



Standards for a  
Sustainable Future

# Annual Report 2020







## About Verra

Verra is a nonprofit corporation under the laws of the District of Columbia (Washington DC, United States) and a tax-exempt organization under Section 501(c)(3) of the US Internal Revenue Code.

Front photo: At the Rimba Raya Biodiversity Reserve Project, Indonesia, carbon credit revenues fund the planting of mangrove saplings that sequester carbon and restore and stabilize the coastline. Photo by Crystal Riedemann.

Above photo: The Mai Ndombe REDD+ Project, Democratic Republic of Congo, helps farmers diversify crops and improve soil management in the region to enhance their revenue from agricultural activities. Photo by Wildlife Works.



## Letter from the CEO

The year 2020 was, of course, the year of the COVID-19 pandemic, which upended societies and affected every aspect of the global economy. Many expected carbon markets to be impacted as well, but—after a brief period of uncertainty—they proved their resilience. Voluntary carbon markets saw record numbers of registered projects and issued credits, while markets in sustainable development and plastics took greater hold.

Verra effectively supported the development of all these markets. We focused on maintaining the quality of the Verified Carbon Standard (VCS) and the Climate, Community & Biodiversity (CCB) Standards Programs and on building strong foundations for developing standards programs in sustainable development. We reached out to new markets around the world. And we worked to enhance our internal operations, including by implementing a Diversity, Equity, and Inclusion initiative,

providing the flexibility that work life during a pandemic requires, hiring additional staff, and building out the team to reflect Verra's areas of focus (e.g., natural climate solutions, plastic waste reduction). Together, these measures have allowed us to pioneer new ways of driving finance to environmental and social goals.

In 2020, market participants voted us the winner of “Best Voluntary Carbon Standard” in Environmental Finance's annual rankings. This award reflects the trust that you have placed in us—and that we need to earn every day. To all those who participated in environmental and social markets in 2020, thank you.



David

**David Antonioli**  
CHIEF EXECUTIVE OFFICER

Above photo: The mangroves of Cispatá Bay in the Blue Carbon Project Gulf of Morrosquillo, Colombia, store carbon and provide numerous benefits for communities and the environment. Photo provided by Conservation International.



# Letter from the Board Chair

In 2020, the markets that Verra serves continued to mature and grow significantly.

The voluntary carbon market evolved in its scope and functionality. For example, voluntary carbon standards, including the Verified Carbon Standard (VCS) Program, were accepted in additional compliance markets (CORSIA and South Africa). Verra was also pleased to support the work of the Taskforce on Scaling Voluntary Carbon Markets.

The concept of a circular economy was increasingly embraced in the corporate world, underpinned by new tools and standards to track and scale circular action. And—one decade away from 2030—the coronavirus pandemic reminded us how important it is that we support and advance the achievement of the UN Sustainable Development Goals.

Verra, too, evolved in 2020 to keep pace with these developments. To name just a few:

- The VCS Program implemented updates to support the growth and maturation of the market, from in-housing the registry to streamlining operations for VCS projects, and to launching a South Africa program, including hiring dedicated staff.
- Verra took key steps to finalize its Plastic Waste Reduction Program, including posting key program documents as well as the first two methodologies for public consultation.

- Verra also facilitated the reporting of projects' sustainable development benefits by registering its first project under the Sustainable Development Verified Impact Standard and offering a way to self-report contributions to the Sustainable Development Goals (SDGs).

To achieve the above, Verra recruited additional staff which also supported the growth of the carbon market.

While the world faced significant challenges in 2020, it was reassuring that Verra continued its excellent track record of overcoming challenges to persist in supporting climate action and sustainable development. We look forward to continuing this journey with Verra in the years ahead as the markets the organization serves continue to evolve.

