

# SUMMARY OF PUBLIC COMMENTS: PROPOSED REVISIONS TO VCS AVOIDING UNPLANNED DEFORESTATION AND/OR DEGRADATION (AUDD) METHODOLOGIES

14 February 2023

## 1 INTRODUCTION

This document summarizes the main points of feedback received during the 5 October – 6 November 2022 consultation on the Revisions to VCS Avoiding Unplanned Deforestation and/or Degradation (AUDD) Methodologies (VM0006, VM0007, VM0009, VM0015, and VM0037). Verra received 153 comments from 16 stakeholders, including project proponents, environmental organizations, and industry groups. Verra expresses its sincere appreciation to all who submitted comments. The feedback we received provided a range of useful perspectives on the proposed revisions to VCS AUDD methodologies.

During the consultation, Verra sought input on the general approach of standardization and eleven specific questions. This document presents the conclusions we drew from the consultation, summarizes the comments, and lists responses to each individual comment.

## 2 CONCLUSIONS

In general, stakeholders indicated that Verra’s intention to update and standardize VCS AUDD methodologies to enhance their consistency and rigor was commendable. In addition, responses confirmed that stakeholders understood Verra’s intention that the revised methodologies should bridge the current AUDD approaches and the new consolidated REDD methodology. However, stakeholders pointed out that the changes proposed would be too difficult to implement within the proposed time period and could significantly compromise ongoing project activities.

Instead of going ahead with the entire set of proposed changes, Verra will adjust each methodology using errata and clarifications to bring them in line with current best practices and increase the consistency of their application. More information on the methodology-specific errata and clarifications will be available on the Verra website.

Much of the feedback from this consultation has been helpful as we turn to accelerating development of the Consolidated REDD Methodology.

### 3 SUMMARY OF COMMENTS

The summary of comments below highlights the main inputs received during the consultation.

| Consultation Question   | Summary of Comments   | Response to comments  |
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| <p>1) Are there other technical terms/concepts that have to be defined?</p>   | <p>Eight responders identified technical terms that were not defined or were defined in other documents, reference to which was not included. These terms include degradation, gross and net deforestation, historical reference period, leakage belt, project area, forest vs. no-forest, verification period, reporting interval, unique forest type, baseline validity period, artificial neural networks, activity reference level.</p> <p>Some acronyms were not defined.</p>                          | <p>Verra thanks the reviewers for noticing these omissions; where relevant, we will clarify the methodologies to include these definitions.</p> <p>Definitions included in the document <i>VCS Program Definitions</i> are not referenced from other VCS Program documents.</p> |
| <p>2) Are the definitions provided sufficiently clear and unambiguous? If the definition of a specific term is not clear, please suggest a way to improve it.</p> | <p>Seven respondents pointed out concepts that were insufficiently defined in the text. These include factor maps, risk map, jurisdiction, planned deforestation, the spatial extent of the leakage belt, and engineered selection of subnational jurisdictions.</p>  | <p>Verra thanks the reviewers for noticing these possible points of confusion; where relevant, we will clarify the methodologies accordingly.</p>   |
| <p>3) Do you envision significant difficulties in applying the allocation approach to particular deforestation patterns?</p>                                      | <p>Respondents to this question expressed concerns about the allocation approach including the following:</p> <ul style="list-style-type: none"> <li>a) the added complexity that it imposes on project development,</li> <li>b) the possibility that it does not adequately project local risks of deforestation, in particular conditions such as island forests, mangrove ecosystems, and sparse dry forests, and</li> <li>c) the difficulty of applying this approach to forest degradation.</li> </ul> | <p>This approach has been eliminated from the proposal (see Section 2 above). Verra will consider these comments in the development of the <u>Consolidated REDD Methodology</u>, which uses the allocation approach.</p>  |

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| <p>4) Are the criteria and requirements for delimiting the spatial and temporal boundaries clear, unambiguous, and operational? Do you anticipate any potential issues with their use?</p>  | <p>The eight responses to this question pointed out that the text needs further clarification, as it could lead to confusion in its present form.</p> <p>With regard to the delimitation of spatial boundaries, more detailed explanation was requested about:</p> <ul style="list-style-type: none"> <li>a) the suitability of political jurisdictions as reference regions in all cases,</li> <li>b) the requirement to include neighboring jurisdictions when projects are close to the border,</li> <li>c) the incommensurate size of jurisdictions in some countries, d) the requirement for mangrove forests and other “unique ecosystems”,</li> <li>d) what is regarded as an “arbitrary exclusion”, and</li> <li>e) the rationale for setting the leakage belt’s width at 10km.</li> </ul> <p>Regarding temporal boundaries, commenters suggested that more detailed explanation was required about the duration of the historical reference period, and the subdivision of the historical reference period into equal-length calibration and confirmation periods.</p> | <p>This approach has been eliminated from the proposal (see Section 2 above). Verra will consider these comments in the development of the <u>Consolidated REDD Methodology</u>.</p>   |
| <p>5) Is using a contiguous reference region approach better than the jurisdiction-based approach outlined in Section 4.1? If so, how do you assure that the contiguous reference region is similar enough to ensure accurate projection of rate and location of deforestation?</p> | <p>Most respondents recognized the advantages of adopting a jurisdiction-based reference region, as this is key for enhancing the integrity and credibility of REDD projects. However, the respondents also pointed out challenges that might arise during implementation, stemming from, for instance, the incommensurate size of jurisdictions in some countries, the little representativeness of jurisdictions for particular cases such as “island forests”, and even potential frictions in country-wide jurisdictions that have constructed and adopted FRELS under other REDD-related mechanisms.</p>   | <p>This approach has been eliminated from the proposal (see Section 2 above). Verra will consider these comments in the development of the <u>Consolidated REDD Methodology</u>, which adopts jurisdictional boundaries to delimit the reference region.</p> |

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| <p>6) Are the procedures for estimating the annual areas of unplanned deforestation clear, unambiguous, and operational? Do you anticipate any potential issues with their use?</p> | <p>All respondents pointed out that more details and further clarification are required to properly implement these procedures. More detailed procedures and formulae for accuracy evaluation, producing area estimates and their uncertainties, and performing bias correction of land cover change area estimates should be provided instead of referring the reader to other sources. Meeting the enhanced accuracy requirements might be challenging in some cases/jurisdictions; it would be even more challenging if long time series are required.</p> | <p>Verra thanks the reviewers for noticing these possible points of confusion; where relevant, we will provide additional guidance through clarifications to the current methodologies or in the <a href="#">Consolidated REDD Methodology</a>.</p> |
| <p>7) Are the guidance and procedures for assessing deforestation threat sufficiently clear and operational? Do you anticipate any potential issues with their use?</p>             | <p>Most respondents pointed out that more details and further clarification are required to properly understand, implement, and use the risk mapping approach to project the location of future deforestation. More details on the rationale and need to express risk level as 31 risk classes is needed. More detailed guidance and practical examples on how to apply these procedures was requested.</p>   | <p>This approach has been eliminated from the proposal (see Section 2 above) Verra will consider these comments in the development of the <a href="#">Consolidated REDD Methodology</a>, which fully adopts the allocation approach.</p>            |
| <p>8) Are the guidance and procedures for estimating emission factors sufficiently clear and operational? Do you anticipate any potential issues with their use?</p>                | <p>Most respondents agreed that the guidance and procedures provided were operational, but that additional details, guidance, and some practical examples would be useful, particularly about:</p> <ul style="list-style-type: none"> <li>a) uncertainty of activity data and emission factors and discounting factors; and</li> <li>b) allowable data sources.</li> </ul>  | <p>Where relevant, we will provide additional guidance through clarifications to the current methodologies or in the <a href="#">Consolidated REDD Methodology</a>.</p>   |
| <p>9) Do you anticipate any potential issues with the application of the safety mechanism proposed?</p>   | <p>Some respondents did not foresee issues with the application of the safety mechanism, saw its value at preventing projects from taking advantage of decreasing overall trends in deforestation, and suggested including the mechanism into the non-permanence risk tool. Some other respondents, however, pointed out that the mechanism overlooks the spatial heterogeneity within the reference region and may unfairly penalize projects located in high-deforestation locations.</p>   | <p>This approach has been eliminated from the proposal. Verra will consider these comments if we re-consider a similar mechanism in the future.</p>   |

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| <p>10) In your experience as project developer, are the indicators proposed necessary and sufficient?</p>                   | <p>Respondents did not point out any serious deficiencies or shortcomings in the indicators proposed. Some comments suggest that additional clarification is needed (e.g., about the need to produce jurisdiction-wide emission factors). Respondents made useful suggestions (e.g., related to reporting percentage deforestation rates).</p> | <p>Where relevant, we will provide additional guidance. Verra will consider these comments in the development of the <u>Consolidated REDD Methodology</u>.</p> |
| <p>11) Are the references and resources provided sufficient and useful? Are additional references or resources missing?</p> | <p>Respondents did not point out any serious deficiencies or shortcomings in the references provided. Some respondents made useful suggestions such as making reference to consolidated software for LULUC analyses.</p>   | <p>Verra will consider these comments in the development of the <u>Consolidated REDD Methodology</u>.</p>  |

## 4 COMMENTS AND VERRA RESPONSES

### 1. Are there other technical terms/concepts that have to be defined?

| Comment # | Issue Raised   | Verra Response  |
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| 1         | Degradation should be defined. We believe it is important that degradation analysis plays a key role in the revised methodologies.   | Where relevant, we will provide additional guidance. Definitions included in the document <i>VCS Program Definitions</i> are not referenced from other VCS Program documents.                         |
| 2         | Gross deforestation, Net deforestation, Historical reference period, Leakage belt, Project area<br><br>Since the project boundaries have different definitions under each of the methodologies being updated, there should be common definitions provided in this update; efforts must be made to ensure the new definition for each is compatible with the components of the old methodologies that will remain in force (i.e., those not superseded by the present update/revision). | Thanks for the comment; where relevant, we will provide additional guidance. Definitions included in the document <i>VCS Program Definitions</i> are not referenced from other VCS Program documents. |
| 3         | No. However, please note that not all acronyms that appear in the document text are included in the acronyms' list. Some appear in the definition section, while others appear in the acronyms list and others do not.   | Thanks for this observation; where relevant, we will amend the methodologies to include missing terms and acronyms.   |
| 4         | Gross deforestation, Net deforestation   | Thanks for this observation; where relevant, we will provide additional guidance. Definitions included in   |

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|   | <p>Since the project boundaries have different definitions under each of the methodologies being updated, there should be common definitions provided in this update; efforts must be made to ensure the new definition for each is compatible with the components of the old methodologies that will remain in force (i.e., those not superseded by the present update/revision).</p>   | <p>the document <i>VCS Program Definitions</i> are not referenced from other VCS Program documents.</p>  |
| 5 | <p>We identified some necessary definitions or at least the indication of where to find the correct definition of the technical terms/concepts that were not defined. They are as follows:</p> <ul style="list-style-type: none"> <li>(i) A new term is needed to refer to the area within project properties (which can be easily confused with the “project area”). Some suggestions are “project perimeter”, and “project property”.</li> <li>(ii) A definition or indication of the definition of Forest and Non-Forest.</li> <li>(iii) For the reference region, we understand that the jurisdiction will define it. So, it is required a clear definition of the dimensions of each level of jurisdiction and a clarification of how to identify the level of jurisdiction the project must apply for the reference region.</li> <li>(iv) A definition of the verification period.</li> <li>(v) A definition of gross deforestation vs net deforestation.</li> <li>(vi) Definition of the reporting interval.</li> </ul> | <p>Thanks for these suggestions; where relevant, we will provide additional guidance. Definitions included in the document <i>VCS Program Definitions</i> are not referenced from other VCS Program documents.</p> |
| 6 | <p>What is considered a "Unique Forest Type"?</p>  | <p>Thanks for this observation; where relevant, we will provide additional guidance.</p>   |
| 7 | <p>Baseline validity period; artificial neural networks; active reference level</p>  | <p>Thanks for the comment; where relevant, we will provide additional guidance. Definitions included in the document <i>VCS Program Definitions</i> are not referenced from other VCS Program documents.</p>       |

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| 8 | <p>Concepts related to the analyzes of forest fragmentation and landscape configuration if it is considered to include updates regarding forest degradation. Those analyzes help identify historical patterns in a reference region and model them in the project area.</p> | <p>Thanks for these suggestions; we will consider them in developing the Consolidated REDD methodology.</p> |
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2. Are the definitions provided sufficiently clear and unambiguous? If the definition of a specific term is not clear, please suggest a way to improve it.

| Comment # | Issue Raised  | Verra Response   |
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| 9         | <p>Factor maps definition could be made clearer. Suggest the following improvement: "Maps in the spatial dataset used to project deforestation risk, including maps of spatial features, distances, and other maps that may represent continuous or categorical variables, such as....(give examples)".</p> | <p>Thanks for the suggestion. However, this approach has been eliminated from the proposal (see Section 2 above). Verra will consider these comments in developing the <u>Consolidated REDD Methodology</u>, which fully adopts the allocation approach.</p> |
| 10        | <p>Risk map - Describe what the risk map pixel values mean in real terms. Just saying "risk" doesn't clarify whether it's a % probability of deforestation, a risk class with producer-defined thresholds, or a distance from historic deforestation.</p>   | <p>Thanks for the comment. However, this approach has been eliminated from the proposal (see Section 2 above). Verra will consider these comments in developing the <u>Consolidated REDD Methodology</u>.</p>  |
| 11        | <ul style="list-style-type: none"> <li>We recommend that the definition of "jurisdiction" clarify that a jurisdiction can be at the national and subnational level up to two levels below the national level.</li> </ul>  | <p>Thanks for the observation; where relevant, we will provide additional guidance. Definitions included in the document <i>VCS Program Definitions</i> are not referenced from other VCS Program documents.</p>   |

