VCU retirement. The registry makes jurisdictional element and VCU information and documentation publicly available and can be accessed via the Verra website. As set out in the VCS Program document *VCS Program Guide*, Verra is responsible for reviewing jurisdictional elements and overseeing validation/verification bodies to ensure the integrity of jurisdictional elements and VCUs in the Verra registry system.

Nested projects shall follow the procedures set out in the VCS document *Registration and Issuance Process* unless different requirements in this document take precedence.

This document will be updated from time-to-time and readers shall ensure that they are using the most current version of the document.

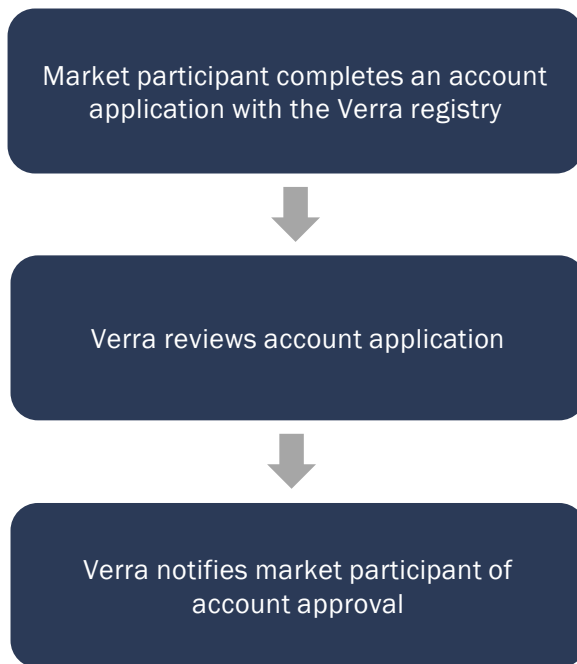
¹ Jurisdictional proponents only listing and registering a FREL for project nesting do not issue VCUs.

Note that jurisdictional proponents may create their own registry systems which set out procedures additional to this document, and jurisdictional proponents and nested project proponents are responsible for ensuring adherence to any such additional procedures.

2 OPENING A VERRA REGISTRY ACCOUNT

A Verra registry account shall be opened by any market participant who wants to list a jurisdictional element, register a jurisdictional element, and/or issue, trade or retire VCUs as set out in Diagram 1, with the notes that follow providing further details.

Diagram 1: Opening a Verra Registry Account



- 2.1.1 The Verra registry is managed and operated by Verra staff. Further details about the Verra registry system are available in the *VCS Program Guide*.
- 2.1.2 A market participant can apply to open a Verra registry account at any time. For example, a would-be jurisdictional proponent does not need to have a validated or verified jurisdictional element and a would-be VCU buyer does not need to have entered into a legal agreement to purchase VCUs in order to open a Verra registry account.
- 2.1.3 Market participants can apply to open a Verra registry account through the Verra website. Market participants are also encouraged to contact the Verra registry at any time at registry@verra.org.

3 PIPELINE LISTING PROCESS

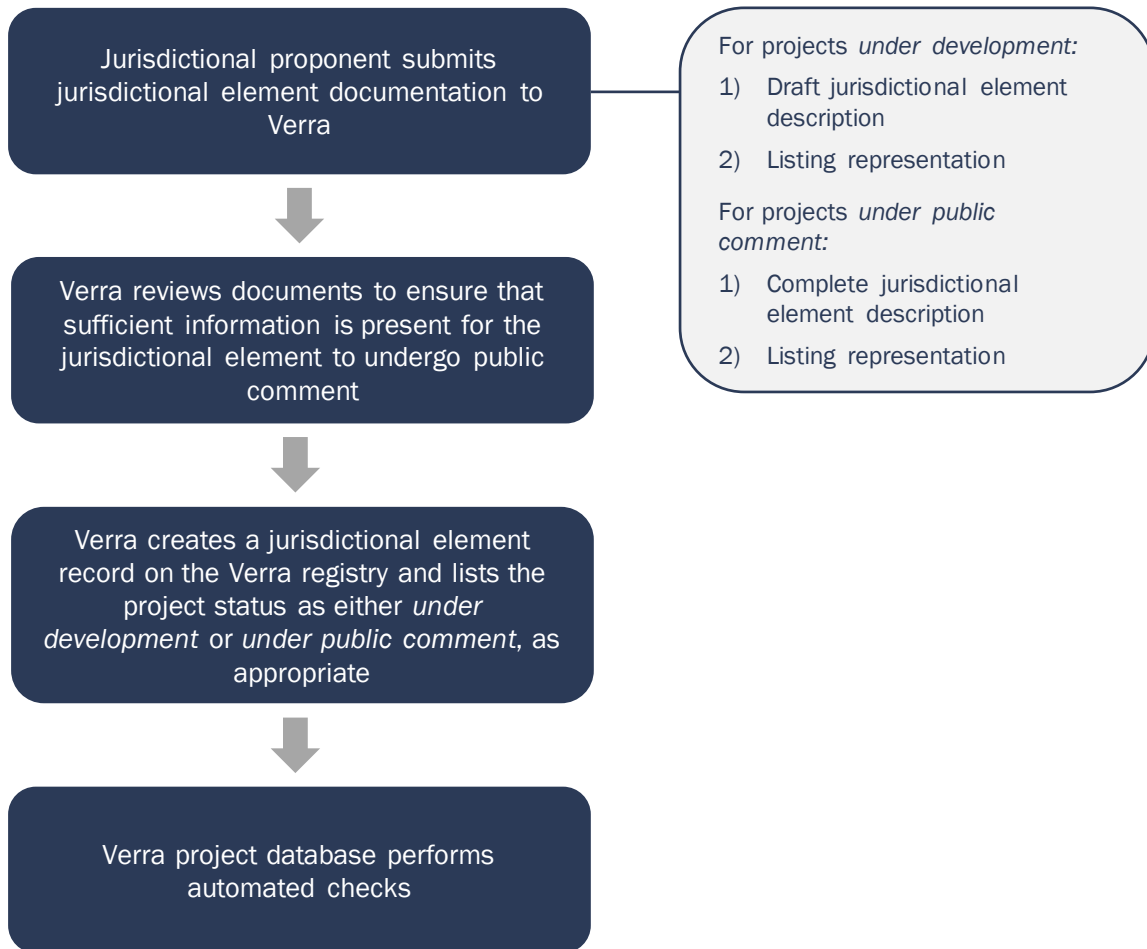
The Verra registry contains a pipeline that lists jurisdictional elements before they are registered. Jurisdictional elements shall be listed on the pipeline for the purpose of stakeholder consultation. Jurisdictional proponents may also request listing of a jurisdictional element on the Verra registry prior to the beginning of the stakeholder consultation. Some jurisdictional proponents may be interested in doing this in order to give market visibility and credibility to forthcoming jurisdictional forest reference emissions levels (FRELs) or jurisdictional programs. As set out in the VCS Program document *JNR Validation and Verification Process*, jurisdictional elements on the pipeline shall have one of the following statuses:

- 1) Under development: jurisdictional elements which have not fully completed the required documentation or contracted a validation/verification body to perform validation but wish to list their jurisdictional elements at the early stages of program or FREL development.
- 2) Under public comment: jurisdictional elements that have submitted all required documentation for and are undergoing a public comment period.
- 3) Under validation: jurisdictional elements that have completed the public comment period and have contracted a validation/verification body to perform validation (i.e., are ready to begin or have begun the validation process).

Listed jurisdictional elements are not considered as registered under the VCS Program and are not eligible for VCU issuance until they are registered in accordance with Section 4 below.

Nested projects shall follow the project pipeline listing process in accordance with the procedures set out in the VCS Program document *Registration and Issuance Process* unless different requirements in this document take precedence.

The process for listing a jurisdictional element on the pipeline is set out in Diagram 2 below, with the notes that follow providing further details.

Diagram 2: Pipeline Listing Process


3.1 Listing Process

3.1.1 The only entities that may initiate the pipeline listing process are the jurisdictional government entities (or agencies) that qualify as jurisdictional proponents, or the authorized representative of such entities (see the VCS Program document *Program Definitions* for definitions of jurisdictional proponent and authorized representative). No other entity can initiate the pipeline listing process.