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|    | <ul style="list-style-type: none"> <li>We need to ensure a clear definition of what is “planned.” Currently “planned” requires documentation (paper proof of a plan) or clear proxy areas from that specific agent of deforestation (spatial proof) is needed to identify an area as planned vs unplanned. The phrase “areas of planned deforestation must be identified and excluded from the reference region where deforestation is legally permissible and has a significant probability of occurring.” It could be inferred from this text that the methodology is moving toward a more open definition of what “planned” deforestation means and this may cause some confusion.</li> </ul>  |   |
| 12 | <p>Risk map - Describe what the risk map pixel values mean in real terms. Just saying "risk" doesn't clarify whether it's a % probability of deforestation, a risk class with producer-defined thresholds, or a distance from historic deforestation.</p>   | <p>Thanks for the comment. However, this approach has been eliminated from the proposal (see Section 2 above). Verra will consider these comments in developing the Consolidated REDD Methodology.</p>              |
| 13 | <p>A well-explained definition is extremely important to improve the understanding of the project developer. This is critical to maintaining the integrity of AUDD projects.</p> <ul style="list-style-type: none"> <li>Section 4.1.6 - In the definition of the leakage belt's spatial extent (Section 4.1.6), there is no clarification in the case of the grouped project. For example, if the project area is composed of two properties separated by more than 10 kilometers. In this case, does the leakage belt need to cover two areas?</li> <li>Another doubt is about the minimum spatial area that the leakage belt needs. In this case, the minimum could be the same area of the project, and in circumstances where that is not possible, there is a need for explanations. The standardization of the buffer value can be not representative when we compare different project areas. In this case,</li> </ul> | <p>Thanks for these observations; where relevant, we will provide additional guidance. Definitions included in the document <i>VCS Program Definitions</i> are not referenced from other VCS Program documents.</p> |

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|    | <p>the buffer could be a good approach if it is correlated to a ratio between the project area and the leakage belt area.</p> <ul style="list-style-type: none"> <li>• The definition of "planned deforestation" needs improvement. Just visual evidence can be confusing. The suggestion is to use government data as support to confirm that area is legally deforested.</li> <li>• Section 4.2.4 - In Section 4.2.4, the gross and net deforestation definitions need more clarification. Gross deforestation is the permanent alteration of the forest's natural cover without taking regrowth into account or creating new plantations. By considering regrowth and/or expanding forest plantations, net forest cover is defined as a long-term shift in the natural forest cover.</li> <li>• However, in the current methodology, the forest class is defined by a 10-year forest (in this public consultation, there is no forest definition). In this case, the regrowth and/or expanding forest plantations are not counted as deforestation. In this instance, there is no comprehension of the application for net deforestation. Will net deforestation be used only for comparative means? Hence, these definitions (forest, gross, and net deforestation) must be clarified.</li> </ul> |   |
| 14 | <p>In Section 4.1.4 is ambiguous how to demonstrate that "selection of subnational jurisdictions is not engineered to inflate baseline emissions nor to prioritize the project area". Please clarify the requirements for project proponents to have more certainty in the selection of the reference region, satisfying the requirements of the standard.</p> <p>Also, in section 4.2.6 is ambiguous the criteria to define what is relevant in terms of planned deforestation. Is it related to the extension in area?</p>  | <p>This approach has been eliminated from the proposal (see Section 2 above). Verra will consider these comments in developing the <u>Consolidated REDD Methodology</u>, which uses the jurisdictional approach.</p> <p>Thanks for this observation; where relevant, we will provide additional guidance.</p> |
| 15 | <p>There is no clarity of the particularity for forest degradation in terms of factor maps, reference region and risk map.</p>  | <p>This approach has been eliminated from the proposal (see Section 2 above). Verra will consider these comments in developing the <u>Consolidated</u></p>  |

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|  |  | <p><u>REDD Methodology</u>, which uses the allocation approach.</p> |
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3. Do you envision significant difficulties in applying the allocation approach to particular deforestation patterns?

| Comment # | Issue Raised  | Verra Response   |
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| 16        | <p>Yes in jurisdictions with islands of forests and in mangrove systems. Sparse, dry forests could potentially be problematic as well.</p> <p>Allocation based on risk map is creating areas where the average of emissions of a X project area has is higher than the allocated baseline, where project activities should reduce more than 50% of the average of deforestation rate of the historical reference period and viceversa, where the emissions are lower than allocated baseline, where not necessary there are areas with high risk of deforestation.</p> <p>The approach does not predict risk areas due to building of new structure like roads if there is not deforestation on the historical reference period. If a project proponent propose another risk map, there way to prove that this could be better predictor of deforestation due to the statistical test works only with the distance to the deforestation with the window moving approach.</p> <p>Potentially the risk map will not timely predict the risk of deforestation.</p> | <p>Thanks for these comments. However, this approach has been eliminated from the proposal (see Section 2 above). Verra will consider these comments in developing the <u>Consolidated REDD Methodology</u>, which fully adopts the allocation approach.</p> |
| 17        | <p>Yes. What is the point of stratifying the risk map into 30 strata and quantifying deforestation by stratum? Since the risk map is generated as a</p>   | <p>Thanks for these comments. However, this approach has been eliminated from the proposal</p>   |

continuous deforestation probability surface (risk), the allocation must occur in the pixels with the highest probability value of the risk map according to the amount of area to be allocated in each year of the crediting period. The insertion of this stratification only adds another complicating factor to an already onerous process.

Regarding the allocation procedure that is being proposed, is it truly being considered spatially explicit allocation? If so, it needs to be clearer about the spatial allocation process. Our understanding of what is being proposed does not seem to make sense. Here's the explanation:

The variable distance from deforested areas is characterized as a dynamic variable of the best land use change predictive models. It is dynamic because at each iteration of the prediction model (each new land use map generated), new areas of deforestation are spatially allocated. Thus, the variable distance from deforested areas must be recalculated to support the creation of a new risk map that includes the “new deforestation”. This new risk map (different from the previous one as it has new deforested areas allocated) will dictate the allocation of deforestation for the following year.

Having said that, we consider the process that is being proposed does not seem to make sense.

Once we have chosen the best model in for the confirmation period, we obtain the stratified risk map from it and calculate the proportion of deforestation within each risk class (as per item 4.3.10.1 and 2). We apply the selected model for the last year of the historical period, generate the baseline risk map and stratify it (according to item 4.3.10.3). We consider the proportion measured in items 1 and 2 and apply it to the stratified baseline risk map. This is the core of the issue, where it is quite it is unclear. WHERE, within each stratum of the baseline risk map, does deforestation apply? The way it is being exposed, it is unclear if and how this should be SPATIALLY allocated . It seems to us that this allocation is only “tabularly”.

(see Section 2 above). Verra will consider these comments in developing the Consolidated REDD Methodology, which fully adopts the allocation approach.

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|    | <p>We suggest defining or guiding how the spatially explicit allocation process should be. If it is not spatially explicit, the generation of the baseline risk map for year 2 of the crediting period will be compromised, as it will not take into account WHERE new deforestation was allocated by the model. It will not update the variable distance from deforested areas and therefore, it will not generate a different baseline risk map than the one generated for the 1st year of the crediting period. This will assume that the proportion of forest loss per risk stratum will be constant in all years from the crediting period until the baseline review. And it is not true.</p> <p>We suggest not stratifying the confirmation period risk map and calculating the proportion for each stratum, but letting the proponents apply the most common allocation methods (cellular automata, neural networks, ...) based on a risk map continuous and dynamic, as has been done in the scope of VM0015 for example.</p> |  |
| 18 | <p>Yes, in jurisdictions with islands of forests and in mangrove systems. Sparse, dry forests could potentially be problematic as well.</p>   | <p>Thanks for this observation. However, this approach has been eliminated from the proposal (see Section 2 above). Verra will consider these comments in developing the Consolidated REDD Methodology, which fully adopts the allocation approach.</p>                      |
| 19 | <p>The allocation approach is based on a risk map produced with the help of factor maps, similarly to current methodologies. However, several additional steps are introduced whose purpose is to distribute the annual deforestations into different forest strata of the reference region according to the intensity of deforestation observed at each risk class during the confirmation period. We would like to make the following remarks:</p> <ul style="list-style-type: none"> <li>• The approach is sound and consistent, though significantly more complicated. At the same time, the careful allocation procedure at each forest strata contrasts with the apparently loose criteria</li> </ul>   | <p>Thanks for these comments and recommendation. However, this approach has been eliminated from the proposal (see Section 2 above). Verra will consider these comments in the developing the Consolidated REDD Methodology, which fully adopts the allocation approach.</p> |

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|    | <p>regarding the definition of the forest strata in the first place. The consultation summary does not go into details but, even assuming that stratification should be made according to vegetation type only – which is unclear – ambiguities arise due to the several possible degrees of stratification and different sources of this type of data which are available at the various jurisdictional levels.</p> <ul style="list-style-type: none"> <li>• Because stratification implies that independent allocations will be made in smaller subregions, we may anticipate an amplification of allocation errors (difference between target deforestation and actually allocated deforestation).</li> <li>• Since the additional steps become irrelevant for the case of a single forest stratum, this case should perhaps be explained separately in the final text.</li> <li>• The above comments, although relevant, are general and admittedly do not directly address the question put forward. At any rate, it seems that to identify problems in the application of the new methodology for particular deforestation patterns would require actual tests to be carried out.</li> </ul> |   |
| 20 | <p>The stratification of the risk map, quantifying deforestation by stratum, does not seem to make sense, being only a complicating factor in the analysis. It was also unclear where deforestation will be applied within each stratum of the baseline risk map. We suggest not carrying out the stratification of the confirmation period risk map and the calculation by stratum, but letting the proponents apply the most common allocation methods based on a continuous and dynamic risk map, as has been done within the scope of VM0015.</p>  | <p>Thanks for these comments. However, this approach has been eliminated from the proposal (see Section 2 above). Verra will consider these comments in developing the Consolidated REDD Methodology, which fully adopts the allocation approach.</p> |

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| 21 | Yes, in cases where there will be planned deforestation in the region in the following years. In Brazil, the most important deforestation driver is proximity to roads. In case new roads are constructed, deforestation will be intense in the following years. How this situation will be taken into account, i.e., when new infrastructure is planned within the reference region that will likely influence in deforestation patterns? | Thanks for this observation. However, this approach has been eliminated from the proposal (see Section 2 above). Verra will consider these comments in developing the Consolidated REDD Methodology. |
| 22 | Difficulties in assessing applicability for forest degradation as a REDD activity that may be differentiated in a project area with multiple activities.   | Thanks for this observation. Verra will consider these comments in developing the Consolidated REDD Methodology.   |

4. Are the criteria and requirements for delimiting the spatial and temporal boundaries clear, unambiguous, and operational? Do you anticipate any potential issues with their use?

| Comment # | Issue Raised   | Verra Response   |
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| 23        | <p>No. The text needs further clarification and could lead to confusion in its present form.</p> <p>4.1.1 Multiple issues are evident.</p> <p>i) In the case of jurisdictions that consist of many islands (isolated by water or by other geographic factors), inclusion of all sections of the jurisdiction, e.g., islands that require multiple hours of boat travel or islands that are uninhabitable, results in biases introduced and production of a deforestation rate that may not represent the project area.</p> | Thanks for these comments. Although this approach for delimiting the project's spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these comments in developing the <u>Consolidated REDD Methodology</u> . |

ii) Because jurisdictional boundaries can be arbitrary with respect to natural and physical geography and may be many times larger than the project area, it is very likely that there are jurisdictions that are sufficiently large or diverse that the deforestation rate across the entire jurisdiction does not have a significant correlation with the deforestation rate within a project area. This is especially the case where there are large discrepancies between project areas and jurisdictions with respect to size or other characteristics, e.g., a jurisdiction with one last remaining patch of forest where all others have been eliminated. Therefore, the suitability of political jurisdictions as reference regions is inherently in question. This was raised in the webinar but was quickly dismissed as irrelevant by the methodology developer who suggested that such issues would be rare. However, preliminary assessments of projects have indicated that these are common issues that will likely result in many projects unable to achieve creditable greenhouse gas emissions.

4.1.4 The use of the 50km distance of a project from a sub-national boundary triggering the inclusion of neighbouring boundary is somewhat confusing, why 50km? What is the purpose of this rule? If there are differences in legislation and deforestation patterns between the two neighbouring jurisdictions it could result in applying deforestation rules to the project area that are not applicable. Also what about two project areas in the same jurisdiction, but the one near the boundary now has to apply a much larger reference region. How will that work for allocation? One project is clearly biased.

4.1.4(4) - For mangrove projects, there are frequently cases where the entire extent of a region's mangroves are included within a protected area or project (due to the relatively small extent of mangroves in many areas). Additionally, deforestation rates and drivers can vary significantly among regions (even within the same country), especially where they are geographically separated (e.g., along different coastlines). Due to these conditions, the requirements currently included in this section would require many mangrove protection projects to use the entire country as a reference region, even where deforestation risks and drivers are completely different. We suggest updating this requirement to

require that the reference region be the entire mangrove area within the ecoregion, as is currently required in VM0007, v1.6 (BL-UP, v3.3, p11).

4.1.5 - There are multiple situations that present issues with respect to this point.

i) What is considered an “arbitrary” exclusion? A description and examples of what might be considered "arbitrary exclusions" should be provided to (a) avoid confusion for project proponents and developers, and (b) reduce the subjectivity of the approval of project areas. It is also important to provide criteria that Verra and VVBs should/would use to evaluate whether a project area has "arbitrary exclusions".

ii) What if, within a given continuous forest, only certain landowners/land tenure holders/communities want to sign on to participate in a project? Clearly the intention of requiring inclusion of forests in the same geography is to avoid "cherrypicking"/"gerrymandering". However, there is an unintended consequence of requiring a project developer to either (a) unethically include forestlands against the will of the rights holders, or (b) abandon the project or a significant portion of the project area entirely. The situation I'm describing is by no means hypothetical and is actually becoming more common with the fierce, unregulated competition between project developers and increasing public criticism of REDD+; thus, it must be addressed robustly.

4.1.6 The 10km leakage belt is somewhat arbitrary, it is suggested to rather use a calculated approach such as applied in VM0015 where it is based on actual shifts in deforestation. What happens if there is no forest in the 10km belt?

4.1.5, 4.1.7 - Please clarify what is meant by “continuous” and “contiguous” here, since the requirement that a project area be continuous in 4.1.5 seems to conflict with the implied inclusion of non-contiguous forest patches based on the text in 4.1.7. Section 4.1.5 seems to imply that projects with small, non-contiguous remnant forest patches would not meet the criteria, depending on how the word "continuous" is interpreted. Language should be modified to clarify what is not permitted. E.g., it seems like what 4.1.5 is trying to prohibit is

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|           | <p>engineering an outcome by making a snaking/winding project area that includes/excludes forest patches as convenient to achieve a favorable deforestation rate or apparent project effectiveness.</p>  |   |
| <p>24</p> | <p>No, it is not clear and presents potential issues.</p> <p>Spatial limits: item 4.1.6 – It seems to us not to be a feasible requirement, as managing this dynamic efficiently among all proponents will be difficult to do. It is reckless that this requirement implies adjustments not foreseen in the LB or even in the PA when adjacent projects, from different proponents, are under development or validation. This will lead to rework, increased costs and non-compliance with the schedule. If this is still approved, we suggest much more clarity in the definition of operating policies for this condition. When developing a project today we do not have access to all spatial information of project thar are under validation or even under registration required status. How could we consider their information in our analysis?</p> <p>Time limits: In a dynamic scenario such as deforestation in the Amazon, restricting the calibration period to the first half of the historical period reduces the possibility of building a better predictor. If we go back 10 years (eg 2010 to 2020) and observe deforestation in the Amazon, the dynamics are very different between the periods 2010 – 2015 and 2015 – 2020. A reflection of this is the behavior of rates, for example. Furthermore, such different periods can be affected by different economic cycles (eg beef price vs soy price vs gold price) as well as different governments, as seen in Brazil itself. This directly influences the pattern of deforestation, in addition to the behavior of the rate.</p> <p>We suggest making the definition of the calibration and confirmation period more flexible to the proponent. For example, in a 10-year historical series, adopting the first 9 years for calibration and 1 year for confirmation will help to generate better models of deforestation. Having the flexibility to fluctuate the composition of periods will help generate better models.</p> | <p>Thanks for these comments. Although this approach for delimiting the project’s temporal boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these comments in developing the <u>Consolidated REDD Methodology</u>.</p> |

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| 25 | <p>No. The text needs further clarification and could lead to confusion in its present form.</p> <p>4.1.1 Multiple issues are evident.</p> <p>i) In the case of jurisdictions that consist of many islands (isolated by water or by other geographic factors), inclusion of all sections of the jurisdiction, e.g., islands that require multiple hours of boat travel or islands that are uninhabitable, results in biases introduced and production of a deforestation rate that may not represent the project area.</p> <p>ii) Because jurisdictional boundaries can be arbitrary with respect to natural and physical geography and may be many times larger than the project area, it is very likely that there are jurisdictions that are sufficiently large or diverse that the deforestation rate across the entire jurisdiction does not have a significant correlation with the deforestation rate within a project area. This is especially the case where there are large discrepancies between project areas and jurisdictions with respect to size or other characteristics, e.g., a jurisdiction with one last remaining patch of forest where all others have been eliminated. Therefore, the suitability of political jurisdictions as reference regions is inherently in question. This was raised in the webinar but was quickly dismissed as irrelevant by the methodology developer who suggested that such issues would be rare. However, preliminary assessments of projects have indicated that these are common issues that will likely result in many projects unable to achieve creditable greenhouse gas emissions.</p> <p>4.1.4 The use of the 50km distance of a project from a sub-national boundary triggering the inclusion of neighboring boundary is somewhat confusing, What is the purpose of this rule? If there are differences in legislation and deforestation patterns between the two neighboring jurisdictions it could result in applying deforestation rules to the project area that are not applicable. Also, what about two project areas in the same jurisdiction, but the one near the boundary now has to apply a much larger reference region. How will that work for allocation? One project is clearly biased.</p> | <p>Thanks for these comments. Although this approach for delimiting the project's spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these comments in developing the <u>Consolidated REDD Methodology</u>.</p> |
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4.1.5 - There are multiple situations that present issues with respect to this point.

i) What is considered an “arbitrary” exclusion? A description and examples of what might be considered “arbitrary exclusions” should be provided to (a) avoid confusion for project proponents and developers, and (b) reduce the subjectivity of the approval of project areas. It is also important to provide criteria that Verra and VVBs should/would use to evaluate whether a project area has “arbitrary exclusions”.

ii) What if, within a given continuous forest, only certain landowners/land tenure holders/communities want to sign on to participate in a product? Clearly the intention of requiring inclusion of forests in the same geography is to avoid “cherry picking”/“gerrymandering”. However, there is an unintended consequence of requiring a project developer to either (a) unethically include forestlands against the will of the rights holders, or (b) abandon the project or a significant portion of the project area entirely. The situation I'm describing is by no means hypothetical and is actually becoming more common with the fierce, unregulated competition between project developers and increasing public criticism of REDD+; thus, it must be addressed robustly.

4.1.6 - The 10km leakage belt is somewhat arbitrary, it is suggested to rather use a calculated approach such as applied in VM0015 where it is based on actual shifts in deforestation. What happens if there is no forest in the 10km belt?

4.1.5, 4.1.7 - Please clarify what is meant by “continuous” and “contiguous” here, since the requirement that a project area be continuous in 4.1.5 seems to conflict with the implied inclusion of non-contiguous forest patches based on the text in 4.1.7. Section 4.1.5 seems to imply that projects with small, non-contiguous remnant forest patches would not meet the criteria, depending on how the word “continuous” is interpreted. Language should be modified to clarify what is not permitted. E.g., it seems like what 4.1.5 is trying to prohibit is engineering an outcome by making a snaking/winding project area that

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|    | includes/excludes forest patches as convenient to achieve a favorable deforestation rate or apparent project effectiveness.   |   |
| 26 | <p>As a project development company operating in several states of Brazil, there are some concerns about the delimiting spatial and temporal boundaries.</p> <p><b>Spatial Boundaries</b></p> <p>Due to the large extension in Brazil's territory, even level 3 jurisdictions (second-level subnational) can be quite large and heterogeneous. For example, there are 10-municipality in Amazon (6.7 million km<sup>2</sup> = 370 million ha total area) with areas higher than 50,000 km<sup>2</sup> (5,000,000 ha) corresponding to the third level of Jurisdiction. This is a potential issue that may cause difficulties in properly describing deforestation patterns within those regions. See Response in line 10 for additional remarks.</p> <p><b>Temporal boundaries</b></p> <p>Although the baseline reassessment is six years after the start of the project, there is a contradiction in the timeframe available on the website of VERRA. In this case, projects currently using any version of VM0006, VM0007, VM0009, VM0015, or VM0037 must use the consolidated REDD methodology by 31 December 2025 and reassess their baseline, regardless of how many years might have been remaining with their ongoing baseline period. This information is also confirmed in the introduction "until Verra transitions REDD accounting to a jurisdictional allocation approach by the end of 2025". In this case, there is a baseline period contradiction depending on the phase of each project. Thus, the time of the baseline is questionable and brings regulatory instability to AUDD projects, especially those who are starting.</p> | <p>Thanks for your comments. Although this approach for delimiting the project's spatial and temporal boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u>.</p> |
| 27 | <p>Please clarify if there is a minimum requirement associated with the area and if the selection of the boundary will depend on the project proponent judgement.</p>   | <p>Thanks for these observations. Although this approach for delimiting the project's spatial boundaries has been eliminated from the proposal</p>  |

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|    | <p>Please clarify if the condition 4.1.4 - 4) applies in all cases for the definition of the reference region. In other words, please clarify if the reference region shall contain at least as much of this type of forest as the project area</p>   | <p>(see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u>.</p>   |
| 28 | <p>At first, establishing the leakage belt in a 10-kilometer buffer does not seem to be about defining leakage. Leakage does not always occur in a proximity area, but in an area with similar operating conditions. Additionally, excluding other active VCS AFOLU project areas can be expensive and exhausting activity for the developer, unless Verra intends to make the project shapefiles available on a centralized and real-time platform.</p>  | <p>Thanks for this observation. Although this approach for delimiting the project's spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u>.</p>   |
| 29 | <p>They are clear. However, there are two potential issues:</p> <p>1- Planned deforestation: there will be cases where planned deforestation cannot be identified through satellite images, as deforestation patterns are the same as unplanned deforestation. How to take this into account?</p> <p>2- Subsection 4.1.5: there will be cases that the community chooses to exclude a portion of forests around villages through a Free, Prior and Informed Consent (FPIC) process, or through a Local Stakeholders Consultation. Will this be accepted by VERRA, i.e., excluding some portions of the forested area due to an agreement with the local stakeholders?</p> | <p>Thanks for these observations. Although this approach for delimiting the project's spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u>.</p> |
| 30 | <p>- It is unclear if there is a minimum size for a jurisdictional to be appropriate. A second-level subnational jurisdiction might be really small in some countries and large in other. Should there be a minimum or maximum size? It is not clear how a project makes the decision of going national or subnational. More guidance would be helpful.</p> <p>- Under this statement "The project proponent shall demonstrate that the selection of subnational jurisdictions is not engineered to inflate baseline</p>  | <p>Thanks for these observations. Although this approach for delimiting the project's spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u>.</p> |

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|    | <p>emissions nor to prioritize the project area for the projection of the location of future deforestation", it would be helpful if the revision include how this can be demonstrated. Guidance would be helpful.</p> <p>- When removing planned deforestation areas, do these include potentially future areas or only the ones that have been historically legally converted?</p> <p>- Under section 4.1.6, will Verra provide all the .kml files of all REDD projects in order to asses the leakage belt? Our understanding is that this is not currently available.</p> |   |
| 31 | <p>Understanding that the project must follow the legislation of the host country, there must be consistency with the baselines defined in the reference levels (FREL), in addition to defining the criteria to adapt the requirements and specify the methodological deviations allowed for the project to comply with the accounting rules of the country. Countries should be encouraged to keep their baselines update and complete (including all possible activities and carbon pools) and have accurate activity data within permissible ranges.</p>                 | <p>Thanks for the suggestion. Although this approach has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u>.</p> |

5. Is using a contiguous reference region approach better than the jurisdiction-based approach outlined in Section 4.1? If so, how do you assure that the contiguous reference region is similar enough to ensure accurate projection of rate and location of deforestation?

| Comment # | Issue Raised   | Verra Response   |
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| 32        | <p>Not necessarily, as the contiguous region may be less similar to the project area compared to a region selected via the jurisdiction-based approach. Proponents should be able to justify why the reference region used is similar.</p> | <p>Thanks for your comment. Although this approach for delineating the reference region has been eliminated from the proposal (see Section 2</p> |

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|           |  | <p>above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u>, which adopts the jurisdictional approach.</p>  |
| <p>33</p> | <p>As stated earlier, a continuous, jurisdictional reference region may not be appropriate for all situations especially where there are "islands" of forests, in cases where the project area is a last remnant of forest in the jurisdiction and the rest has been cleared prior to the reference period other options of reference region should be allowed.</p>  | <p>Thanks for this observation. Although this approach for delineating the reference region has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u>, which adopts the jurisdictional approach.</p>                    |
| <p>34</p> | <p>The average size of municipalities (minimum jurisdictional limits proposed) in the Brazilian Amazon is the largest in Brazil. On the other hand, it is the least populated region. In addition, the current amount of conservation units and territories of traditional populations, in a way, contribute to the reduction of deforestation. This denotes that deforestation patterns are not defined based on jurisdictional boundaries. In practical terms, an area known to be of great deforestation pressure, under greater influence of the urban area (where a large part of the population is concentrated) within its jurisdictional limit and, sometimes, even by another urban area of the neighboring jurisdiction, may have its historical rate of deforestation largely influenced if this rate is measured by the jurisdiction considering a municipality of large territorial extension and with high relative forest cover. In summary, considering one or more jurisdictional boundaries as a reference region in the Amazon will weaken the power to capture more regionalized effects that dictate pressure on an area of forest, deflating "local" rates unrealistically.</p> <p>We suggest making the definition method more flexible, allowing the proponent to assess which one is best suited to the project scenario: the one</p> | <p>Thanks for this observation and the suggestion. Although this approach for delineating the reference region has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u>, which adopts the jurisdictional approach.</p> |

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|           | <p>in force in VM0015, for example; or the proposed jurisdiction. This suggestion should be applied initially during this period of methodological transition so that we can understand the effects of this in practical terms.</p>  |   |
| <p>35</p> | <p>As stated earlier, a continuous, jurisdictional reference region may not be appropriate for all situations especially where there are "islands" of forests, in cases where the project area is a last remnant of forest in the jurisdiction and the rest has been cleared prior to the reference period other options of reference region should be allowed.</p>  | <p>Thanks for this observation. Although this approach for delineating the reference region has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u>, which adopts the jurisdictional approach.</p>                      |
| <p>36</p> | <p>We perfectly understand that the jurisdictional approach is key for ensuring the integrity of REDD projects and credibility of their VCUs. On the other hand, it is also the case that methodologies should allow for flexibility in different types of situations. In Brazil, even third-level jurisdictions (municipalities) can be so large and heterogeneous that it would seem inadequate to adopt them as reference regions, since distinct deforestation agents and drivers affecting deforestation patterns could be acting at different parts of the region. Moreover, larger regions demand more time and computational resources to be modeled thus raising the cost of project development for proponents. These difficulties are aggravated for projects close to district borders since, according to the consultation summary, the reference region would have to include nearby districts as well. In contrast, contiguous reference regions, when properly designed, are more representative of the local deforestation dynamics.</p> <p>In this context, we believe that a compromise can be achieved by allowing for exceptions depending on whether some threshold criteria involving the size of the reference region is satisfied or not. For instance: If even the district-level reference region is found to be exceedingly large it should be possible to</p> | <p>Thanks for these observations and the suggestion. Although this approach for delineating the reference region has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u>, which adopts the jurisdictional approach.</p> |

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|    | <p>define a fourth jurisdictional level. To restrict arbitrariness, guidelines for defining the fourth level could be elaborated based on well-defined delimitations, such as the borders of conservation units or of the underlying hydrographic basis, or natural barriers such as rivers and rock formations, and so on.</p>  |   |
| 37 | <p>In the Amazon case, we have municipalities with a large territorial extension at the same time as having high forest cover. Considering a deforestation rate at this jurisdiction level could reduce the real pressure on the forest at the site close to urban areas or rural settlements. We suggest a transition phase, where proponents can use both types of approach.</p>   | <p>Thanks for this observation and for the recommendation. Although this approach for delineating the reference region has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u>, which adopts the jurisdictional approach.</p> |
| 38 | <p>There will be cases where the second-level subnational jurisdictions are larger than many countries. In addition, these jurisdictions usually have regions where deforestation is intense, and others with a very low deforestation rate. Therefore, a project located close to deforestation within these large administrative boundaries will probably be negatively impacted by applying a jurisdictional baseline. How could the proposed revision be adapted to these cases?</p> | <p>Thanks for pointing out this potential issue. Although this approach for delineating the reference region has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u>, which adopts the jurisdictional approach.</p>           |
| 39 | <p>- It is not clear what a "contiguous reference region" approach means. For example, the revisions document state that areas of planned deforestation should be excluded from the reference region. It is unclear what is being asked in this question.</p>  | <p>Thanks for noticing these shortcomings; we will clarify the methodologies where relevant.</p>  |