3.1.2 Pipeline jurisdictional elements shall be listed as either under development or under public comment.

- 3.1.3 To list a jurisdictional element as *under development* prior to undergoing public comment, the following shall be submitted to the Verra registry:
- 1) A draft jurisdictional FREL description or jurisdictional program description, which shall be prepared using the *VCS JNR FREL Description Template* or the *VCS JNR Program Description Template*, respectively. Jurisdictional proponents are encouraged to provide as much information as possible, though the template does not have to be completely filled out and indicative information is sufficient (e.g., the complete set of data supporting a jurisdictional FREL that will be submitted for validation need not be specified); and
 - 2) A listing representation.
- 3.1.4 To list a jurisdictional element as *under public comment*, the following shall be submitted to the Verra registry:
- 1) A fully complete jurisdictional FREL description or jurisdictional program description, which shall be prepared using the *VCS JNR FREL Description Template* or the *VCS JNR Program Description Template*, respectively.
 - 2) A listing representation.
- 3.1.5 The following applies with respect to the listing representation:
- 1) The Verra website provides the template for the listing representation. The template shall not be altered other than to fill in the jurisdictional element details.
 - 2) The jurisdictional listing representation shall be properly executed as a deed in accordance with applicable local laws and the entity's own constitutional documents (e.g., signature by relevant officials or requirement of the entity's seals).
 - 3) Where more than one entity can claim rights in respect of the execution of the jurisdictional listing representation, and there exists no other (single) entity which may execute the listing representation, all such entities shall execute the representation, using the appropriate template available on the Verra website for jurisdictional elements with multiple jurisdictional proponents, as applicable. Note that such representations may be executed in any necessary number of counterparts.
- 3.1.6 All documents may be submitted to the Verra registry in electronic format.
- 3.1.7 Verra invoices the jurisdictional proponent for the JNR validation and verification process administration fee upon receipt of the jurisdictional element documentation.²

² Given that the development of jurisdictional FREs and jurisdictional programs is currently in a piloting phase, Verra is reviewing the most appropriate way to address the costs associated with the JNR validation and verification process. As such, the fee structure with respect to covering the cost of such process is under review and will be handled on a case-by-case basis in the interim.

- 3.1.8 Verra shall check the submitted documents to ensure that:
- 1) The relevant sections of the *VCS JNR FREL Description Template* or the *VCS JNR Program Description Template*, respectively, have been completed in accordance with Sections 3.1.3, 3.1.4 and 3.1.5, as appropriate.
 - 2) The listing representation has been signed by the relevant responsible parties.
- 3.1.9 Verra reviews the jurisdictional element documents to ensure that sufficient information is present and may require the jurisdictional proponent to update documentation before listing the jurisdictional element on the Verra registry. A jurisdictional FREL or jurisdictional program will only be listed on the pipeline and posted for public comment after the relevant documentation has been reviewed and approved by Verra, as set out in the VCS Program document *JNR Validation and Verification Process*.
- 3.1.10 Verra shall upload all relevant documentation to the Verra registry. Verra will use the information from the documents to create a jurisdictional element record in the Verra registry. The status of the jurisdictional element shall be *under development* or *under public comment* as appropriate.
- 3.1.11 Verra shall store the electronic and signed original documents in its record-keeping system for a minimum period of 12 years from the date the jurisdictional element is listed on the pipeline.
- 3.1.12 Where Verra has reason to believe that false or misleading information has been submitted, Verra seeks clarification from the jurisdictional proponent. Where the jurisdictional proponent cannot satisfactorily justify the information provided for the jurisdictional element listing, Verra reserves the right to delist the jurisdictional element.

3.2 Public Comment Period

- 3.2.1 Jurisdictional elements shall undergo a 60-day public comment period.
- 3.2.2 Where the jurisdictional element was listed as *under development*, the jurisdictional element status may be updated from *under development* to *under public comment* where jurisdictional proponent submits a request to change the status to “*under public comment*” and submits the required documentation, as set out in Section 3.1.4 (noting that a second listing representation is not required). Verra shall undertake the relevant checks set out in the *JNR Validation and Verification Process*.

3.3 After Public Comment

- 3.3.1 At the end of the 60-day public comment period, the jurisdictional element status shall be updated from *under public comment* to *under validation*. The public comment period shall be completed before the validation/verification body issues its draft validation or verification report as set out in the VCS Program document *JNR Validation and Verification Process*.

- 3.3.2 Where a jurisdictional element successfully completes validation, it may progress to registration on the Verra registry, following the procedures set out in Section 4.
- 3.3.3 Where a jurisdictional element does not successfully complete validation within 24 months of the end of its public comment period, Verra shall update the status to *inactivate*, unless Verra is informed that validation is still being pursued. Likewise, inactivated jurisdictional elements may be reactivated by notifying Verra.

4 REGISTRATION PROCESS

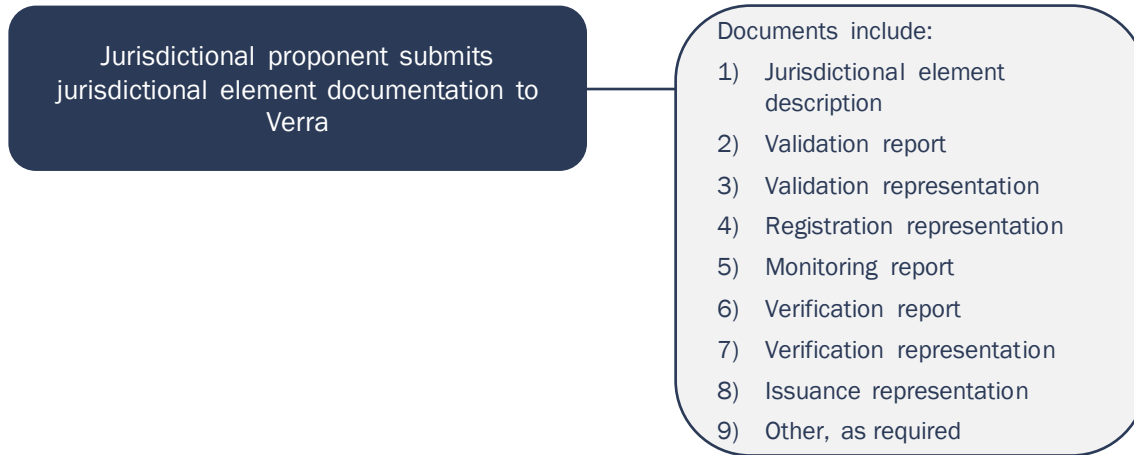
The following steps are required under the VCS Program to register a jurisdictional element and for jurisdictional programs to issue VCUs, and these are presented in this Section 4:

- 1) Registration (for all jurisdictional elements) and issuance request (for jurisdictional programs only)
- 2) Jurisdictional element review
- 3) Jurisdictional element registration and initial jurisdictional program VCU issuance
- 4) Periodic VCU issuance
- 5) VCU retirements and cancellations
- 6) Jurisdictional element maintenance

For the purposes of this document, the jurisdictional element registration process refers to all or any of these six steps, as the case may be. All steps are not required for jurisdictional FREs developed under Scenario 1 or for jurisdictional programs developed under Scenario 2. The entity that initiates the jurisdictional element registration process may terminate the process at any one of these steps if it decides it does not want to register the jurisdictional element or have VCUs issued.

4.1 Step 1: Registration and Issuance Request

The jurisdictional element is presented to the Verra registry for registration and the jurisdictional program is presented for issuance as set out in Diagram 3 below, with the notes that follow providing further details.

Diagram 3: Project Registration Request


4.1.1 The only entities that may initiate the jurisdictional element registration process are the jurisdictional proponent (i.e., government entities or agencies that qualify as jurisdictional proponents), an entity to which the jurisdictional proponent has assigned sole right to the GHG emission reductions for the entire jurisdictional program crediting period, or the authorized representative of either of these entities. No other entity can initiate the jurisdictional element registration process.

4.1.2 Notwithstanding the above, the request for registration of a jurisdictional element shall be subject to the government approval or no-objection requirements set out in Section 7.1.

Note – An entity that provides proof of right in accordance with Section 4.1.18 may not initiate the registration and/or issuance process of a jurisdictional element.

4.1.3 The only entities that may initiate the registration and/or issuance process for a nested project are the project proponent, an entity to which the project proponent has assigned sole right to the GHG emission reductions or removals for the entire project crediting period (i.e., an entity that provides proof of right in accordance with Section 4.1.17 below), or the authorized representative of either of these entities.

Note – Notwithstanding the above, the request for registration and/or issuance for a nested project shall be subject to the government approval or no-objection requirements set out in Section 7.1.

4.1.4 Registration of a jurisdictional element may be requested when the jurisdictional element has completed validation but before the first verification of GHG emission reductions. Some jurisdictional proponents may be interested in doing this by way of giving market visibility and credibility to their programs.

- 4.1.5 The jurisdictional element's geodetic co-ordinates shall be entered onto the Verra registry. The Verra registry checks that there are no other jurisdictional elements within a 5 kilometer radius. Where there are jurisdictional elements within a 5 kilometer radius, the Verra registry notifies Verra and provides a list of the overlapping jurisdictional elements. The Verra registry shall confirm that the jurisdictional element being presented for registration is unique and not one of the overlapping jurisdictional elements, noting that it is possible to have overlapping jurisdictional elements where different jurisdictional elements are developed at higher and lower jurisdictional levels. Verra may do this on its own if sufficient information is available or by contacting the validation/verification body of the jurisdictional element being presented for registration who shall confirm that it is unique and not one of the overlapping jurisdictional elements. Where Verra is unable to confirm uniqueness of the jurisdictional element, it cannot be registered.
- 4.1.6 Where the geodetic co-ordinates of a higher-level jurisdictional FREL or jurisdictional program are entered, the Verra registry will also provide a list of existing registered projects and lower-level jurisdictional FRELS or jurisdictional programs that fall within the boundary of the higher-level jurisdictional element. Where there are existing registered projects or lower-level jurisdictional FRELS or jurisdictional programs that fall within the boundary of such higher-level jurisdictional element, Verra shall update the records of such projects and lower-level jurisdictional FRELS or jurisdictional programs to indicate that they are within the boundary of the higher-level jurisdictional element, and that they may be subject to the transitioning requirements set out in the *JNR Requirements*.
- 4.1.7 Where the jurisdictional element is presented for registration without VCU issuance (e.g., registration of the FREL for project nesting under Scenario 1 or jurisdictional program without VCU issuance under Scenario 2), the relevant documents that shall be provided to the Verra registry are the jurisdictional element description, the jurisdictional validation report, the jurisdictional validation representation, the jurisdictional registration representation, and any jurisdictional specific documentation, communications agreement, proof of right or proof of contracting, the non-permanence risk report and any government approvals/no-objection letters.
- 4.1.8 Where the jurisdictional program is presented for registration and VCU issuance (e.g., a jurisdictional program under Scenario 2 or Scenario 3), the relevant documents that shall be provided to the Verra registry are the jurisdictional program description, the jurisdictional validation report, the jurisdictional validation representation, the jurisdictional registration representation, the jurisdictional monitoring report, the jurisdictional verification report, the jurisdictional verification representation, the jurisdictional issuance representation, and any jurisdictional specific documentation, communications agreement, proof of right, proof of contracting or evidence and representation with respect to cancellation of GHG credits under another GHG program, the non-permanence risk report and any relevant government approvals/no-objection letters. Where a program description deviation has been applied, and a revised program description is issued, the revised program description shall be provided to the

Verra registry. Likewise, where a jurisdictional program crediting period has been renewed, the revised program description and new validation report and validation representation shall be provided to the Verra registry.

4.1.9 Where jurisdictional proponents are transitioning from developing and registering a Scenario 1 FREL to a jurisdictional program under Scenario 2 or 3, the procedures set out in Section 4.6.1 and the *JNR Validation and Verification Process* apply.

4.1.10 For a jurisdictional program that is not crediting projects directly under Scenario 3, all issuance requests for activities taking place within the jurisdiction may be submitted by the relevant jurisdictional proponent only, and no nested project proponents or lower-level jurisdictional proponents may request issuance from the Verra registry administrator. Where a jurisdictional program that is not crediting nested projects or lower-level jurisdictional programs directly contains activities that are under a transition period (as described in the *JNR Requirements*), the activities under the transition period may request issuance until the expiration of their transition period, after which issuance requests from the activity may be submitted by the relevant jurisdictional proponent only.

For example, if the national jurisdiction registers a jurisdictional program that does not credit projects, only the national jurisdictional proponent may request issuance, and no lower-level jurisdictional proponents or project proponents may request issuance at the expiration of any relevant transition period.

4.1.11 Where a nested project is presented for registration without VCU issuance, the relevant documents that shall be provided to the Verra registry are the project description, registration representation, the validation report, the validation representation, the non-permanence risk report, and any relevant government approvals/no-objection letters, communications agreement or proof of right.

4.1.12 Where a nested project is presented for registration and VCU issuance, the relevant documents that shall be provided to the Verra registry administrator are the project description, the registration representation, the validation report, the validation representation, the monitoring report, the issuance representation, the verification report, the verification representation, the non-permanence risk report, and any relevant government approvals/no-objection letters, communications agreement or proof of right. Where a project description deviation has been applied, and a revised project description is issued, such project description shall be provided to the registry administrator. Likewise, where a project crediting period has been renewed, the revised project description and new validation report and validation representation shall be provided to the registry administrator.

4.1.13 The following shall apply with respect to the jurisdictional proponent representations:

- 1) The Verra website provides the templates for the registration representation, issuance representation and all other jurisdictional proponent representations. The templates shall not be altered other than to fill in the jurisdictional element specific details.

- 2) The jurisdictional proponent representations shall be properly executed as deeds in accordance with applicable local laws and the entity's own constitutional documents (e.g., signature by relevant officials or requirement of the entity's seals)
 - 3) Where more than one entity or organization can claim rights in respect of the execution of the jurisdictional proponent representations, all such entities and organizations shall execute the jurisdictional proponent representations, using the appropriate templates available on the Verra website for jurisdictions with multiple jurisdictional proponents, as applicable. Note that such representations may be executed in any necessary number of counterparts.
- 4.1.14 All jurisdictional element documents may be submitted to the Verra registry in electronic format.
- 4.1.15 The Verra registry shall store the electronic and signed original jurisdictional element documents in its record-keeping system for a minimum period of 12 years from the retirement date of the last VCU to which the jurisdictional element documents relate.
- 4.1.16 There is no need to submit proof of right to the Verra registry where the jurisdictional proponent or its authorized representative is initiating the jurisdictional element registration process. Proof of right shall be submitted to the Verra registry where an entity other than the jurisdictional proponent or its authorized representative is initiating the jurisdictional element registration process. Evidencing proof of right is as set out in Section 4.1.18 below.
- 4.1.17 The entity initiating the jurisdictional element registration process or its authorized representative shall submit to the Verra registry the legal agreement(s) transferring the right to the GHG emission reductions for the entire program crediting period to it from the jurisdictional proponent. Where there are one or more intermediaries standing between the entity initiating the project registration process and the jurisdictional proponent, Verra shall check all the legal agreements documenting the complete chain of transfer of right to the GHG emission reductions to the entity from the jurisdictional proponent. Legal agreement(s) shall be in English or shall be an official translation of the legal agreement(s).
- 4.1.18 In consideration of confidentiality, the entirety of the aforementioned legal agreement(s) need not be shown, but Verra shall undertake the checks set out in Table 1 (if submitting an official translation of the legal agreement(s), only such information needs to be translated and shown to Verra).

Table 1: Evidence for Proof of Right

Information required	Verra registry check
Names of the parties to the agreement	The parties are the entity initiating the jurisdictional program registration process (buyer or transferee) and the jurisdictional proponent (seller or transferor), or where there are one or more intermediaries, the parties shall be the relevant parties in the chain of ownership between the jurisdictional proponent and the entity initiating the jurisdictional program registration process
Date of the agreement	Appropriate to the jurisdictional program and transaction subject of the legal agreement
Jurisdictional program name	Same as the jurisdictional program that the entity is presenting for registration
Jurisdictional program crediting period	The jurisdictional program crediting period is defined, with a start date and duration (or end date) specified
Clause that transfers the right to the GHG emission reductions between the parties to the agreement	The clause transfers the right to the GHG emission reductions generated by the jurisdictional program for the jurisdictional program crediting period
Signatures of parties to the legal agreement	The legal agreement is signed by both parties to the agreement

4.1.19 The jurisdictional proponent may protect commercially sensitive information by uploading a public jurisdictional element description and a private jurisdictional element description. The private jurisdictional element description will not be publicly available. The public jurisdictional element description differs from the private jurisdictional element description only in that it does not contain commercially sensitive information.

4.1.20 Jurisdictional proponents may seek GHG credits under both the VCS Program and another (i.e., non-VCS) jurisdictional registry system. However, evidence shall be submitted to Verra demonstrating that any GHG emission reductions presented for VCU issuance have not been issued as GHG credits on another jurisdictional registry system, or where such GHG credits have been issued evidence shall be provided demonstrating that they have been cancelled.

Note - Where GHG emission reductions from one verification period are split between the VCS Program and another GHG program, evidence shall be submitted to the Verra registry that any GHG emission reductions presented for VCU issuance have not been issued as GHG credits under the other GHG program, or where such GHG credits have been issued under the other GHG program that they have been cancelled.

4.1.21 The VCS Program allows VCUs to be labelled with additional certifications that have been granted to the jurisdictional program. The Verra website provides the list of certifications that are accepted as VCU labels, together with the procedure for attaining such VCU labels.