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|    | - Additionally, If mosaic landscapes, every forest patch counts as a separate project area segment? Section 4.1.5 is not very clear.      |   |
| 40 | The jurisdictional approach is adequate if the activity data are consistent between the standard/methodology and the FREL of the country. | Thanks for the recommendation. Although this approach has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u> , which adopts the jurisdictional approach. |

6. Are the procedures for estimating the annual areas of unplanned deforestation clear, unambiguous, and operational? Do you anticipate any potential issues with their use?

| Comment # | Issue Raised   | Verra Response   |
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| 41        | We would like to see more emphasis on degradation and with that procedures for estimating annual areas of unplanned degradation  | Thanks for this observation; where relevant, we will provide additional guidance.  |
| 42        | The procedures are inherently unclear and ambiguous because Verra has chosen not to specify how these processes should be completed. This is counter to previous statements where Verra has repeatedly stated that the aim of these updates is to increase the integrity and consistency of the methodologies used under the VCS standard and reduce perceptions of inconsistent or incoherent estimates of baselines and GHG estimates. Specifically, Verra has chosen not to provide any of the following core components of the procedures: standard operating procedures for accuracy assessments, sampling design, statistics to evaluate accuracy (4.2.7); | Thanks for these observations; where relevant, we will provide additional guidance |

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|           | <p>procedures and equations for calculating area estimates and uncertainties (4.2.8); how to perform bias correction for land cover change area estimates (4.2.9) but leave it to the project implimenter to consult third party documentation. 4.2.11 Section on trends is particularly unclear. It should be made compulsory to test for trends and use the appropriate trend up or down.</p>  |   |
| <p>43</p> | <p>No, it is not clear and presents potential issues.</p> <p>The exclusion of areas foreseen to be deforested due to the implementation of large enterprises, as well as the distinction between legal and illegal deforestation in the historical series, for Brazil, is considered impractical. This type of data does not exist in a systematized and compatible way between agencies and jurisdictions, it is practically all analog yet and mainly, these bodies have never shown interest in public sharing this type of information with society.</p> <p>Regarding the composition of the historical series of deforestation, we would strongly appreciate the following clarification in item 4.2.5 :</p> <p>A. Is it necessary to evaluate all the dates of the historical period in the case of using secondary data that present extensive documentation, including an evaluation of the accuracy of the multitemporal, global collection and by classes of use?</p> <p>Regarding the process of correction of bias in the estimate of deforested area of the historical series, we would strongly appreciate the following clarifications:</p> <p>A. Should it be carried out for all years of the historical series and assess, for each year, the compliance with the requirements of item 4.2.10 to correct or not the measured values? Or, is it possible to do it only for the last year of the historical period and extrapolate it to previous years?</p> <p>B. It is important to provide a better clarification on how to link the process and calculations proposed by the Methods and Guidance from the</p> | <p>Thanks for these observations; where relevant, we will provide additional guidance</p> |

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|           | <p>Global Forest Observations Initiative with item 4.2.10, in particular, with the estimate of U%. We cannot understand which parameter in section 4.2.3 (starting on page 176) of the Guidance estimates the U%.</p>  |  |
| <p>44</p> | <p>The procedures are inherently unclear and ambiguous because Verra has chosen not to specify how these processes should be completed which is counter to previous statements, Verra has repeatedly stated that they aim of these updates is to increase the integrity and consistency of the methodologies used under the VCS standard and reduce perceptions of inconsistent or incoherent estimates of baselines and GHG estimates. Specifically, Verra has chosen not to provide any of the following core components of the procedures: standard operating procedures for accuracy assessments, sampling design, statistics to evaluate accuracy (4.2.7); procedures and equations for calculating area estimates and uncertainties (4.2.8); how to perform bias correction for land cover change area estimates (4.2.9) but leave it to the project implementer to consult third party documentation. 4.2.11 Section on trends is particularly unclear. It should be made compulsory to test for trends and use the appropriate trend up or down.</p> | <p>Thanks for these observations; where relevant, we will provide additional guidance.</p> |
| <p>45</p> | <p>As a project developer, there is some concern with the section about the area bias correction of historical deforestation areas. The procedures for computing the "area bias correction" must be clarified. There are no references to base it on, and this definition needs an improved explanation. As a suggestion, section 4.2.9 needs more clarification, and a example can be added as an annex.</p> <p>Another important point concerns the apparent lack of a mechanism for describing the saturation of deforestation in the reference region and the consequent slowdown of annual rates. This is particularly relevant when increasing annual rates are projected for the baseline period (and especially at the third jurisdiction level, where the reference region is smaller). Such a mechanism is present, for instance, in VM0015, which provides instructions to</p>  | <p>Thanks for these observations; where relevant, we will provide additional guidance.</p> |

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|    | <p>define zones of optimal, average, and suboptimal suitability for deforestation – the projection of increasing rates then ultimately leads to a deforestation curve that increases at first, reaches a plateau, and finally decrease. The simple extrapolation of increasing rates may lead to unrealistic baseline scenarios, working against the precautions being advanced to prevent artificially inflated rates. From this perspective, it would seem consistent if the new methodologies included guidelines for describing the saturation (hopefully simpler and less arbitrary than those of VM0015).</p>  |   |
| 46 | <p>The calculation presented in 4.2.10 is confusing and needs to be more detailed and better explained as it relates to the Methods and Guidance from the Global Forest Observations Initiative v2.0.</p>  | <p>Thanks for these observations; where relevant, we will provide additional guidance.</p>  |
| 47 | <p>There are clear. The only concern is in cases where exists a significant deforestation trend (<math>r^2 &gt; 0.6</math>). Should a linear regression be used? Or should a modelling or time-function approach be used in these cases? For instance, when there is a significant increasing trend, will this be increasing forever until the end of the crediting period? Or will be an optimal point where deforestation will start to decrease?</p>  | <p>Thanks for your comments. This approach has been eliminated from the proposal (see Section 2 above), Thanks also for the observation; where relevant, we will amend the methodologies accordingly.</p>   |
| 48 | <ul style="list-style-type: none"> <li>- Will the methodologies provide the adequate spatial and temporal resolution and accuracy? Will this change depending on the methodology, or will this be included as part of the revisions? What would this look like?</li> <li>- Mapping regeneration/reforestation within a 10 year period is not entirely realistic as it may take longer for a forest fragment to be recognized as such using satellite imagery. We suggest perhaps a revision of this point.</li> <li>- Currently, the methodologies require high accuracy for the land use cover maps and only a few regional or global datasets such as MapBiomass available for Brazil and some other locations meet that criteria. The majority of global</li> </ul> | <p>Thanks for these comments and observations. Although this approach has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <a href="#">Consolidated REDD Methodology</a>.</p> |

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|    | <p>datasets have lower accuracy and don't meet the threshold. Does this mean that project proponents would need to generate new data for every project? What happens when the country already has developed land cover maps that do not comply with the spatial and temporal resolution and accuracy required? Would a discount be an option or would new data need to be generated? 90 percent of accuracy practically invalidates the use of the majority of the existing land use cover products. With this guideline VERRA will require custom developed land cover maps at the jurisdictional level, which for big jurisdictions is not a trivial task and requires people with broad knowledge of remote sensing techniques.</p> <ul style="list-style-type: none"> <li>- "Historical deforestation data has to have polygons of forest vs non-forest as well mapping the deforested areas" it makes little sense to convert raster data to vector/polygons considering that the deforestation mapping will, at the majority of cases, be done using raster data. Could you clarify what is the need for this requirement?</li> <li>- More guidance on how to calculate the uncertainty estimate representing sampling error (90% confidence interval) would be beneficial.</li> <li>- Can you please clarify what this means "A project may elect to utilize a smaller annual area of unplanned baseline deforestation for the reference region than that calculated from the discounted historical average annual deforestation where this lower (thus conservative) area is derived from national-level REDD+ program reporting." Does this mean that if a country has a reference level, if this is more conservative, it can be used by the project? Not entirely clear what this means.</li> </ul> |  |
| 49 | <p>It is important to specify the analyzes of land use change and cover change in terms of the number of classes allowed and the use of the change matrix. The two main classes (forest land and non-forest land) can be unified in all methodologies, which is sufficient. Clarify the types of cartographic and</p>  | <p>Thanks for these observations; where relevant, we will provide additional guidance.</p> |

information inputs that are acceptable. There are no specifications regarding the historical analysis of forest degradation.

7. Are the guidance and procedures for assessing deforestation threat sufficiently clear and operational? Do you anticipate any potential issues with their use?

| Comment # | Issue Raised   | Verra Response   |
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| 50        | We would like some practical examples of how risks maps shall show the risks of deforestation for each pixel location. We would also like to know if the specific location of deforestation has to be a determined unit (e.g. 10m per pixel).  | Thanks for the recommendation. Although this approach has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <a href="#">Consolidated REDD Methodology</a> , which adopts the allocation approach. |
| 51        | Linking up with section 4.2, this section suffers from the same vagueness and opportunities to introduce bias and inconsistency, e.g. lack of clear guidance on QC processes, number of runs of models mentioned, but no criteria for fit. Lowest error may still be a very poor fit. There are also major discrepancies with this transition methodology compared to the new allocation tool based approach, projects may have to deal with significant changes in credit issuance. | Thanks for these observations. Although this approach has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <a href="#">Consolidated REDD Methodology</a> .                                       |
| 52        | No, it is not clear and presents potential issues.   | Thanks for these observations and for the recommendation. Although this approach has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable   |

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|    | <p>Best model selection procedure – item 4.3.6: we need further clarification on the best model selection process to comprehend its application. As it is exposed, it generated the following doubts:</p> <p>In a confirmation period scenario (2015 to 2020, for example), should the selection of the best model be made year by year for the period (tests for 2016, 2017, 2018, 2019, 2020)? We understand that this way, we will have an accuracy indicator for each year. In the application of several models, we will have other accuracy results for each year of the period. How to consider the best model? The model with the best mean accuracy for all years or the model that generated the best accuracy for any year?</p> <p>Another understanding was that, in the same scenario from above, the selection of the best model should be made between 2015 and 2020? From 2015 land use, do we simulate year-by-year land change until 2020 and test what was predicted for 2020 vs what was observed for the same year?</p> <p>4.3.8 – Regarding the process of evaluating the accuracy of predictive models, in addition to the suggested methods (Pontius Jr et al (2007 and 2008)), it could be considered as valid the application of the ROC (Receiver Operating Characteristic) method , according to Jean-François Mas, et al 2013?</p> | <p>comments in the development of the <u>Consolidated REDD Methodology</u>.</p>  |
| 53 | <p>Yes, it is clear and operational.</p>  | <p>Thanks for your comment.</p>  |
| 54 | <p>The guidance procedure is clear; however, we have several queries regarding the procedures as listed. The approach used here for training and validation is weak and has been addressed extensively by the data science community. I would suggest that Verra adopts a more rigorous approach for reporting and model error. This guide explains the process in better detail.</p> <p>Linking up with section 4.2, this section suffers from the same vagueness and opportunities to introduce bias and inconsistency, e.g. lack of clear</p>  | <p>Thanks for your comment and for these observations. Although this approach has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u>.</p> |

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|    | guidance on QC processes, number of runs of models mentioned, but no criteria for fit. Lowest error may still be a very poor fit.   |  |
| 55 | <p>Since the deforestation rates used for allocating future deforestation will carry uncertainties these uncertainties will propagate to the accuracy indices of the models. Its unclear whether proponents will have to estimate these latter uncertainties as well and account for them when comparing different models. The new methodologies should address this explicitly.</p> <p>Additional remarks are made on the "General Comments" sheet, concerning the space-based (as opposed to time-based) approach to calibration and confirmation of models.</p>      | <p>Thanks for these observations. Although this approach has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u>.</p>  |
| 56 | The best fit issue presented in 4.3.6 needs to be clarified.  | Thanks for this observation; where relevant, we will provide additional guidance.  |
| 57 | <p>Subsection 4.3.10 - Steps to determine the location of future deforestation: An example will be very useful for project proponents adopt these steps correctly.</p> <p>Potential issue: projects developed by different PPs, located within the same municipality (2nd subnational level) with a similar project start date should have a very similar result for the projecting deforestation in terms of location and quantity within the reference region. How VERRA will guarantee that such project proponents adopt a similar baseline for these projects?</p> | <p>Thanks for the recommendation and for that observation. Although this approach has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u>, which adopts the allocation approach.</p> |
| 58 | * We can predict deforestation risk or probability using different modeling techniques (machine learning, GLMMs) and logistic models would result in values from 0-1 (% risk). The use of 30 classes seems arbitrary and  | Thanks for these observations. Although this approach has been eliminated from the proposal (see Section 2 above), Verra will consider these   |

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|    | <p>unnecessary. Could you please clarify why the need to transform a probability measure into discrete classes?</p> <p>- The revisions don't provide more details on how to use the allocation and division of deforestation risk classes. Seems to be a preparation for the new methodology but it is not explicit on how we will use the risk map. More guidance would be appreciated.</p> | <p>valuable comments in the development of the <u>Consolidated REDD Methodology</u>, which adopts the allocation approach.</p> |
| 59 | <p>Updates for forest degradation modeling are not described.</p>  | <p>Thanks for this observation; where relevant, we will provide additional guidance.</p>                                       |

8. Are the guidance and procedures for estimating emission factors sufficiently clear and operational? Do you anticipate any potential issues with their use?

| Comment # | Issue Raised   | Verra Response   |
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| 60        | <p>It only provides guidance on calculating uncertainty, nothing else. There is no mention of what is considered acceptable input variables, e.g. plot based sampling, QC of inventory, use of national or IPCC default values allowed? Carbon pools, GHG etc. Based on the indicators section the project proponent is seemingly responsible for quantifying emissions factors across the entire reference region? This is an immensely costly undertaking particularly in light of confidence deductions that need to be adhered to.</p> | <p>Thanks for these observations; where relevant, we will provide additional guidance.</p> |
| 61        | <p>Yes, it is clear and operational.</p>   | <p>Thanks for your comment.</p>  |