4.2 Step 2: Jurisdictional Element Review

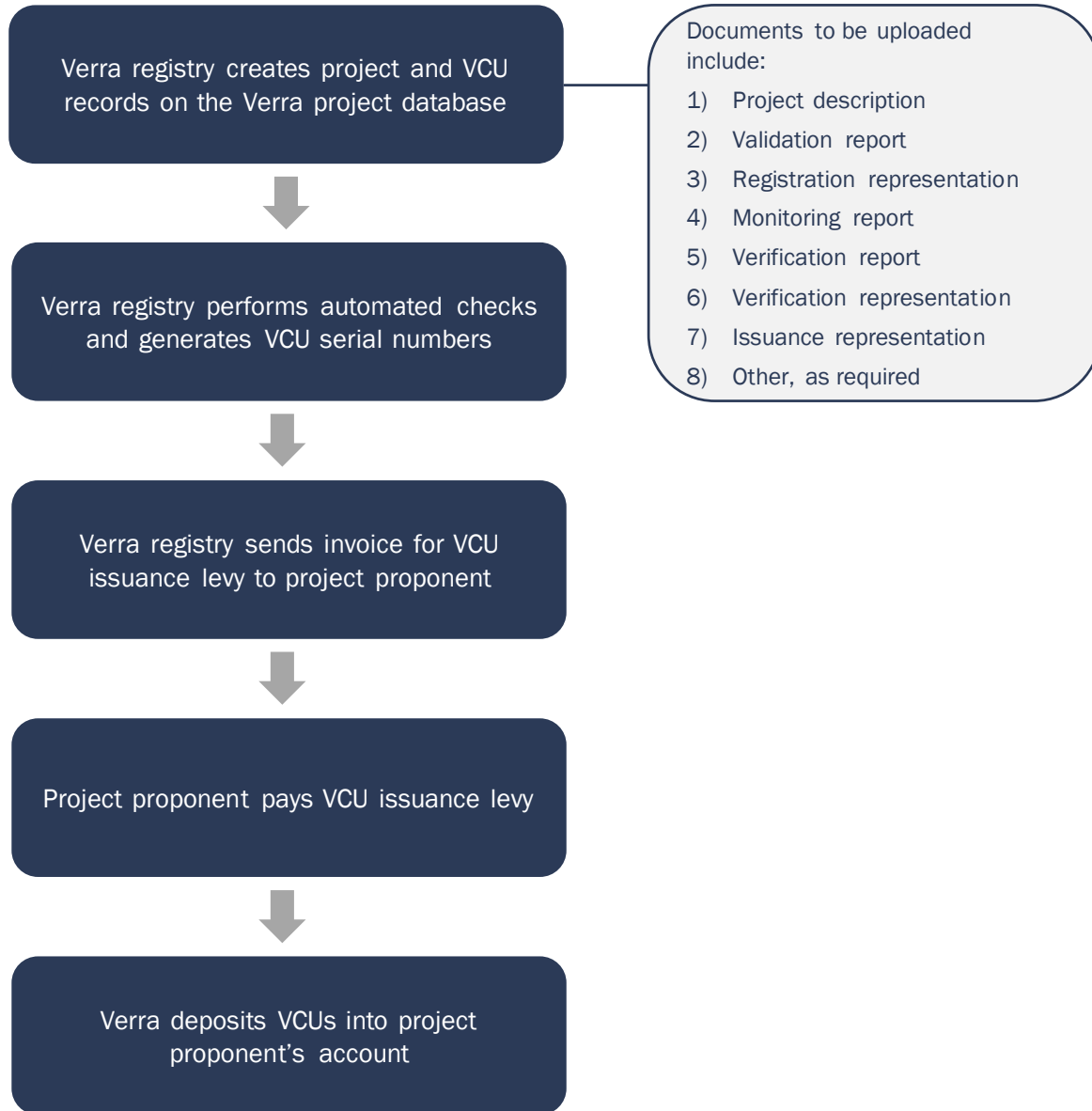
The jurisdictional element review process is triggered when the relevant documentation for registration, issuance or jurisdictional program crediting period renewal is submitted to the Verra registry. As such, jurisdictional proponents are encouraged to submit their documentation to the Verra registry as soon as it is ready, so that the jurisdictional element review process may be completed at an early stage.

Note also that when submitting jurisdictional program's issuance documentation, it is not necessary to immediately request issuance of VCUs. Instead, Verra will begin the review process following receipt of the relevant documentation. VCUs may then be issued upon request to the Verra registry any time following the completion of such reviews.

Further details on the jurisdictional element review process are provided in the VCS Program document *JNR Validation and Verification Process*.

4.3 Step 3: Jurisdictional Element Registration and Initial VCU Issuance

The jurisdictional element is registered and the jurisdictional program VCUs are issued on the Verra registry as set out in Diagram 4, with the notes that follow providing further details.

Diagram 4: Jurisdictional Element Registration and Initial Jurisdictional Program VCU Issuance


4.3.1 The registration fee shall be collected by Verra before the jurisdictional element is registered.

4.3.2 VCUs can be issued incrementally from a verification report (i.e., when the jurisdictional or project proponent requests VCU issuance, it can request issuance of part of the verification report volume and request issuance of the remaining volume at a later date). The following applies:

- 1) The entity requesting VCU issuance shall instruct the Verra registry that it is requesting VCU issuance for only part of the verification report volume and shall specify the volume for which it is requesting VCU issuance.

- 2) The VCU issuance levy and any fees charged by Verra are payable on the volume of VCUs which are issued, not the total verification report volume.
 - 3) Verra does not specify thresholds or timeframes on incremental VCU issuance (e.g., the total number of incremental VCU issuances that can be made from a verification report and the elapsed time between first and last VCU issuance from the verification report). Verra is entitled to apply such thresholds and timeframes as it deems necessary.
 - 4) The Verra registry displays the total verification report volume, the volume of VCUs issued to date and the history of VCU issuances with respect to the verification report.
 - 5) The entity requesting VCU issuance does not have to request VCU issuance of the total verification report volume (i.e., it can choose to only request VCU issuance for a part of the verification report volume and never request issuance of the remaining verification report volume).
 - 6) VCUs are not subject to any discounting with respect to their fungibility. VCU owners, programs or other climate change efforts that accept VCUs may apply a discount at their own discretion.
- 4.3.3 The VCU issuance levy shall be collected by Verra before VCUs are deposited into an account.
- 4.3.4 Where a verification period includes more than one calendar year, the Verra Registry displays separate vintages within one verification period.

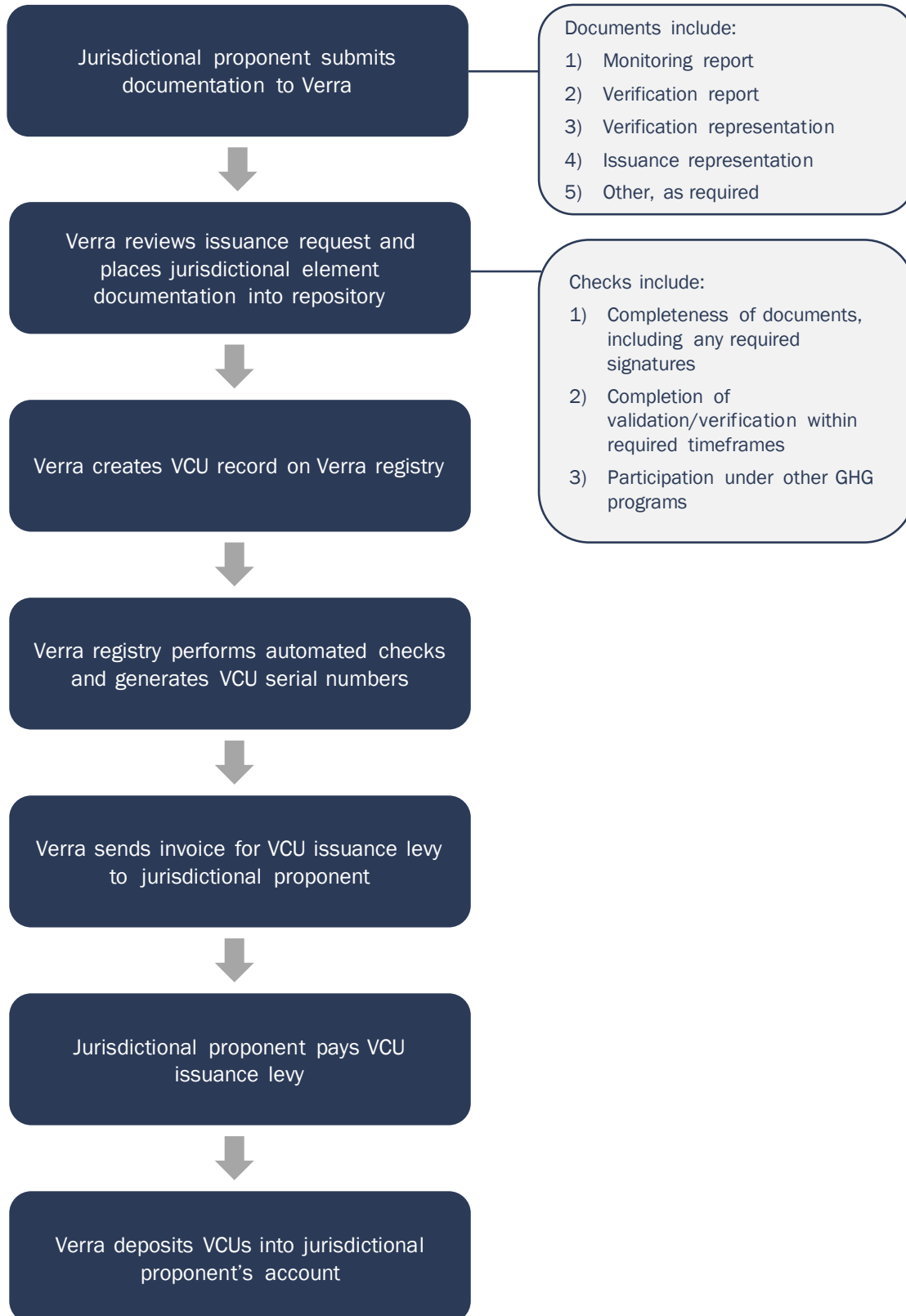
Box 1. Example of VCU issuance in separate vintages

For example, where the verification period is 1 January 2020 to 30 June 2021, the jurisdictional proponent would have one VCU issuance record for the 2020 VCUs and a separate VCU issuance record for the 2021 VCUs. The two vintages would be 1 January 2020 – 31 December 2020 and 1 January 2021 – 30 June 2021.

4.4 Step 4: Periodic VCU Issuance

There may be issuance of VCUs subsequent to the initial issuance of VCUs as set out in Diagram 5 below, with the notes that follow providing further details.

Diagram 5. Periodic VCU Issuance



- 4.4.1 All and any periodic VCU issuances shall be initiated by the eligible entities as described in Section 4.1. Where another entity wants to become the jurisdictional proponent (and therefore assume the roles and responsibilities of a jurisdictional proponent with respect to the Verra registry), the process set out in Section 7 shall be followed. The new jurisdictional proponent on the program record in the Verra registry or its authorized representative can then initiate VCU issuance.

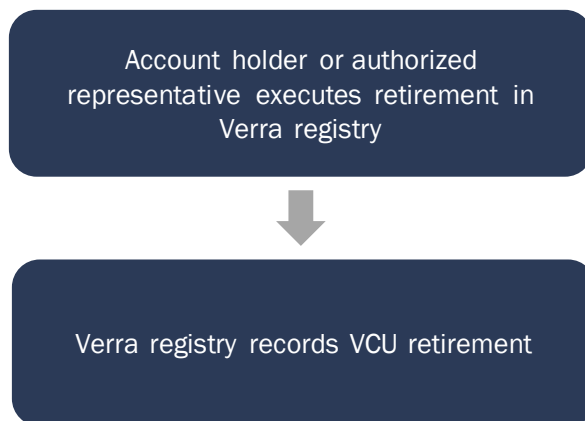
4.5 Step 5: VCU Retirements and Cancellations

The Verra registry displays the status of every VCU issued under the VCS Program. VCUs may have a status of active, retired or cancelled. Note that VCU *retirement* and *cancellation* have specific meanings, as set out in the VCS Program document *Program Definitions*.

The process for retiring active VCUs is set out in Sections 4.5.1 to 4.5.3 below. The process for cancelling active VCUs is set out in Sections 4.5.5 – 4.5.6 below.

VCUs may be retired as set out in Diagram 6 below, with the notes that follow providing further details.

Diagram 6: VCU Retirement

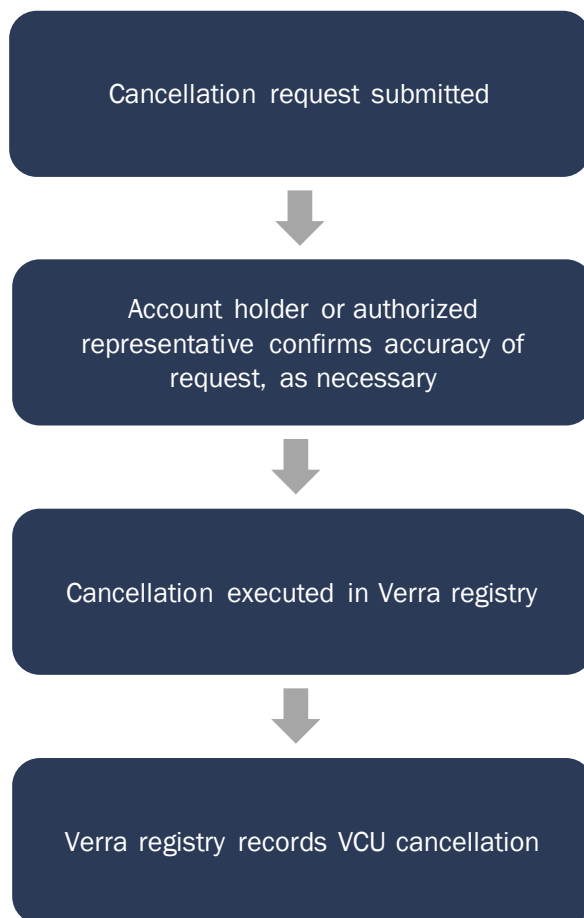


- 4.5.1 All and any VCU retirements shall be initiated by the registry account holder or its authorized representative.
- 4.5.2 The registry account holder or its authorized representative may execute a VCU retirement through its Verra registry account. The Verra registry system records the details of all VCU retirements.
- 4.5.3 VCUs can be retired incrementally from a registry accountholder’s VCU holdings (i.e., when the VCU holder or its authorized representative requests VCU retirement, it can request retirement of part of the VCU holdings and request retirement of any or all of the remaining holdings at a later date). In such cases, the following shall apply:
- 1) The registry account holder or its authorized representative shall designate the specific set of VCUs for retirement through its Verra registry account.

- 2) Any fees charged by the Verra registry are payable on the volume of VCUs which are retired, not the total VCU holdings volume.
- 3) Verra does not specify thresholds or timeframes on incremental VCU retirement (e.g., the total number of incremental VCU retirements that can be made from a registry account holder's VCU holdings and the elapsed time between first and last VCU retirement from those holdings). Verra is entitled to apply such thresholds and timeframes as it deems necessary.

VCUs may be cancelled as set out in Diagram 7 below, with the notes that follow providing further details.

Diagram 7: VCU Cancellation



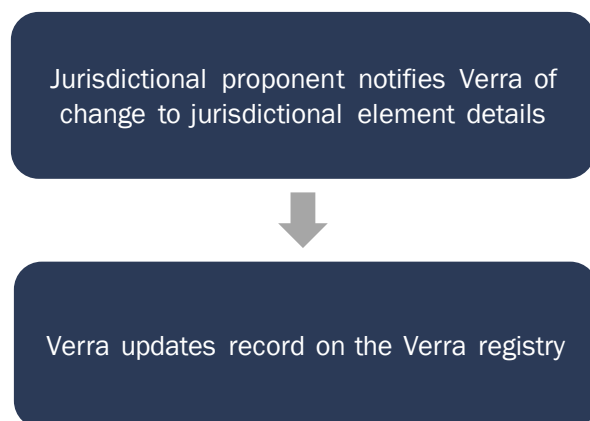
- 4.5.4 The registry account holder, its authorized representative, the other GHG program in which the registry account holder is participating or Verra may initiate a VCU cancellation. Note that the initiator and recipient of a VCU cancellation request depends on the specific circumstances of the cancellation (e.g., where VCUs are being converted into another form of GHG credit, the cancellation request may be submitted to Verra by the other GHG program in which the registry account holder is participating).

- 4.5.5 The registry account holder or its authorized representative may be asked to confirm the details of the VCU cancellation request.
- 4.5.6 VCUs are cancelled in the Verra registry and the Verra registry records the details of all VCU cancellations.

4.6 Step 6: Jurisdictional Element Updates

Jurisdictional element details may be updated as set out in Diagram 8 below, with the notes that follow providing further details. For example, jurisdictions may move from registering a Scenario 1 FREL only to registering a jurisdictional program (e.g., Scenario 2 or 3) over time, or a jurisdictional FREL may be updated and revalidated.

Diagram 8: Jurisdictional Element Maintenance



- 4.6.1 Where a jurisdictional proponent intends to transition from registering a FREL under Scenario 1 to a jurisdictional program under Scenarios 2 or 3, the jurisdictional proponent shall complete the validation process described in the VCS Program document *JNR Validation and Verification Process* for the jurisdictional program and shall provide Verra with the updated documentation described in Section 4.1.7 or 4.1.8, as appropriate. Verra shall perform the completeness checks set out in the VCS document *JNR Validation and Verification Process* and shall update the program record following the procedures set out in Section 4.3.
- 4.6.2 For example, if a jurisdiction intends to transition from a Scenario 1 to a Scenario 2 or 3 the jurisdictional proponent shall complete validation of its jurisdictional program, and shall submit the updated jurisdictional program description, and other required documents described in Section 4.1.7 or 4.1.8, as appropriate, to Verra. The Verra registry shall then upload the new jurisdictional element documentation to the Verra registry and update the jurisdictional program record indicating the transition.