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| 62 | <p>It only provides guidance on calculating uncertainty, nothing else. There is no mention of what is considered acceptable input variables, e.g. plot based sampling, QC of inventory, use of national or IPCC default values allowed? Carbon pools, GHG etc. Based on the indicators section the project proponent is seemingly responsible for quantifying emissions factors across the entire reference region? This is an immensely costly undertaking particularly in light of confidence deductions that need to be adhered to.</p> | <p>Thanks for these observations; where relevant, we will provide additional guidance.</p>                            |
| 63 | <p>The guidance and procedures for estimating emission factors are operational, however, we understand that it is not sufficiently clear for the implementation of the concept in different project scenarios. In this case, it would be interesting if Verra clarifies the application with practical examples, as it's a common practice by the VCS methodologies.</p>   | <p>Thanks for the recommendation; where relevant, we will provide additional guidance.</p>                            |
| 64 | <p>- Can emission factors from government data be used as long as they are discounted for uncertainty or would data need to be generated on the ground?</p>  | <p>Thanks for pointing this out; we will provide additional guidance on this.</p>                                     |
| 65 | <p>It is not clear if there is a total uncertainty and discounts, understanding that the calculation of uncertainty and the application of discounts is independent for the activity data and for the emission factors, which is consistent.</p>   | <p>Thanks for pointing out this possible point of confusion; where relevant, we will provide additional guidance.</p> |

9. Do you anticipate any potential issues with the application of the safety mechanism proposed?

| Comment # | Issue Raised   | Verra Response   |
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| 66        | No issues identified. The safety mechanism should stop projects taking advantage of general downward trends in deforestation within a region.  | Thanks for your comment. We are not going ahead with implementing the safety mechanism at this time, but we will keep your support of this concept in mind for a future re-consideration.                                  |
| 67        | <p>It is possible, perhaps likely, that projects will begin to fail under this rule due to spatial heterogeneity in deforestation risk, forest types, and agents/drivers within the jurisdiction. As previously described, some project areas are at risk and are being deforested due to conditions that are locally relevant but may not be relevant across a jurisdiction. Rather than dismiss these concerns out of hand, as was done in the webinar, Verra should conduct a trial run of its new rules with test cases of actual projects, especially those that are very high profile and/or of notable quality and success. Our analyses indicate that more projects will fail than Verra is anticipating, putting at risk the livelihoods of many communities, emissions reductions achieved so far, and the reputation of carbon crediting across the board and all those involved. Verra does not have to rely on assumptions, suppositions, or hopes in establishing its new rules; it can perform these analyses on a selection of existing projects and evaluate the results in order to make informed decisions. There's no need to make quick changes for the practical end of approving more projects if such action produces grave consequences, which is one possible outcome.</p> <p>Furthermore, this approach penalises projects where active measures are in place to reduce deforestation. Furthermore in section 4.2.11 it allows for the application of a downward trend in deforestation, but now if this trend kicks in during the implementation period it disqualifies credit issuance, thus bordering on non-sensical.</p> | Thanks for these comments. Although the safety mechanism has been eliminated from the proposal (see Section 2 above), Verra will consider these comments in developing the <a href="#">Consolidated REDD Methodology</a> . |

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| 68 | <p>Yes, some issues may occur due to the safety mechanism as proposed.</p> <p>We suggest to better establish the parameter(s) of this mechanism because “decaying faster” is subjective and leaves room for different interpretations. In addition, we suggest the utilization of a decreasing rate in the PA as observed in the reference region and not simply zero emissions. This suggestion should be applied initially during this period of methodological transition so that we can understand the effects of this in practical terms.</p>  | <p>Thanks for the suggestion. Although the safety mechanism has been eliminated from the proposal (see Section 2 above). Verra will consider these valuable comments in developing the <a href="#">Consolidated REDD Methodology</a>.</p> |
| 69 | <p>We do not foresee an issue with the safety mechanism.</p>  | <p>Thanks for your comment.</p>   |
| 70 | <p>It is possible, perhaps likely, that projects will begin to fail under this rule due to spatial heterogeneity in deforestation risk, forest types, and agents/drivers within the jurisdiction. As previously described, some project areas are at risk and are being deforested due to conditions that are locally relevant but may not be relevant across a jurisdiction. Rather than dismiss these concerns out of hand, as was done in the webinar, Verra should conduct a trial run of its new rules with test cases of actual projects, especially those that are very high profile and/or of notable quality and success. Our analyses indicate that more projects will fail than Verra is anticipating, putting at risk the livelihoods of many communities, emissions reductions achieved so far, and the reputation of the carbon crediting across the board and all involved. Verra does not have to rely on assumptions, suppositions, or hopes in establishing its new rules; it can perform these analyses on a selection of existing projects and evaluate the results in order to make informed decisions. There's no need to make quick changes for the practical end of approving more projects if such action produces grave consequences, which is one possible outcome. Furthermore, this approach penalizes projects where active measures are in place to reduce deforestation. Furthermore, in section 4.2.11 it allows for the application of a downward trend in deforestation, but now if this trend kicks in during the</p> | <p>Thanks for these comments. Although the safety mechanism has been eliminated from the proposal (see Section 2 above), Verra will consider these comments in developing the <a href="#">Consolidated REDD Methodology</a>.</p>          |

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|           | <p>implementation period it disqualifies credit issuance, it borders on non-sensical.</p>  |  |
| <p>71</p> | <p>We understand the need for and importance of this simplified but interesting new safety mechanism and agree that if the deforestation rate of the reference region is decreasing faster than in the project area it is possible to infer that the project is not accomplishing what was proposed. However, there are some exceptions that must be considered, as well as we need some clarifications about the possibilities of application of the mechanism to ensure a better understanding of the concepts presented in the text and avoid any ambiguity and misunderstanding, which can generate several uncertainties to the credit generation flows of projects given the regional dynamics of deforestation associated with public jurisdictional policies to stop deforestation.</p> <p>In cases where the project area is located in a high-pressure region, considering a large 2nd subnational jurisdiction area, there is the possibility that the rate of deforestation in the reference region is declining more rapidly than that of the project area, especially in the case of a forest fire (or any other several carbon loss event in the reporting interval) in the project area, where the project is unable to stop such losses.</p> <p>We recognized the non-permanence risk tool as an efficient safety mechanism, and a suggestion is to include this new safety mechanism in one of the risk assessments presented in the tool, to determine whether a project should contribute with a greater contribution to the buffer account or even the impossibility of the project to issue emissions reductions for the reporting period.</p> | <p>Thanks for these observations and for the recommendation. Although the safety mechanism has been eliminated from the proposal (see Section 2 above), Verra will consider these comments in developing the <u>Consolidated REDD Methodology</u>.</p> |
| <p>72</p> | <p>Yes, WCS sees the introduction of this Safety Mechanism as unnecessarily punitive when greater focus should be given to ensuring baselines are considered valid. There is flawed logic in the application of the mechanism. Furthermore, the mechanism does not take into account the heterogeneity of</p>  | <p>Thanks for these comments. Although the safety mechanism has been eliminated from the proposal (see Section 2 above), Verra will consider these</p>   |

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|    | <p>deforestation drivers, their intensity spatially, and the reasons why jurisdictional performance may be different to project performance.</p>  | <p>comments in developing the <u>Consolidated REDD Methodology</u>.</p>  |
| 73 | <p>We warn about the reverse incentive that this mechanism can cause, by encouraging the project not to act in the reference region in the fight against deforestation, as this would reduce its emission reductions for that reporting period. By failing to operate in the reference region, there could be a positive leakage, which would invalidate the project. It seems like a contradictory mechanism. We suggest adopting a decreasing rate in the project area similar to that observed in the reference region, rather than zero emissions. This can be applied initially during the methodological transition period, so that we can understand the effects of this mechanism in practical terms.</p> | <p>Thanks for these comments and for the suggestion. Although the safety mechanism has been eliminated from the proposal (see Section 2 above), Verra will consider these comments in developing the <u>Consolidated REDD Methodology</u>.</p> |
| 74 | <p>In cases where the second-level subnational jurisdiction is very large with many protected areas (low deforestation rate), and there are many communities living within the project area. In such cases, there will be a possibility that no ERs will be issued to this project because deforestation is usually higher in these areas than in the region. There is a potential risk of excluding these projects from the carbon markets, usually those who need it most for reducing deforestation in threatened areas.</p>   | <p>Thanks for these comments. Although the safety mechanism has been eliminated from the proposal (see Section 2 above), Verra will consider these comments in developing the <u>Consolidated REDD Methodology</u>.</p>                        |
| 75 | <p>- It is very unclear what the safety mechanism is, the guidance provided is not clear. What is the "active reference level"?</p>   | <p>Thanks for this observation. Although the safety mechanism has been eliminated from the proposal (see Section 2 above), Verra will consider these comments in developing the <u>Consolidated REDD Methodology</u>.</p>                      |

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| 76 | It would be evaluated along with the additionality and effectiveness of project implementation. | Thanks for your comment and recommendation. Although the safety mechanism has been eliminated from the proposal (see Section 2 above), Verra will consider these comments in developing the Consolidated REDD Methodology and, where relevant, we will provide additional guidance. |
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10. In your experience as project developer, are the indicators proposed necessary and sufficient?

| Comment # | Issue Raised  | Verra Response  |
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| 77        | The indicators are currently exclusively focused on deforestation, rather than degradation. Degradation is more difficult to collect information on, but where ERs from reduced degradation are being claimed perhaps there should be some indicators on degradation as well. | Thanks for these observations; where relevant, we will provide additional guidance. |
| 78        | It is not, particularly the indicator on average emissions factors across the entire reference region and reference period. This is a very onerous indicator to collect for a project proponent. If the data is not available does it disqualify the project?                 | Thanks for this observation; where relevant, we will provide additional guidance.   |
| 79        | Yes.  | Thanks for your comment.  |
| 80        | It is not, particularly the indicator on average emissions factors across the entire reference region and reference period. This is a very onerous indicator to   | Thanks for this observation; where relevant, we will provide additional guidance.   |

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|    | collect for a project proponent. If the data is not available, does it disqualify the project?   |   |
| 81 | The reporting of normalized deforestation rates (percentage rates) alongside compiled results is advised, since they provide a reliable means of comparing deforestation rates across different regions.   | Thanks for your comment and recommendation; where relevant, we will update the methodologies accordingly. |
| 82 | There are many project developers who inflate the baseline to generate more credits. In my point of view, a good training to VVBs on how to apply the existing AUD methodologies would be better than revising the methodologies. However, the proposed indicators are clear and will follow a jurisdictional approach rather than a project-level approach. | Thanks for your comment and recommendation.   |

11. Are the references and resources provided sufficient and useful? Are additional references or resources missing?

| Comment # | Issue Raised  | Verra Response  |
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| 83        | No, it is worth mentioning and important to consider other consolidated LULC software such as the ones presented in VM0015. | Thanks for your comment and recommendation; where relevant, we will update the methodologies accordingly. |
| 84        | Yes.  | Thanks for your comment.  |

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| 85 | - Would be helpful to see how this overlaps with the JNR requirements to calculate the FREL, and if there are substantial differences | These changes were proposed to help projects transition to the consolidated REDD methodology; as such, there are significant areas of overlap with the JNR requirements. |
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### General comments

| Comment # | Issue Raised  | Verra Response  |
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| 86        | Section 1, page 2, lines 1–4: Can you confirm our understanding that credits issued before April 2023 are eligible with the old methodologies, credits issued between April 2023 and the end of 2025 are eligible with the revised methodologies and credits issues after the end of 2025 would need to be validated under the forthcoming consolidated REDD methodology? | <p>Any VCU successfully issued in through the Verra registry must comply with relevant listing and registration deadlines.</p> <p>Please check the Verra website for the latest update on transition of projects from the current methodologies to the <a href="#">Consolidated REDD Methodology</a>.</p> |
| 87        | Section 4, subsection 4.3.4, page 8. Lines 27–28: Can you give examples of the pixel-by-pixel deforestation monitoring would work in practice and how should this information be presented. We'd also like to know if the specific location of deforestation has to be a determined unit (e.g. 10m per pixel)?  | <p>Thanks for these comments. Although this approach has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <a href="#">Consolidated REDD Methodology</a>, which adopts the allocation approach.</p>                                  |

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| <p>88</p> | <p>Section 4, subsection 4.1.3, page 3, line 14: Sub-section 4.1.3. doesn't mention non-anthropogenic losses, such as, big fire and blowdowns.</p> <p>PROPOSAL:</p> <p>a) Non-anthropogenic deforestation should also be removed from the reference region.</p> <p>b) Add project area to the text: "Areas of planned deforestation must be identified and excluded from the reference region [and project area] where deforestation is legally permissible and has a significant probability of occurring."</p>   | <p>Thanks for these recommendations. Although this approach has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p>                        |
| <p>89</p> | <p>Section 4, subsection 4.1.4, page 3, line 17: If any part of the project area is located within 50 kilometers of the boundary of a jurisdiction, the reference region shall also include the relevant neighboring subnational jurisdiction(s) of the same subnational level."</p> <p>a) Adding a whole jurisdiction(s) is going to be onerous on projects. In looking at an example from our company, this would make a 6Mha (1 jurisdiction) accounting area into 33.5M (3 jurisdictions) accounting area.</p> <p>b) The land cover/change mapping and risk mapping is already a big task and adding jurisdictions will make it harder in scale, level of effort, complexity (e.g.: forcing land cover mapping into a new biome that requires unique remote sensing).</p> <p>c) Often a project is in a specific jurisdiction for some reasons. Forcing monitoring of entire other jurisdictions and taking some responsibility for them and their rate of deforestation could have unintended consequences for projects.</p> <p>PROPOSAL:</p> <p>a) Could a solution be that a project needs to account for the 10 km buffer even if it is outside the jurisdiction, but not the entire other jurisdiction? It seems to us that this would account for most local leakage. Migrant leakage concerns are always more</p> | <p>Thanks for pointing these potential issues out and for the recommendations. Since we will not be adopting the complete proposal, project proponents will not be responsible for developing activity data for or monitoring entire jurisdictions.</p> |

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|    | <p>challenging. However, it is not certain that including the adjacent jurisdiction will capture this.</p> <p>b) The old VM0007 used a cursory national assessment using existing data layers to address migrant leakage. This allowed project to account for migrant leakage without major monitoring efforts. Maybe an approach like this could be used here as a solution.</p> <p>c) Another, partial solution could be that there is a trigger that, for example, if a project identifies more than 10% migrant deforestation then there is some bigger effort to track and monitor this. However, we would still hope it is not as large an effort as monitoring an entire new jurisdiction(s)</p>   |  |
| 90 | <p>Section 4, subsection 4.1.4.4, page 4, line 1: If the project is focused on the conservation of a unique forest type (e.g., mangroves or peat forest), then the subnational jurisdiction selected for the reference region shall contain at least as much of this type of forest as the project area, otherwise the reference region shall default to national boundaries"</p> <p>This will limit the viability of some of the most important project areas in large complex countries.</p> <p>Indonesia and Brazil are a good example of important countries where it is exceptionally onerous to require national monitoring (because of their size and diversity). One could imagine a project seeks to protect the largest mangroves in Indonesia but can't do that without being forced to monitor the entire country's mangroves. Another example could be one of the larger peatlands in Brazil where national mapping of peat is not yet available with a high degree of accuracy. This requirement could make these projects unviable.</p> <p>PROPOSAL: instead of requiring detailed mapping and monitoring at the national scale, a middle ground solution could be found that requires national monitoring using national statistics and existing global layers. In these cases, a project must use these available data sets to provide a convincing argument of the baseline that is both quantitative and qualitative (like an additionality argument).</p> | <p>Thanks for pointing these potential issues out and for the recommendations. Since we will not be adopting the complete proposal, project proponents will not be responsible for developing activity data for or monitoring entire jurisdictions. Verra will consider these valuable comments as we determine jurisdiction sizes for use with the <a href="#">Consolidated REDD Methodology</a>.</p> |

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| 91 | Section 4, subsection 4.2.8, page 6, line 22: What is the mean area? If you have forest/non-forest, you will have a single area of deforestation for the jurisdiction and therefore there will be no mean. Further clarification is requested.  | Activity data are to be estimated using a sample-based approach, rather than by pixel counting on wall-to-wall maps. This approach would yield estimates of mean areas and their standard errors. |
| 92 | Section 4, subsection 4.1.4(3), page 3: Further guidance is needed to define how to prove that a subnational baseline is not inflated or biased. Definition of an inflated baseline is also needed. What threshold would Verra consider a baseline to be inflated?  | Although this approach has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the Consolidated REDD Methodology.                  |
| 93 | Section 4, subsection 4.1.4(3), page 3: Subnational jurisdictions tend to be less generalized than national baselines because they capture the local circumstances better. Therefore, using the smaller area as the Reference Region is more accurate, even if it means more deforestation. This requirement sounds as if the sub-national jurisdictional baseline should be compared to the national baseline to demonstrate if it is conservative and not biased. It would be helpful to clarify the language to prioritize a more accurate baseline over a conservative one. If the project cannot achieve higher accuracy, then opt for conservativeness. | Although this approach has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the Consolidated REDD Methodology.                  |
| 94 | Section 4, subsection 4.1.4(4), page 4: A definition of “unique forest” is required. Is unique a synonym for single forest type? One could assume that rain forest, or miombo forest are unique, even though it could be disaggregated by strata (e.g., pre-montane and montane forests) to improve the accuracy of emission factors. If so, what is the guidance for projects with multiple forest types?  | Thanks for this observation; where relevant, we will update the methodologies to include missing terms.   |

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| 95 | <p>Section 4, subsection 4.1.5, page 4: Further clarification is needed. This requirement contradicts with the project area definition, which is “the forested area where credits will be generated”. Pieces of land which landowners (i.e., carbon rights owners) opt to not be a part of the AUDD project must be excluded from the project area.</p>  | <p>Thanks for these observations. Although this approach for delimiting the project’s spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <a href="#">Consolidated REDD Methodology</a>.</p> |
| 96 | <p>Section 4, subsection 4.1.6, page 4: 10 kilometers is quite arbitrary. Leakage is not related to proximity to the project, but similarity to the conditions found in the project. An agent of deforestation that no longer has access to the project area won’t move to the closest forest, but to the closest area that provides the same conditions to perform the same activity. For example, deforestation due to high altitude coffee farmers won’t move to low flat land. The project cannot be responsible for any deforestation in the leakage belt, but ONLY the ones that were displaced due to the project activity.</p> | <p>Thanks for these observations. Although this approach for delimiting the project’s spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <a href="#">Consolidated REDD Methodology</a>.</p> |
| 97 | <p>Section 4, subsection 4.1.6, page 4: It would be unpractical for a project to search project by project and download the shapefiles that overlap the reference region. Additionally, not only the active projects should be excluded, but also past projects and ones under development since those can impact the leakage assessment.</p> <p>PROPOSAL: We suggest the creation of a shapefile with the boundaries of all past, possible, and existing projects that could impact leakage assessment.</p>   | <p>Thanks for this observation and for the recommendation. Verra will consider these valuable comments in developing the <a href="#">Consolidated REDD Methodology</a>.</p>  |
| 98 | <p>Section 4, subsection 4.1.7, page 4: Additionally, for a grouped project, for example, it would not be necessary to treat each forest fragment in an isolated way, instead it could have a leakage belt for a group of fragments.</p>   | <p>Thanks for the recommendation. Verra will consider these valuable comments in developing the <a href="#">Consolidated REDD Methodology</a>.</p>   |

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| 99  | <p>Section 4, subsection 4.1.8, page 4: Some projects in the tropical rain forest might have difficulties finding a clear image near to the project start date.</p> <p>PROPOSAL: A buffer of two years, or a similar grace period, should be allowed for the end of the reference period as well as the beginning. The project start date is defined by the date when project activities started; however, that year might not have good/ cloud free satellite imagery available. It would be conservative to have earlier images, as any deforestation from the end of the reference period (e.g., one year before the project start date) would be captured as deforestation in the first verification report.</p> | <p>Thanks for the recommendation. Verra will consider these valuable comments in developing the <a href="#">Consolidated REDD Methodology</a> and, where relevant, to update the methodologies.</p> |
| 100 | <p>Section 4, subsection 4.1.9, page 4: The 6-year baseline requirement does not make sense considering that all projects must migrate the new consolidated methodological to be released in 2026. Also considering that projects have been on "hold" for over 2 years waiting for the consolidated methodology, the 6-year period could be in 2024.</p> <p>PROPOSAL: It might be helpful to allow any project using the revised methodology to use the same baseline until the 6th year or the release of the consolidated methodology, whatever is longer. (unless Verra is not confident that it would release the consolidate methodology in 2026!)</p>  | <p>Thanks for this observation and for the recommendation. Verra will consider these valuable comments in developing the <a href="#">Consolidated REDD Methodology</a>.</p>                         |
| 101 | <p>Section 4, subsection 4.2.3, page 5: We suggest considering three distinct periods (instead of years).</p>  | <p>Thanks for the recommendation. Verra will consider these valuable comments in developing the <a href="#">Consolidated REDD Methodology</a>.</p>  |
| 102 | <p>Section 4, subsection 4.3, page 9: Although not explicitly stated the text indicates that model calibration and confirmation using spatial domains – as permitted by the current VM0015 methodology, for example – will cease to be an option, since this possibility is not mentioned in the document (only the temporal domains approach is discussed in the referred page, with much welcomed clarifications). However, when deforestation is</p>  | <p>Thanks for this observation. Although the risk mapping approach has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in</p>                  |

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|            | <p>accelerating, as is the case for many States and districts in the Amazon Biome, rates may be very different at the start and end of the historical period and models calibrated in the first subperiod may not adequately capture deforestation patterns of the second subperiod and likely lead to a poor description of baseline deforestation. For this type of situation space-based calibration and confirmation is more suitable. We would appreciate if VERRA could clarify whether the spatial domains approach, or some variant of it, will still be a viable option in the updated methodologies and, if that is not the case, if VERRA could please explain why the approach has been abandoned.</p> <p>PROPOSAL: If the possibility of employing the spatial domains approach to calibration and confirmation of models has been removed from the new methodologies we propose their reintegration based on the reasons laid out in the comment.</p> | <p>developing the <u>Consolidated REDD Methodology</u>.</p>   |
| <p>103</p> | <p>The standardization approach is very important for the consistency and transparency of AUDD projects. We recognize the importance of improving the methods and the carbon credit measurement. In this case, there is a concern about the baseline reassessment in the methodology, because this process is not very clear in the AUDD methodologies and this revision presented. It is not clear the mandatory process for reassessing the project. In the project reassessment the baseline need a new structure based on the changes. The project developer is responsible to check the previous baseline. However, in cases where some error calculation occurs in the first baseline period, the calculation will be redone in the current methodology?</p> <p>PROPOSAL: As a suggestion, create a separate topic just for baseline renewal in which all information is compiled in a clear and objective manner.</p>  | <p>Thanks for the recommendation. Where relevant, Verra will provide additional guidance and clarification.</p>   |
| <p>104</p> | <p>We recognize the importance of standardizing and improving AUDD methodologies to promote the reliability and integrity of carbon projects. However, all entities should ensure that regulations are necessary, fair, effective, and affordable. A sound market regulatory practice considers (i) proportionality, (ii) accountability, (iii) consistency, (iv) transparency, and (v) targeting. The way VERRA has been bringing this methodological change has brought regulatory instability to the AUDD projects, especially those that</p>  | <p>Thanks for this observation and for the recommendation. Since we will not be adopting the complete proposal, this point no longer holds. Nevertheless, Verra will consider these</p> |

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|            | <p>are starting. Regulations should be clear/simple, and guidance, in plain language, should be issued within an appropriate time before the regulations come into force or within an appropriate timeline as agreed with stakeholders. When VERRA proposes the change in the AUDD methodology, there are temporal boundaries expressed in the timeframe published on August 17th, in particular, “Projects currently using any version of VM0006, VM0007, VM0009, VM0015, or VM0037 must use the consolidated REDD methodology by December 31, 2025, and reassess their baseline, regardless of how many years might have been remaining with their ongoing baseline period.” The 6-year baseline period is in question according to this information, and there is a regulatory inability in the VERRA system. All this results in uncertainties for project developers that directly impact landowners and community activities.</p> <p>PROPOSAL: As a suggestion, it is recommended to follow the VERRA regulatory system for the 6-year baseline period, and then there will be a direct transition to the unified methodology after that.</p> | <p>valuable comments when implementing the <u>Consolidated REDD Methodology</u>.</p>   |
| <p>105</p> | <p>Section 4, subsection 4.1.1, page 3, line 1: As per the statement, the Reference Region could be either a municipality, a department or a country. Please clarify if there is a minimum requirement associated with the area and if the selection of the boundary will depend on the project proponent judgement.</p> <p>Please clarify if the condition 4.1.4 - 4) applies in all cases for the definition of the reference region. In other words, please clarify if the reference region shall contain at least as much of this type of forest as the project area. Considering that the Reference Region is the area for the analysis of deforestation rate and location of deforestation, this should not contain other registered REDD projects. The inclusion of these could alter the patterns of deforestation (both location and rate) and the rate of deforestation in the reference region could be underestimated .</p>   | <p>This approach has been eliminated from the proposal (see Section 2 above). Verra will consider these comments in developing the <u>Consolidated REDD Methodology</u>, which adopts the jurisdictional approach.</p> |
| <p>106</p> | <p>Section 4, subsection 4.1.4, page 3, line 2: Please clarify if this condition applies for 50 kilometers inside and outside the boundary of the jurisdiction. In other words,</p>   | <p>Thanks for posing this question. This approach for delimiting the project’s spatial boundaries has been eliminated from the proposal (see</p>   |

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|     | <p>please clarify if there should be at least 50 km between the project boundary and subnational jurisdiction boundary.</p>   | <p>Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p>   |
| 107 | <p>Section 4, subsection 4.1.4, page 3, line 11: Please clarify how it should be demonstrated, for project proponents to have more certainty in the selection of the reference region, satisfying the requirements of the standard</p>              | <p>Thanks for posing this question. This approach for delimiting the project’s spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p> |
| 108 | <p>Section 4, subsection 4.1.6, page 4, line 1: It is suggested to leave the possibility of selecting a different buffer area, for cases where agents of deforestation in the leakage belt are different from the ones within the project area.</p> | <p>Thanks for the suggestion. This approach for delimiting the project’s spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p>       |
| 109 | <p>Section 4, subsection 4.2.5, page 5, line 2: Please clarify in the text if the accuracy needs to be done for the final layer that contains all the years o for each layer (year by year)</p>   | <p>Thanks for these observations; where relevant, we will clarify the methodologies.</p>   |
| 110 | <p>Section 4, subsection 4.2.6, page 6, line 1: Please precise in the text what will be the criteria to define what is relevant; is it related to the extension in area? or available information?. As it is outlined, is very ambiguous</p>        | <p>Thanks for this observation; where relevant, we will provide additional guidance.</p>   |

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| 111 | Section 4, subsection 4.3.1, page 8, line 2: Considering that Dinamica EGO was suggested in Methodology VM0015, should we consider that this Software will not be longer applied to allocate the future deforestation?   | Thanks for your comment; where relevant, we will provide additional guidance.   |
| 112 | Section 4, subsection 4.4.2, page 11, line 1: Please precise if credible and verifiable sources of data from existing studies, measure field plots or conservative literature estimates can be used to determine the carbon stocks and emission factors in the baseline.   | Thanks for pointing this out; where relevant, we will provide additional guidance.  |
| 113 | Section 5, page 12, line 1: As mentioned above, the Reference Region should not contain other registered REDD projects. However, if these are contained or a project emerges within the reporting interval, the required comparison should exclude that project(s). Otherwise, the rate of deforestation in the reference region will be biased by the likely decreased deforestation in the registered REDD projects which makes unbalanced the comparison.   | Thanks for your pointing out this potential issue. The safety mechanism has been eliminated from the proposal (see Section 2 above), Verra will take your feedback into consideration if we re-consider this in the future.   |
| 114 | Section 4, subsection 4.1.1, page 3: The definition of the spatial boundaries to include active REDD+ projects artificially underestimates the real level of risk from avoided unplanned deforestation at any one site not already actively protected. By including REDD+ projects in the reference region, new projects are unfairly expected to perform above and beyond active projects. Furthermore, the level of effort to demonstrate performance becomes increasingly rathched up over time as more projects become a part of a national/jurisdictional system. Instead of incentivizing investment, this will disuade investment and protection due to unreasonable expectations of what constitutes performance. Unlike current approaches to demonstrating additionality, including REDD+ projects as part of the reference region assumes that these are common practice, and not the result of a carbon finance incentive. | Thanks for this observation and for the suggestion. This approach for delimiting the project's spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u> . |