- 4.6.3 Where jurisdictional FRELs are updated, the updated jurisdictional element documentation shall be submitted to Verra. The Verra registry shall confirm that the jurisdictional FREL has been validated within the required timeframe and shall upload the updated jurisdictional documentation to the Verra registry.
- 4.6.4 Where a higher-level jurisdictional FREL has not been updated (e.g., where such FREL has expired), any registered nested projects or lower-level jurisdictions may request an extension to continue to use the project baselines and lower-level jurisdictional FRELs allocated from the higher-level jurisdictional FREL for a grace period of 24 months or a shorter period defined by the jurisdictional proponent after such jurisdictional FREL expires. Projects and lower-level jurisdictions shall request a letter from the jurisdictional proponent where it states the allowed extension period as set out in the VCS Program document *JNR Requirements*.
- 4.6.5 The geographic boundary of a jurisdictional program may be changed under certain conditions. Where the geographic boundary of a jurisdictional program is changed, the updated geodetic coordinates of the jurisdictional boundaries shall be submitted to Verra at the subsequent request for VCU issuance, and Verra shall update the jurisdictional record in the Verra registry to make use of the adjusted geographic boundary. The new geographic boundary and the reassessed FREL shall be validated at the time of the next verification.
- 4.6.6 Where a jurisdictional program fails to submit a verification report to the Verra registry within five years of its last verification, the following applies:
- 1) Verra will send written communication to the jurisdictional proponent to request evidence that jurisdictional program is still active despite not having verified.
 - 2) The jurisdictional proponent shall submit such evidence within one year of receiving the written communication from Verra.
 - a) Evidence may take the form of a letter submitted by the jurisdictional proponent to Verra and should explain in detail the status of the jurisdictional program, including an explanation as to why the program has not verified and, where relevant, why it should still be considered active.
 - b) The letter may be accompanied by any relevant documentation of activity implementation (e.g., photographic evidence, monitoring reports, contract for verification in the near future).
 - 3) Where a letter is received, it shall be posted publicly to the Verra registry and the project status in the registry shall be changed to *late to verify*.
 - 4) Where no letter is received, the jurisdictional program status shall still be changed to *late to verify* but will not benefit from an explanation being available to potential buyers and other stakeholders. The jurisdictional proponent is encouraged to submit an updated letter annually.

Note – Where a jurisdictional program has not verified because it has transitioned to another GHG program (e.g., integrated into a government program), its program status shall be changed to program transferred to other GHG program instead of late to verify.

Note – Where a jurisdictional program fails to submit a verification report to the Verra registry within five, ten and fifteen years of its last verification, buffer credits are put on hold or cancelled (and the jurisdictional program labelled as inactive), as appropriate, per the requirements set out in Section 5.3, below.

- 4.6.7 Where the jurisdictional proponent wishes to withdraw the jurisdictional program from the VCS Program (e.g., in order to transfer the program to another GHG program), the following applies:
- 1) The jurisdictional proponent shall submit a letter (in English) on its organization letterhead, to the Verra registry, requesting that the jurisdictional program be withdrawn. Such letter must include the jurisdictional program name, jurisdictional program ID, the reason for the withdrawal request and the signatures and contact information of all jurisdictional proponents.
 - 2) Verra reviews the withdrawal request and may request additional information prior to approving the request.
 - 3) Upon approval, Verra shall update the status of the jurisdictional program to *withdrawn*. The jurisdictional program information shall remain publicly available on the Verra registry, but the jurisdictional program will not be able to issue VCUs.
 - 4) In the case of a jurisdictional program where VCUs have been previously issued, the following applies:
 - a) The jurisdictional program shall not be eligible for any release of buffer credits.
 - b) Where Verra confirms that the jurisdictional program has registered with another GHG program, all buffer credits associated with the jurisdictional program shall be cancelled.
 - c) Where Verra is unable to confirm that the jurisdictional program has registered with another GHG program, buffer credits shall be cancelled over time in accordance with the rules set out in Section 5.3 below.
 - 5) Withdrawn jurisdictional programs may rejoin the VCS Program where the jurisdictional proponent submits a letter to the Verra registry requesting same. Such letter must include the information specified in Section 4.6.7(1) above. Verra reviews the jurisdictional program to determine whether it is eligible to rejoin the VCS Program and notifies the jurisdictional proponent of the outcome of the review. Where the jurisdictional program is eligible to rejoin the VCS Program, Verra updates the status of the jurisdictional program accordingly. Where the jurisdictional program is not eligible to rejoin the VCS Program, the jurisdictional program shall remain withdraw.

5 JURISDICTIONAL POOLED BUFFER ACCOUNT

The VCS Program addresses non-permanence risk associated with jurisdictional programs and project activities by requiring jurisdictional programs and nested projects to set aside non-tradable buffer credits to cover unforeseen losses in carbon stocks. The buffer credits from all jurisdictional programs and nested projects are held in a single jurisdictional pooled buffer account, which can be drawn upon in the event of a reversal in carbon stocks in any individual jurisdictional program or nested project. Projects nesting using a registered Scenario 1 FREL (i.e., where no jurisdictional program is registered) contribute buffer credits to the AFOLU pooled buffer account.

For projects registered prior to the registration of a jurisdictional program, the Verra registry shall transfer any existing buffer credits associated with the nested project to the jurisdictional buffer pool once such a jurisdictional program has been registered and the project becomes fully transitioned. Subsequent buffer contributions by such projects shall be deposited into the jurisdictional buffer pool.

5.1 Assignment of Buffer Credits At First Request For Issuance

At first VCU issuance, buffer credits shall be deposited into the jurisdictional pooled buffer account, in accordance with the procedures below.

- 5.1.1 The number of credits to be deposited in the jurisdictional pooled buffer account is determined by the non-permanence risk report assessed by the validation/verification body(s), in accordance with the requirements set out in the *VCS Standard* and *JNR Requirements*. The report establishes the non-permanence risk rating, and this percentage is applied to the net change in the nested project's and jurisdictional program's carbon stocks (stated in the verification report) to determine the number of credits to be deposited in the jurisdictional pooled buffer account.
- 5.1.2 Jurisdictional proponents may choose to contribute a higher proportion of credits than that determined by the *JNR Non-Permanence Risk Tool* (e.g., to soften the impact of any need to repay the buffer in the event of a reversal in the future). Any deduction of additional buffer credits take place after the quantity of buffer credits determined by the application of the *JNR Non-Permanence Risk Tool* has been deducted from the jurisdiction's net GHG benefit.
- 5.1.3 Where the jurisdictional proponent has not and does not intend to seek VCU issuance (i.e., under a Scenario 2 where projects are nested in a jurisdiction in which the jurisdictional proponents have chosen not to seek VCU issuance), projects shall contribute buffer credits to the jurisdictional pooled buffer account. The portion of credits that shall be deposited will be determined in accordance with the *AFOLU Non-Permanence Risk Tool*.

- 5.1.4 Buffer credits are not issued a VCU serial number nor are they considered to be VCUs. They are not subject to the VCU issuance levy.

5.2 Assignment and Release of Buffer Credits at Subsequent Requests for Issuance

Buffer credits associated with a jurisdictional program or nested project may be released over time, as an incentive for continued verification and to recognize that certain risks decrease as the jurisdictional program's or nested project's longevity is demonstrated, in accordance with the procedures below:

- 5.2.1 The jurisdictional program or nested project is eligible for release of buffer credits where the non-permanence risk rating in the current verification report remains the same or decreases from the previous verification report. The release of buffer credits from the jurisdictional pooled buffer account occurs when a verification report is presented to Verra and VCU issuance is requested. When buffer credits are released from the jurisdictional pooled buffer account, they shall be issued as VCUs into the designated Verra registry account upon payment of the VCU issuance levy.
- 5.2.2 Release of buffer credits may only occur where a verification report (submitted to request VCU issuance) was issued at least five years after the issuance date of the verification report previously submitted to request VCU issuance. The first release of buffer credits shall be no sooner than five years after the first verification report was issued and presented to Verra for issuance. Subsequent releases of buffer credits shall not occur more frequently than once every five years. Where verification reports are issued at intervals shorter than once every five years, buffer credits shall be released no sooner than the issuance date of a verification report that is at least five years after the issuance date of the verification report used to request the previous release of buffer credits (and shall be released at the request for VCU issuance). Where verification events occur at intervals longer than five years, the 15 percent time release (see Section 5.2.4 below) shall be compounded based on the number of five-year intervals that have passed since the last verification report was issued.
- 5.2.3 Where the jurisdictional program or nested project's non-permanence risk rating at the current verification period remains the same as the non-permanence risk rating at the last verification period, buffer credits shall be deposited into the jurisdictional pooled buffer account in accordance with the procedure set out in Section 5.1 above.
- 5.2.4 A 15 percent "time release" of buffer credits is then applied where the five-year interval set out in Section 5.2.1 has passed. This 15 percent time release shall be applied to the total number of buffer credits associated with the jurisdictional program or nested project to date (i.e., the number of buffer credits previously deposited into the jurisdictional pooled buffer account plus the number of buffer credits newly deposited). The deposit and release of buffer credits may be calculated and handled so that Verra carries out a single transaction for the deposit/release of

net buffer credits. An example of how the buffer withholding may be reduced over time is available on the Verra website.