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|            | <p>PROPOSAL: Remove the requirement to include active REDD+ projects from the reference region.</p>   |  |
| <p>115</p> | <p>Section 4, subsection 4.1.6, page 4: The proposed revision requiring the leakage belt to be defined as a single, equidistant 10km buffer around a project area is a stark departure from procedures currently in use by existing AUDD methodologies which, for activity shifting, take forest cover, landscape features, agent mobility, policies and regulations and other factors into consideration. This ensures the area defined correctly identifies the full spatial extent into which agents of deforestation from the project area might displace. The analytical procedures provide for a justifiable leakage belt for each project based on local conditions.</p> <p>The more restrictive approach being proposed, which would define leakage belts as a 10km wide buffer around the project area, is unduly simplistic and ignores local realities, specifically, whether there are constraints to agents' mobility or not. In some cases, this could lead to an underestimation of leakage attributable to the project; in other cases, to an overestimation.</p> <p>Some examples are useful to illustrate this point:</p> <p>Highly mobile agents: It is not unreasonable in contexts where agents own vehicles and live in flat areas that the distance traveled to deforest exceeds 10km. Agents that currently live outside but use the project area could easily displace their activities outside the 10km belt. This is a practice seen often in Cambodia. Communities that engage in shifting agriculture (a classic AUDD agent) often practice "field scattering" as a risk mitigation tactic, where a single household has plots far from each other, so that localised threats (elephants, pigs, bad weather, disease) affect only one plot, instead of all as would happen if plots were contiguous. In subsistence and small-scale agricultural settings, it's normal/common for households to have land plots far from each other. See: <a href="https://www.jstor.org/stable/3673760">https://www.jstor.org/stable/3673760</a><br/> <a href="https://www.journals.uchicago.edu/doi/abs/10.1086/452291">https://www.journals.uchicago.edu/doi/abs/10.1086/452291</a></p> | <p>Thanks for pointing out these potential issues and for the recommendation. This approach for delimiting the project's spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p> |

Dissimilar areas: The arbitrary 10km buffer may lead to areas being included in the leakage belt that do not represent the agents or dynamics of deforestation found in the project area. Furthermore, it may include areas over which the project proponent has no reasonable control or access. Examples include:

Inclusion of a different jurisdiction with different policies and measures or to which the agents of deforestation don't have reasonable access to shift their activities;

The inclusion of an area with drastically different landscape features and dynamics of deforestation;

The inclusion of areas zoned differently to the project and to which neither the agents of deforestation nor the project proponent have access to influence land-use practices;

Insufficient forest area. Depending on the historical nature of the deforestation progression, as well as landscape features, it is conceivable that very little forest remains in the 10km leakage belt. Forest in this artificially small leakage belt could be exhausted and the project not record any future leakage, when in fact it is occurring.

Incorrectly shaped leakage belt. An equidistant buffer around the project area may ignore key anthropogenic features that promote deforestation. For example, a newly built road will greatly facilitate access and deforestation threat. A leakage belt that ends at the 10km mark, would not capture the likely trajectory of deforestation, including that of the project's deforestation agents shifting their activities outside of the project area.

It is also not clear from the proposed revision if the proposed 10km buffer is also to apply for the potential shifting of avoided in-migrants. For obvious reasons this would be problematic and WCS has therefore assumed that the proposed 10km buffer relates only to the activity shifting of local residents.

**PROPOSAL:** WCS believes that current AUDD methodological approaches include sufficient procedural guidance, that can be independently verified, to adequately define leakage belts that capture the various social and bio-physical factors that

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|     | <p>impact how, where and with what intensity a project’s agents of deforestation might displace their activities. We do not believe a leakage belt defined by a single distance value and assumed to be equidistant from the boundary of the project area will accurately capture the nature of leakage in the myriad project contexts of AUDD projects globally.</p> <p>If looking to standardize leakage belt delineation across projects, a potential alternative approach is an iterative approach to leakage delineation. Under this approach, a 5km or 10km equidistant leakage belt becomes the starting distance against which similarity criteria are assessed. If they are not met, the leakage belt would iteratively expand, allowing for some, justified, deviations from the equidistant requirement until key similarity criteria are met.</p>   |  |
| 116 | <p>Section 5, page 12:</p> <p>1) Other revisions to baseline establishment already build in multiple additional layers of conservatism that ensure project and jurisdictional trends align. However, by additionally applying the Safety Mechanism, it implies a fundamental distrust in the baselines produced, even with these conservative measures. Furthermore, introduction of the Safety Mechanism includes some implications that are hard to reconcile.</p> <p>a) Elaboration of the reference region and project level baselines integrate several procedural steps to ensure conservatism, including multiple deductions for uncertainty. The reduction in the baseline period from 10 to 6 years is another example of ensuring that broader jurisdictional trends are frequently integrated into baseline setting. Introduction of the Safety Mechanism suggests that these improved baselines are still unreliable and need additional, ex-post calibration. This is unnecessarily punitive and creates an ever-shifting benchmark for performance for projects (while not requiring any concurrent ex-post calibration of jurisdictional performance).</p> <p>b) As elaborated, if a project’s performance exceeds the jurisdiction’s performance, it will be granted full credits for this performance. However, if it only slightly underperforms it is issued no credits under the assumption that all of that performance was due to wider jurisdictional performance. This is an uneven application of supposed jurisdictional performance. Logically, if the assumption is that any jurisdictional performance is paramount, then in the case where a project’s performance exceeds the jurisdiction’s performance, the jurisdiction’s performance</p> | <p>Thanks for these comments. The safety mechanism has been eliminated from the proposal (see Section 2 above), Verra will take your feedback into consideration if we re-consider this in the future.</p> |

should be partly considered in the project's performance. Conversely, if a jurisdiction performs worse than its baseline and a project outperforms its own baseline, will the project be issued additional performance credits? The uneven application of the logic further reinforces how this mechanism is punitive rather than based on actual performance due to specific interventions or a true reflection of jurisdictional trends.

c) It is conceivable that a project performs less well than the jurisdiction when comparing activity data but outperforms the jurisdiction with regards to emissions. For example, a jurisdiction may reduce deforestation rates by 10% across the aggregate of all forest types, where 1% comes from high density forest and 9% from low density forest. A project may reduce deforestation by 9% across its forest types but with a ratio of 8% high density and 1% low density. Based on activity data the project will not have performed, but based on relative emissions impact the project has absolutely performed. As written, the Safety Mechanism would deny this project any performance credits.

2) By oversimplifying the deforestation process the Safety Mechanism perversely punishes successful projects for the success of jurisdictional interventions which may have little or no impact locally at the project site.

As proposed, the Safety Mechanism assumes equal impact of jurisdictional-scale interventions (e.g. national policy) across the jurisdiction in reducing deforestation (Example 1 and 2), and that subnational interventions reduce deforestation across the full jurisdiction, even outside the subnational jurisdiction (Example 3), both of which are flawed. Both jurisdictional and subnational interventions and policy are heterogeneous in their impact on deforestation rates, which the proposed Safety Mechanism fails to take into account. Jurisdictional performance may also have no spatial bearing or attribution on project performance (Example 5).

a) Example 1: Jurisdiction A enacts national policy to develop ecotourism across suitable forested protected areas, which brings in funding for protected area management in those areas, lowering deforestation, and in turn lowering the total jurisdictional deforestation rate. REDD+ Project A is located in an area of high-risk forest (as most REDD+ project are intended to be) which is unsuitable for ecotourism development due to its remoteness (hence the need for a REDD+ project to be developed in the first place). Compared to the validated baseline, REDD+ Project A continues to succeed in lowering deforestation rates through other means. It can not benefit from the jurisdictional policy, and is instead penalized for the success of jurisdictional policy that has no relevance to the local situation and context of REDD+ Project A.

b) Example 2: Jurisdictional policy focused on cross-border transport of illegally logged timber is enacted, and is effective in bringing down deforestation rates in protected

areas along national boundaries. REDD+ project B, located in the center of the jurisdiction far from national boundaries continues to effectively lower the deforestation rate compared to its baseline, but is penalized for the success of jurisdictional policy that has no relevance to the local situation and context of REDD+ Project B.

c) Example 3: Subnational jurisdiction, Province A, enacts local policy to clamp down on illegal land grabs, and successfully reduces the deforestation rate in the large protected areas within Province A, in turn lowering the national deforestation rate.

REDD+ Project C, located in a different province and whose main threat is clearance for agriculture, continues to effectively lower the deforestation rate compared to its baseline, but is penalized for the success of subnational policy enacted in a different province, that has no relevance to the local situation and context of REDD+ Project C.

d) Example 4: REDD+ projects often are located in areas of significant remaining forest. In the remaining jurisdiction, forest scarcity may result in reduced rates of deforestation (in line with forest transition theory). This is not a phenomenon reflective of the realities within the project areas and, again, would lead to projects being artificially penalized.

e) Example 5: Jurisdiction A invests funds to improve law enforcement against forest crime and successfully reduces deforestation across the non-REDD+ project areas. Jurisdiction A was able to make these investments with its limited state funds, specifically because project owners/developers and others used their own funds to replicate the same enforcement in their high-risk project areas. Implementation of this jurisdictional activity was therefore only possible because (a) other sources of funding and capacities were available that allowed the jurisdiction to focus their activities effectively, and (b) had no bearing on the performance of the REDD+ project, specifically because project owners/developers took up the responsibility themselves.

3) As proposed, the Safety Mechanism implies all types of deforestation risk are equally simple to reduce and resolve.

Farmers clearing forest for marginal, unproductive farmland are much more easily engaged in alternative livelihoods than farmers clearing forest for productive and profitable farmland, or for land grabbing, sale, and speculation. A simple comparison between project area reductions and jurisdictional reductions fails to take this into account, and writes off reduction of intense threats, even where these are successful compared to the baseline.

4) The Safety Mechanism will introduce a concerning level of stochasticity into credit generation that may impact project investment and viability.

A project may invest heavily in activities to successfully lower deforestation compared

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|     | <p>to the baseline at the project site, anticipating a return on these investments, but with a degree of stochastic variability in both jurisdictional and project deforestation rates, may end up being disqualified from crediting for that period. This uncertainty will lead to decreased levels of project investment. Project developers, investors and others seeking to develop the market will instead choose to only purchase credits based on final performance, greatly reducing the amount of available up-front capital to establish and address drivers of deforestation in the critical early years of a project.</p> <p>PROPOSAL: Introduction of this Safety Mechanism is geared towards the criticism that project’s free-load off of wider jurisdictional trends to achieve performance. These criticisms, however, are based on limited empirical evidence that has not, to date, been challenged by the voluntary carbon market. Before introducing measures such as the Safety Mechanism, it seems more prudent to:</p> <ul style="list-style-type: none"> <li>a) confirm through academically rigorous analyses whether jurisdictional free-loading is an actual issue and for which project types, using which methodological approaches;</li> <li>b) Assess whether the proposed revisions to the establishment of project baselines already deal with the issue, by eliminating approaches that lead to egregious baselines and perceived hot-air;</li> <li>c) Challenge the simplistic assumptions that jurisdictional interventions and performance have an equal and paramount impact on all at-risk forest areas across the forest estate, including project areas;</li> <li>d) Focus on giving project developers, investors and the wider market confidence in the baselines established such that informed investment risks can be made, rather than introducing significant ex-post uncertainty.</li> </ul> |   |
| 117 | <p>Section 4, subsection 4.1.5, page 4, line 1: there will be cases that the community chooses to exclude a portion of forests around villages through a Free, Prior and Informed Consent (FPIC) process, or through a Local Stakeholders Consultation. Will this be accepted by VERRA, i.e., excluding some portions of the forested area due to an agreement with the local stakeholders ?</p> <p>PROPOSAL: The forested project area shall be continuous without arbitrary exclusions of forests located in the same geography (e.g., excluding forests next to villages around</p>   | <p>Thanks for this observation and for the recommendation. This approach for delimiting the project’s spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p> |

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|     | <p>which deforestation is likely to occur), except for cases where the project area is defined with communities through a Local Stakeholders Consultation.</p>   |  |
| 118 | <p>Section 4, subsection 4.1.1, page 3: Challenges arise for small project areas with reference regions bounded by national borders that include all registered REDD projects.</p> <p>PROPOSAL: Projects can assess the availability of detailed spatial information on thematic variables to model the future behavior of deforestation/degradation in small project areas. Although a minimum size of the reference region must also be defined to prevent the project proponent from delimiting reference regions according to what is most beneficial.</p> | <p>Thanks for pointing out this potential issue and for the recommendation. This approach for delimiting the project's spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p> |
| 119 | <p>Section 4, subsection 4.1.4(2), page 3: Challenges are evident with respect to reference regions that cover areas of other countries.</p> <p>PROPOSAL: The similarity in the behavior of deforestation/degradation in different political-administrative limits must be justified.</p>  | <p>Thanks for pointing out this potential issue and for the recommendation. This approach for delimiting the project's spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p> |
| 120 | <p>No specific requirements for assessing degradation seem to be included in the document. Should references in the consultation document to "deforestation" be read as "deforestation and degradation"?</p> <p>PROPOSAL: Clarify inclusion of degradation in these methodological updates.</p>  | <p>Thanks for noticing this omission; where relevant, we will provide additional guidance or amend the methodologies accordingly</p>   |
| 121 | <p>Section 5: This guidance seems too simplistic and could disinsentivize project activities.</p>  | <p>Thanks for these comments. The safety mechanism has been eliminated from the proposal (see Section 2 above), Verra will take</p>  |

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|     | <p>PROPOSAL: Recommend using a performance benchmark to allow for crediting adjusted in relation to the observed- rate of loss in the reference region in comparison to the predicted rate.</p>  | <p>your feedback into consideration if we re-consider this in the future.</p>  |
| 122 | <p>Section 4, subsection 4.1.1:</p> <ul style="list-style-type: none"> <li>• If projects must account for the project areas and leakage belts of all other REDD+ projects within the selected reference region, Verra must ensure that all KML files uploaded to the Verra Registry are readable and updated. In our experience, some of the KML files on the Verra Registry are not readable or are not the most recent version.</li> <li>• This could result in relatively small reference regions, depending on the country.</li> <li>• Not clear what reference to ‘all other’ projects means. Is the reference region supposed to encompass all other REDD projects in the country, jurisdiction, or sub-jurisdiction?</li> </ul> <p>PROPOSALS:</p> <ul style="list-style-type: none"> <li>• Verra to update QA/QC process of kml submissions to ensure files uploaded are readable and up to date.</li> <li>• Verra to review possibility of minimum size requirement for reference regions.</li> <li>• Verra to clarify requirement.</li> </ul> | <p>Thanks for these observations and for the recommendations. This approach for delimiting the project’s spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p> |
| 123 | <p>Section 4, subsection 4.1.2: Unclear wording</p> <p>PROPOSAL: Verra to revisit section as wording is unclear and confusing to the reader.</p>   | <p>Thanks for noticing these shortcomings; where relevant, we will clarify the methodologies accordingly.</p>  |
| 124 | <p>Section 4, subsection 4.1.3:</p>  | <p>Thanks for these comments; where relevant, we will clarify the methodologies accordingly.</p>   |

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|     | <ul style="list-style-type: none"> <li>• The term "significant probability of occurring" should be further specified, e.g. within which time frame.</li> <li>• We support the principle of excluding areas of planned deforestation. However, this might be difficult for project developers to put into practice as it requires an in depth understanding of a country's laws and practice.</li> </ul> <p>PROPOSALS:</p> <ul style="list-style-type: none"> <li>• Verra to define significant probability or elect other terminology with a commonly understood definition.</li> <li>• Verra to reevaluate requirement and provide guidance for project to demonstrate that planned deforestation is not tracked or trackable.</li> </ul>                        | <p>This approach for delimiting the project's spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p>   |
| 125 | <p>Section 4, subsection 4.1.4(3): This requirement may require project proponents to calculate the historic deforestation rate and create risk maps for subnational and national jurisdictional levels. This type of detailed mapping is difficult to do. It is also unclear what a project proponent should do with the outcome of this comparison - must they always choose the jurisdictional level with the most conservative estimates? Is this fair to a project that occurs in a subnational jurisdiction with high deforestation risk relative to the national level?</p> <p>PROPOSAL: Verra to clarify 4.1.4(3) and provide more specific guidance with regards to conservativeness and how this relates to national and subnational jurisdictions.</p> | <p>Thanks for pointing out these potential issues. This approach for delimiting the project's spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p> |
| 126 | <p>Section 4, subsection 4.1.4(4): What should be chosen as the reference region if the project area contains all or almost all of the particular forest type in a national jurisdiction?</p> <p>PROPOSAL: Verra to provide clarity</p>   | <p>Thanks for this observation. This approach for delimiting the project's spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated</u></p>                                      |

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|     |  | <u>REDD Methodology</u> and, where relevant, will provide additional guidance.  |
| 127 | <p>Section 4, subsection 4.1.5: How will this be evaluated? How will the practice of leaving a buffer to the forest edge be assessed and prevented?</p> <p>PROPOSAL: Verra to provide more explicit guidance.</p>  | <p>Thanks for this observation. This approach for delimiting the project's spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p>                    |
| 128 | <p>Section 4, subsection 4.1.6:</p> <ul style="list-style-type: none"> <li>• These definitions, especially of the leakage area, will be difficult to apply in a heterogeneous sparse forest area. For example, dryland African woodlands (defined as 10% canopy cover within a defined project area) could consist of many separate segments. Could an alternative method be suggested in cases where patchy forest cover occurs within a project area?</li> <li>• What if there is no forest within 10km of the project boundary? Should leakage simply be the nearest forest of equivalent area? (irrespective of distance)</li> </ul> <p>PROPOSALS:</p> <ul style="list-style-type: none"> <li>• Verra to review definitions, especially of leakage areas, to ensure applicability to all forest types in all geographies with particular focus on forest patches.</li> <li>• Verra to provide more explicit guidance.</li> </ul> | <p>Thanks for pointing out these potential issues. This approach for delimiting the project's spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p> |
| 129 | <p>Section 4, subsection 4.1.7: As comment above. Why not simply keep expanding the radius from the project until an equal area of non-project forest is defined.</p>  | <p>Thanks for the recommendation. This approach for delimiting the project's spatial boundaries has been eliminated from the proposal (see</p>  |

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|     | <p>PROPOSAL: In regions where non-contiguous forest patches are included in the project area, leakage belt deliniation should be equivalent in forest cover area to the project area.</p>   | <p>Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p>   |
| 130 | <p>Section 4, subsection 4.1.8: Why has Verra elected 10 years for validation and 6 for the crediting period renewal?</p> <p>PROPOSAL: Verra to standardize historical reference periods for validation and crediting period renewal.</p>   | <p>Thanks for the recommendation. Where relevant, Verra will consider these valuable comments to update the methodologies, and in developing the <u>Consolidated REDD Methodology</u>.</p>   |
| 131 | <p>Section 4, subsection 4.2.3(4): It is essential that these be separated, otherwise there is a risk that developers claim they were unable to separate planned and unplanned deforestation and consequently generate artificially high 'unplanned' deforestation rates.</p> <p>PROPOSAL: Remove "where possible" from requirement, draft guidance for VVBs to determine if this is not possible how these rates can be dertermined.</p> | <p>Thanks for the recommendation. This approach for delimiting the project's spatial boundaries has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p> |
| 132 | <p>Section 4, subsection 4.2.3(5): The statement "where relevant" is a bit vague. Does this mean that mangrove and peat forests should be excluded from the analysis of historical deforestation for projects that do not include any mangrove or peat forest?</p> <p>PROPOSAL: Suggested change wording from "where relevant" to "when present" to avoid confusion.</p>  | <p>Thanks for the recommendation. Where relevant, Verra will clarify the methodologies accordingly.</p>  |
| 133 | <p>Section 4, subsection 4.2.4: In line with the above comment, the phrase "where these are evident" could risk project developers including areas planned deforestation to artificioally increase baselines.</p>   | <p>Thanks for the recommendation. Where relevant, Verra will clarify the methodologies accordingly.</p>  |

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|     | <p>PROPOSAL: Further guidance needed to determine how VVBs will assess whether project proponents have doen this correctly.</p>  |   |
| 134 | <p>Section 4, subsection 4.2.6: "Where relevant" makes the requirement seem optional.</p> <p>PROPOSAL: Remove "where relevant"</p>   | <p>Thanks for the recommendation. Where relevant, Verra will clarify the methodologies accordingly.</p>   |
| 135 | <p>Section 4, subsection 4.2.11: Giving the option of using a trend rather than historical average may lead to project developers strategically selecting the baseline period, in order to be able to predict an increasing trend and avoid a declining trend.</p> <p>PROPOSAL: We suggest using a fixed average rather than a trend, or, at the very least, defining more clearly when a trend can be used (e.g. what rate of deforestation, over what timeframe in the 10-year period)</p> | <p>Thanks for this observation. This approach has been eliminated from the proposal (see Section 2 above),</p>  |
| 136 | <p>Section 4, subsection 4.2.12: As this requirement was not included in previous versions, the use of "may" is seen as not firm enough.</p> <p>PROPOSAL: Recommend rephrasing may to shall and provide guidane for how project proponents demonstrate if not feasible.</p>  | <p>Thanks for the recommendation. Where relevant, Verra will clarify the methodologies accordingly.</p>   |
| 137 | <p>Section 4, subsection 4.3.3: We are concerned that "Factors related to land tenure" is too vague a requirement, and a source of weakness of this kind of modeling approach. Guidance needs to be more specific here specifically around what factors related to tenure?</p> <p>PROPOSAL: Prescribe land tenure factors that must be included in model so as to standardize output between proeject types.</p>   | <p>Thanks for this observation and for the recommendation. The risk mapping approach has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p> |

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| 138 | <p>Section 5: It is not clear what a "reporting interval" refers to. We assume this should be "monitoring period" or "verification period"?</p> <p>PROPOSAL: Verra to clarify tem "reporting interval" either in definitions or other.</p>   | <p>Thanks for this observation. The safety mechanism has been eliminated from the proposal (see Section 2 above). Verra will take your feedback into consideration if we re-consider this in the future.</p>                      |
| 139 | <p>Are there conditions under which the reference region can be modified? I have situations in which communities adjacent to a planned project wish to establish a REDD+ project. These communities currently reside in the reference region for the first project – and their interest is triggered by the first project (i.e, is not business as usual). Can a developer net off any part of a reference region that subsequently becomes a separate project area or leakage belt?</p> | <p>This question seems to be related to an existing project formulated with the current version of the corresponding methodology, rather than to the changes hereby proposed. Please, submit this question to info@verra.org.</p> |
| 140 | <p>The draft module of the integrated methodology released in March 2022 (J-ADB- UD), the HRP was stated as 6 years. However, the summary on the current revision of the AUDD methodology clearly states that the HRP is 10 years (+- 2 years). Will the historical reference period (HRP) be set at 10 years?</p>   | <p>Thanks for pointing out this inconsistency. Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u></p>   |
| 141 | <p>The new AUDD integration methodology will use a Jurisdictional approach, but what is the position of the Reference Region I do not know how to handle the Reference region.</p>   | <p>It is not entirely clear what the question is. Nevertheless, this approach for delineating the reference region has been eliminated from the proposal (see Section 2 above),</p>   |
| 142 | <p>In March, Verra presented a plan that projects using the revised methodologies will be allocated activity data based on a third party jurisdictional activity data assessment + application of the JNR risk tool. Is that still valid? It struck me as odd when in last week's presentation Tim</p>   | <p>This jurisdictional-allocation approach has been eliminated from the proposal (see Section 2 above),</p>   |

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|     | Pearson suggested that under Verra's new AUD methodology, projects would again be using their own activity data and not jurisdictional data.   |   |
| 143 | I'm looking for clarity re: how to best proceed in the months and years ahead – I'm not certain when / if Verra will start taking requests for location-specific activity data – if yes: when? And in the mean-time, do we continue to generate location-specific activity data ourselves knowing that ultimately the baseline will have to be reevaluated when the new consolidated methodology takes hold? And if no: what is responsible for the change?                                  | This approach has been eliminated from the proposal (see Section 2 above), Nevertheless, Verra will provide additional guidance when implementing the <u>Consolidated REDD Methodology</u> .  |
| 144 | We are in the process of developing a REDD+ AUDD project in Brazil for 48,000 hectares in a city called Apuí in the state of Amazonas. Our team is concerned on how the upcoming changes will impact our preservation project. Will it make the certification and validation process quicker? Will it impact the volume of estimated emissions avoided? Will it make our project become more expensive?  | Not knowing the project's details, we cannot address these questions.   |
| 145 | In Brazil, we do not have a forecast for the consolidation of certified jurisdictional REDD. So, we are concerned with proposing the potential of AUDD REDD projects. As a continental country, second-level subnational jurisdictions (i.e. Brazil's states) are huge and have different conditions internally that affect the risk of deforestation. With this, we would like to clarify whether risk maps could approach a third level of subnational jurisdiction (e.g. municipalities)? | This approach has been eliminated from the proposal (see Section 2 above), Nevertheless, Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u> , which adopts the jurisdictional approach. |
| 146 | Considering the Reference Region, the revisions aim to standardize the procedures for the definition of the boundaries. The document doesn't inform enough details and seems that the new procedure would be most similar to the VM0015 approach. Is that right? In this sense, it's unclear the possible impact the new procedure could lay on VM0007 projects and others. For example, what's the vision about the impact over the   | This approach has been eliminated from the proposal (see Section 2 above),  |

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|     | baseline of projects of frontier landscape that applies the RRD/RRL approach from VM0007?  |  |
| 147 | About Projection of the quantity of deforestation. Verra states that linear regression can be used when a statistically significant trend in deforestation rates is detected in the data of the last 10 years before the project's start date. Will other types of linear regression, such as ones that model changes in the trend over time be accepted? Also, will time series models be accepted when no statistically significant linear models fit, but there's a temporal correlation of deforestation rates?  | This approach has been eliminated from the proposal (see Section 2 above),   |
| 148 | Refer to document submitted by TerraCarbon LLC, Including several comments.  | Thanks for pointing out potential issues and for the recommendations. Although this approach has been eliminated from the proposal (see Section 2 above), Verra will consider these valuable comments in the development of the <u>Consolidated REDD Methodology</u> . |
| 149 | It is not clear what really means " national boundaries or the first or second-level subnational jurisdiction boundaries ". Different countries, different boundaries rules. Is province? Is states? Is departments? It would be easier if it is a X-level subnational boundary of at least Y km2. So you assure there is no cherry picked reference region but you deal with references regions that otherwise would be very very extensive and do not represent the project area.<br><br>So, I would combine a national boundary with a minimum (and maximum) extension. | This approach has been eliminated from the proposal (see Section 2 above), Nevertheless, Verra will consider these valuable comments in developing the <u>Consolidated REDD Methodology</u> .  |
| 150 | If any project would be made within that subnational region, then the whole national boundaries should be taken as reference region. why? Because it has two different forest types, so always the reference region will be inconsistent with project area   | This approach for delineating the reference region has been eliminated from the proposal (see Section 2 above), Verra will consider these  |

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|     | <p>regarding forest types since Oran has two different forest types within the department. Therefore, an upper subnational level should be considered. But considering Salta instead of Oran (20x area size) is not the solution. In fact, is worst sin Salta situation does reflect historical deforestation much worst than Oran when considering a project area within Oran. Thats why I insist with combination of subnational boundaries and area extension.</p> <p>Or at least there should be a good solution for departments/states/subnational level where there are two forest type that would make inconsistent with project areas forest types.</p>   | <p>valuable comments in developing the <u>Consolidated REDD Methodology</u>.</p>   |
| 151 | <p>3) For project developers, from project start date until PDD submission, it takes around 1, or 1.5 years. When project developers MUST use this new changes? It depends on presentation or project start date. We need more precise information so we do not invest time with a methodology that would expire.</p>   | <p>This approach has been eliminated from the proposal (see Section 2 above).</p>  |
| 152 | <p>Refer to document submitted by Wildlife Works, including several comments.</p>   | <p>Thanks for pointing out potential issues and for the recommendations. Because this document was submitted outside of the formal process, we cannot respond to comments here.</p>  |
| 153 | <p>In addition to the proposed revisions to the AUDD methodologies, we would also recommend including more robust guidance for VVBs in terms of team composition and auditing requirements. Since a significant proportion of certification requirements are subject to interpretation, many decisions as to whether a project's characteristics meet the requirements of a methodology come down to the professional judgement of the VVB. Verra must therefore ensure that VVBs are manning their validation and verification teams with individuals that have the requisite expertise in spatial analysis, modelling, and other technical practices such that they can meaningfully and intelligently critique what is being put forward by the project proponent. Verra's VVB</p> | <p>Verra has established a new dedicated <u>Auditing and Accreditation team</u> to oversee validation and verification body (VVB) performance in all Verra standards programs and also a new dedicated team focused on building the capacity of existing and new VVBs and accreditation bodies. The teams have already begun to hold training sessions to increase the</p> |

Manual, for instance, has not been updated since 2016; this could be an appropriate location for this guidance to sit.

quality of VVB audits and to conduct performance audits of VVBs.