- 5.2.5 Where the jurisdictional program or nested project's non-permanence risk rating at the current verification period is lower than the non-permanence risk rating at the previous verification period, the new non-permanence risk rating shall be applied and buffer credits shall be deposited into the jurisdictional pooled buffer account in accordance with the procedure set out in Section 5.1 above.
- 5.2.6 The new non-permanence risk rating is also applied to all buffer credits associated with the jurisdictional program or nested project that are already deposited in the jurisdictional pooled buffer account from previous verification periods. This means previously deposited buffer credits that are in excess of the reduced withholding percentage shall be released and issued as VCUs where the five-year interval set out in Section 5.2.1 has passed.
- 5.2.7 Where the jurisdictional program or nested project's non-permanence risk rating at the current verification period is higher than the non-permanence risk rating at the previous verification period, no release of buffer credits shall occur. Buffer credits shall be deposited into the jurisdictional pooled buffer account in accordance with the procedure set out in Section 5.1 above.

5.3 Cancellation and Holding of Buffer Credits

Buffer credits are cancelled from the jurisdictional pooled buffer account where there are negative net GHG emission reductions associated with a jurisdictional program or nested project, and are put on hold in certain situations, as outlined in this section.

- 5.3.1 Where an event occurs that is likely to qualify as a loss event (see the VCS Program document *Program Definitions* for definition of loss event) and VCUs have been previously issued, the jurisdictional program that has experienced a potential loss should notify Verra of the loss within 6 months of discovery of the event, and prepare and submit a loss event report to the Verra registry, as follows:
- 1) The loss event report shall be prepared using the *VCS Program Loss Event Report Template*. It shall include a conservative estimate of the loss of previously verified GHG emission reductions due to losses in carbon stocks from the jurisdiction, based on monitoring of the full area affected by the loss event.
 - 2) The loss event report shall be accompanied by a loss event representation signed by the jurisdictional proponent and representing that the loss estimate is true and accurate in all material respects. The template for the loss event representation is available on the Verra website.
 - 3) The loss event report should be submitted to the Verra registry within 2 years of the date of discovery of the loss event.

- 4) The Verra registry shall put buffer credits from the jurisdictional pooled buffer account on hold, in an amount equivalent to the estimated loss stated in the loss event report.
- 5.3.2 At the verification event subsequent to the loss event, the monitoring report shall restate the loss from the loss event and calculate the net GHG benefit for the monitoring period in accordance the *JNR Requirements*. In addition, the following applies:
- 1) Where the net GHG benefit of the jurisdiction, compared to the FREL, for the monitoring period is negative, taking into account emissions and leakage from all (VCS Program) activities within the jurisdiction, a reversal has occurred and buffer credits equivalent to the reversal shall be cancelled from the jurisdictional pooled buffer account, as follows:
 - a) Where the total reversal is less than the number of credits put on hold after the submission of the loss event report, the Verra registry shall cancel buffer credits equivalent to the reversal. Any remaining buffer credits shall be released from their on-hold status (though remain in the jurisdictional pooled buffer account).
 - b) Where the reversal is greater than stated by the loss event report, the full amount of buffer credits put on hold in response to the submission of the loss event report shall be cancelled, and additional buffer credits from the jurisdictional pooled buffer account shall be cancelled to fully account for the reversal.
 - 2) Where the net GHG benefit for the monitoring period is positive, taking into account emissions and leakage from all (VCS Program) activities within the jurisdictional program boundaries (i.e., all losses have been made up over the monitoring period), a reversal has not occurred and buffer credits put on hold after the submission of the loss event report shall be released from their on-hold status (but shall remain in the jurisdictional pooled buffer account).
 - 3) Where the loss is due to natural disturbance (see the VCS Program document *Program Definitions* for definition of natural disturbance), except for those associated with certain geologic and weather-related events, as described in the *JNR Requirements* (noting that both are also excluded from the FRELs), the following applies:
 - a) All GHG emissions (including anthropogenic and non-anthropogenic) shall be accounted for.
 - b) Where GHG emissions resulting from natural disturbances are significant (i.e., accounting for more than five percent of total emission reductions generated within the jurisdictional program boundaries during a given monitoring period) and infrequent (i.e., not captured in the jurisdictional FREL reference period), affected areas shall be identified, and gross emissions from these disturbances shall be accounted for by cancelling the same number of buffer credits from the jurisdictional pooled buffer account. Such natural disturbance emissions will be accounted for and addressed through the buffer, rather than being subtracted from the net emissions reductions

generated within the jurisdictional program boundaries. This will prevent such losses from affecting the number of credits available to jurisdictional proponents.

- c) To maintain solvency of the buffer, no more than 20 percent of the credits contributed to the pool by the jurisdictional proponent will be cancelled in a single year due to reversals from natural disturbances. Instead, natural disturbance losses individually or collectively exceeding this 20 percent threshold shall be compensated for over time; cancelling up to 20 percent of the buffer pool each year until the loss has been fully accounted for.

5.3.3 At a verification event where a reversal has occurred, the following applies:

- 1) In order to track performance across the entire jurisdiction, any buffer credits cancelled from the jurisdictional pooled buffer account shall be logged as subtractions from the net total number of credits the jurisdictional program has contributed to date to the jurisdictional pooled buffer account.
- 2) Jurisdictional programs where reversals have occurred shall make up any buffer shortfall (i.e., net deficit) that has occurred due to the loss by replenishing the jurisdictional pooled buffer account with future GHG credits before being issued further VCUs.

Box 2. Example of buffer credits cancellation following a reversal

For example, a nested project has contributed 100 credits into the jurisdictional pooled buffer account and the jurisdiction above it has contributed 500 credits. Where the project experiences a reversal of 150 credits, this amount would be cancelled from the jurisdictional pooled buffer account. For tracking purposes, the project would now show a net buffer contribution of -50 credits, which would have to be paid back (with subsequent GHG credits) before the project receives any further VCUs. Until the project's 50 credit deficit is remedied, the jurisdiction above the project would show a net buffer contribution of 450 (i.e., 500-50). Were such jurisdiction subsequently to experience a net loss of more than 450 credits then it would not receive any further VCUs until the shortfall had been remedied.

- 3) Where 25 percent of the deficit from a reversal recorded in a single monitoring report is paid back, and where there are no prior reversals for which the buffer account has not been fully replenished, jurisdictional proponents may request VCU issuance for 50 percent of subsequent GHG emissions reductions achieved and shall contribute 50 percent to the jurisdictional pooled buffer account until the buffer has been fully replenished (for all credits cancelled due to the reversal).³

³After experiencing reversals, it is important to promote continued jurisdictional participation in the REDD+ program (and reduce default risks), where continued progress is demonstrated towards reducing emissions. Therefore, jurisdictional programs are permitted to repay the buffer account over time, rather than fully replenishing the account immediately.

5.3.4 Where jurisdictional and project proponents may be credited directly, in the event of a reversal in non-project areas of a jurisdiction, the reversal shall be handled as follows to avoid penalizing performing entities:

- 1) Buffer credits equivalent to the reversal shall be cancelled from the jurisdictional pooled buffer account.
- 2) The Verra registry shall issue VCUs to the (lower-level) performing entities in an amount equal to the number of GHG emissions reductions achieved.

Note - Such rules apply mutatis mutandis where reversals occur in project areas and would otherwise result in a crediting shortfall to jurisdictions. Such rules also apply to reversals within registered higher-level jurisdictions that include lower-level jurisdictional programs.

- 3) Where the jurisdictional proponent has previously been issued VCUs, the jurisdictional proponent shall replenish the jurisdictional pooled buffer account in accordance with Section 5.3.3(2) above.

5.3.5 Where a jurisdictional proponent fails to submit a verification report within five or ten years from the previous verification event, a percentage of buffer credits are put on hold under the conservative assumption that the carbon benefits represented by buffer credits held in the jurisdictional pooled buffer account may have been reversed or lost in the field. Where a jurisdictional proponent fails to submit a verification report within 15 years of the previous verification event, buffer credits are cancelled under the same assumption.

Note - Where a jurisdictional program has not verified because it has transitioned to another GHG program (e.g., integrated into a government program), it shall be labelled as jurisdictional program transferred to other GHG program instead of inactive.

5.3.6 Any remaining balance of buffer credits is cancelled at the end of the program crediting period.

5.3.7 Where buffer credits are put on hold because a jurisdictional program does not submit a verification report within five years of the previous verification, the jurisdictional program may re-claim buffer credits. A new verification report shall be submitted prior to the expiration of the jurisdictional program crediting period. Verra shall re-assign buffer credits that have been put on hold in accordance with the procedure set out in Section 5.1.1 above. The remaining balance of buffer credits associated with a program shall be cancelled at the end of the jurisdictional program crediting period.

5.3.8 Although buffer credits are cancelled to cover carbon known or believed to be lost, the VCUs already issued to jurisdictional programs and nested projects that subsequently experience a reversal are not cancelled and do not have to be cancelled. Rather, all VCUs issued to jurisdictional programs and nested projects are permanent. The VCS Program approach provides environmental integrity because the AFOLU and jurisdictional pooled buffer accounts are managed to ensure losses from jurisdictional programs and nested projects failures are covered, and the net GHG benefits across the entire pool of REDD+ projects and jurisdictional programs will be greater than the total number of VCUs issued.

6 QUALITY CONTROL OF REGISTERED JURISDICTIONAL ELEMENTS

6.1 Process

- 6.1.1 Verra may, at its discretion, review registered jurisdictional elements and issued VCUs where it has concerns about adherence of the VCS Program rules. A review may be triggered by any of the following:
- 1) A validation/verification body performing a verification of a registered jurisdictional element identifies an error or quality issue in a previous validation or verification.
 - 2) A jurisdictional proponent identifies an error or quality issue after the registration or issuance of the jurisdictional element.
 - 3) A stakeholder has concerns about a registered jurisdictional element.⁴
 - 4) Verra itself identifies an error or quality issue, as part of routine operations.
- 6.1.2 Where a review is triggered, Verra notifies the jurisdictional proponent (or its authorized representative) and the relevant validation/verification body of the review and may suspend further VCU issuance while the review is performed.
- 6.1.3 Where material non-conformances are identified during the review (see the *VCS Standard* for further details on the threshold for materiality), the validation/verification body shall provide a written response to findings (e.g., corrective action requests or clarification requests) issued by Verra. Verra also suspends further VCU issuance, where it has not already done so.
- Note – Where the relevant validation/verification body is unable to respond due to reasons such as a cease of operations or accreditation, Verra may solicit a response to the findings from alternative entities such as the jurisdictional proponent or another validation/verification body.*
- 6.1.4 The follow-up actions of the validation/verification body and/or jurisdictional proponent shall be as set out in Table 2 below. In all cases, the relevant validation/verification body shall undertake a root cause analysis to identify why such quality issues occurred.

⁴ Concerns may be raised, in confidence, with Verra at any time.

Table 2: Actions for Validations and Verifications

	Issues found, but no excess VCU issuance and no risk of future excess issuance	Issues found, with excess VCU issuance and/or risk of future excess issuance
Program qualifies under program	<ol style="list-style-type: none"> 1) Validation/verification body shall conduct a root cause analysis 2) Validation/verification body or jurisdictional proponent, as appropriate, shall revise program documents 3) Verra lifts suspension on VCU issuance, upon acceptance of program document revisions 4) Verra shall upload revised program documents to the Verra registry 	<ol style="list-style-type: none"> 1) Validation/verification body shall conduct a root cause analysis 2) Where significant performance issues are found, and as appropriate, disciplinary action shall be taken against the validation/verification body 3) Validation/verification body or jurisdictional proponent, as appropriate, shall revise program documents 4) Jurisdictional proponent may need to compensate for excess issuance (see Section 6.1.5) 5) Verra lifts suspension on VCU issuance, upon acceptance of program document revisions by Verra 6) Verra shall upload revised program documents to the Verra registry
Program does not qualify under program	<ol style="list-style-type: none"> 1) Validation/verification body shall conduct a root cause analysis 2) Where significant performance issues are found, and as appropriate, disciplinary action shall be taken against the validation/verification body 3) No further VCU issuance is permitted 	<ol style="list-style-type: none"> 1) Validation/verification body shall conduct a root cause analysis 2) Where significant performance issues are found, and as appropriate, disciplinary action shall be taken against the validation/verification body 3) Jurisdictional proponent may need to compensate for excess issuance (see Section 6.1.5) 4) No further VCU issuance is permitted

6.1.5 Where Verra determines that VCUs have been issued in excess of the correct amount, the following applies:

- 1) The jurisdictional proponent is responsible for compensating for excess VCU issuance where Verra deems, acting reasonably, that there has been a material erroneous issuance of VCUs in respect of the jurisdictional program, as a result of the fraudulent conduct, negligence, intentional act, recklessness, misrepresentation or mistake of the jurisdictional proponent, as set out further in the issuance representation.

- 2) Any compensation for excess VCU issuance shall be through the following, with Verra using reasonable efforts to work with the jurisdictional proponent to ensure that any adverse impacts on the jurisdictional proponent are minimized to the extent possible.
- 3) Where the excess VCUs remain in the jurisdictional proponent's Verra registry account and it can be demonstrated that they have not been used for offsetting purposes, immediate cancellation of the VCUs.
- 4) Replacement of VCUs through immediate cancellation from subsequent issuances of VCUs to the jurisdictional program
- 5) Purchase by the jurisdictional proponent of an equivalent number of replacement VCUs, and cancellation of same, within 60 business days of receiving formal Verra notification of such required action.
- 6) Where the jurisdictional proponent fails to compensate for excess VCU issuance, Verra may take action against the jurisdictional proponent, including applying sanctions with respect to its registry account activities until such time as the excess issuance has been compensate

7 FURTHER INFORMATION

7.1 Government Approvals and No-objection

- 7.1.1 As set out in the *JNR Requirements*, national and subnational jurisdictions may include, as part of a jurisdictional program, requirements governing government approval or no-objection of any element covered by such program. Likewise, national and subnational jurisdictions may implement domestic regulations governing approval of any element covered by a jurisdictional program. Further, jurisdictional proponents and project proponents should be aware that some jurisdictions may not permit registration of lower-level activities.
- 7.1.2 Where the validation or verification report indicates that a jurisdictional element is subject to any relevant approval procedures, the required government approvals or no-objection letters shall be submitted to the Verra registry at the time of registration or issuance.

7.2 Communications Agreement

- 7.2.1 The purpose of the communications agreement is to allow an authorized representative to interact with the Verra registry on behalf of the jurisdictional or project proponent and designate the account into which VCUs may be deposited. The following is provided by way of further clarification:
- 1) Where there are multiple jurisdictional or project proponents stated in the jurisdictional element description, a communications agreement shall be provided to the Verra registry signed by all jurisdictional or project proponents, as appropriate. The communications agreement shall designate an authorized representative and the account into which any VCUs shall be issued. Where a subsequent registration representation is provided to the Verra registry for the purpose of switching the jurisdictional or project proponent, a communications agreement shall also be provided in respect of designation of an authorized representative or the account into which any VCUs shall be issued. Such communications agreement shall supersede any prior communications agreement.
 - 2) Where there is a single jurisdictional or project proponent and a registration or listing representation is provided to the Verra registry, a communications agreement may also be provided in respect of designation of an authorized representative or the account into which any VCUs shall be issued. Where a subsequent registration representation is provided to the registry administrator for the purpose of switching the jurisdictional or project proponent, a communications agreement may also be provided. Any such communications agreement shall supersede any prior communications agreement. Where a communications agreement is not provided, authorized representation reverts to the (new) jurisdictional or project proponent, as appropriate.

7.3 Release and Accession of Jurisdictional and Project Proponents

- 7.3.1 Project proponents may join or leave a nested project subsequent to validation and registration. The process for release and accession of project proponents is set out in the VCS Program document *Registration and Issuance Process*.
- 7.3.2 Jurisdictional proponents joining or leaving a jurisdictional element shall also follow the procedure set out in VCS document *Registration and Issuance Process, mutatis mutandis*, noting that such jurisdictional proponents shall sign the *VCS JNR Deed of Partial Release Template* or the *VCS JNR Deed of Accession Template*, as appropriate.

APPENDIX 1: DOCUMENT HISTORY

Version	Date	Comment
v4.0	15 April 2021	Initial version released under VCS <i>Version 4</i> .
V4.1	21 December 2021	Update to Section 4.3.4 to clarify that the Verra registry displays VCU vintages by calendar year.



Standards for a Sustainable Future



**Verified Carbon
Standard**



**Jurisdictional
& Nested REDD+**



**Climate, Community
& Biodiversity Standards**



**Sustainable Development
Verified Impact Standard**



**Plastic Waste
Reduction Standard**