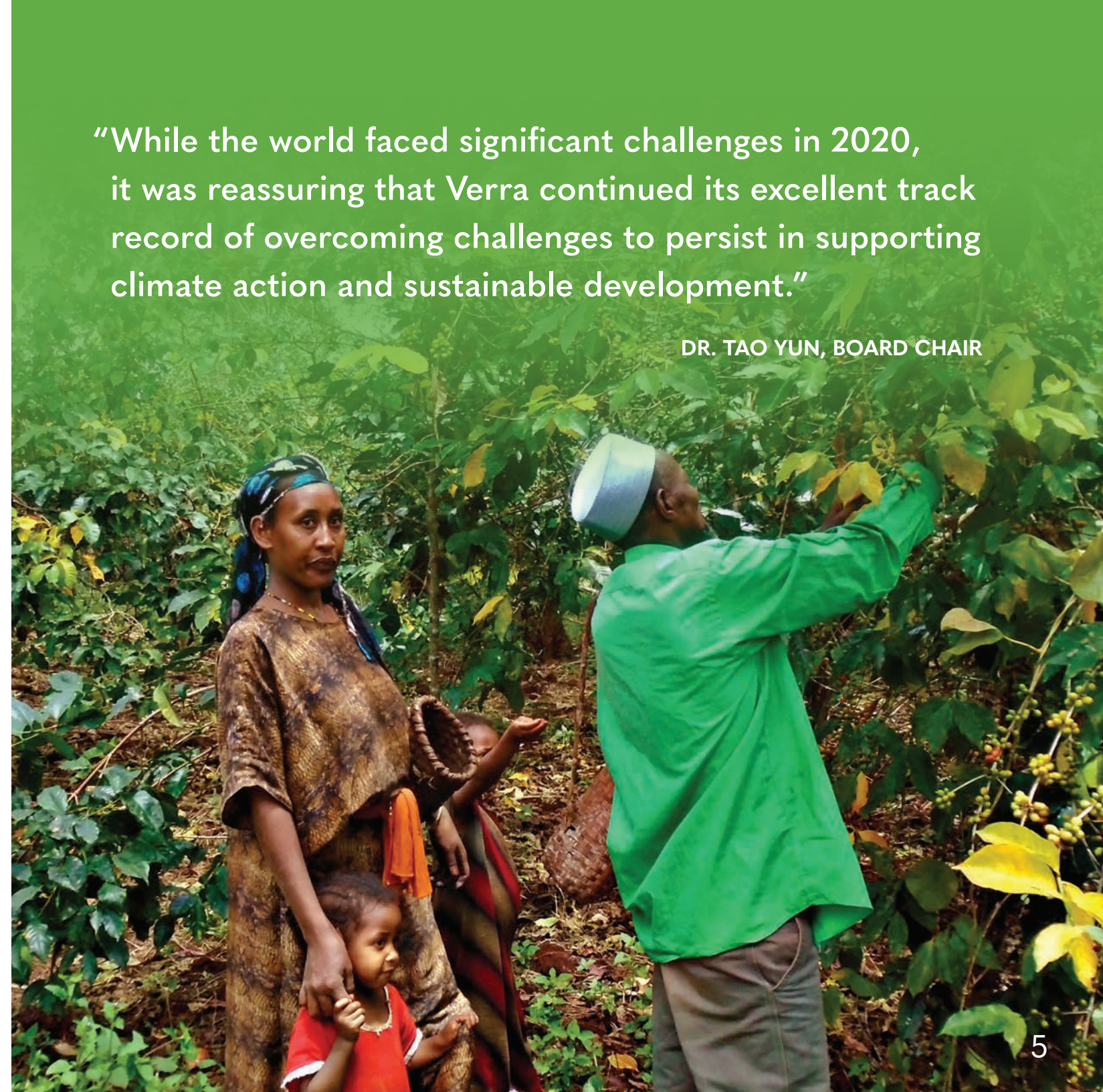


**Dr. Tao Yun**  
BOARD CHAIR

Right photo: The Bale Eco-Region (REDD+) project in Ethiopia promotes forest-friendly farming practices that produce diverse and sustainable income streams for residents, including harvesting wild coffee. Photo provided by Farm Africa.

“While the world faced significant challenges in 2020, it was reassuring that Verra continued its excellent track record of overcoming challenges to persist in supporting climate action and sustainable development.”

DR. TAO YUN, BOARD CHAIR



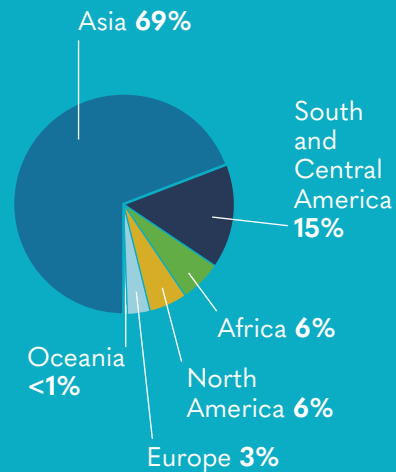




# 1,676 projects

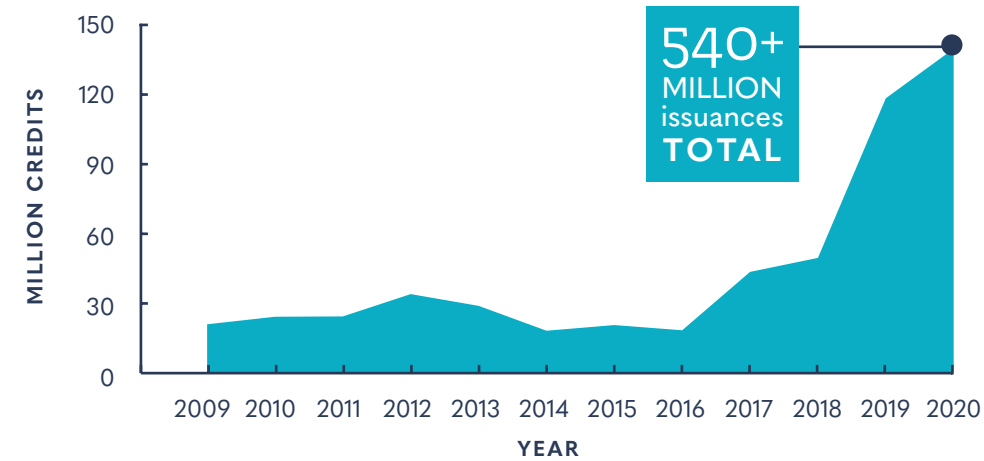
AT THE END OF 2020

## Projects by Region

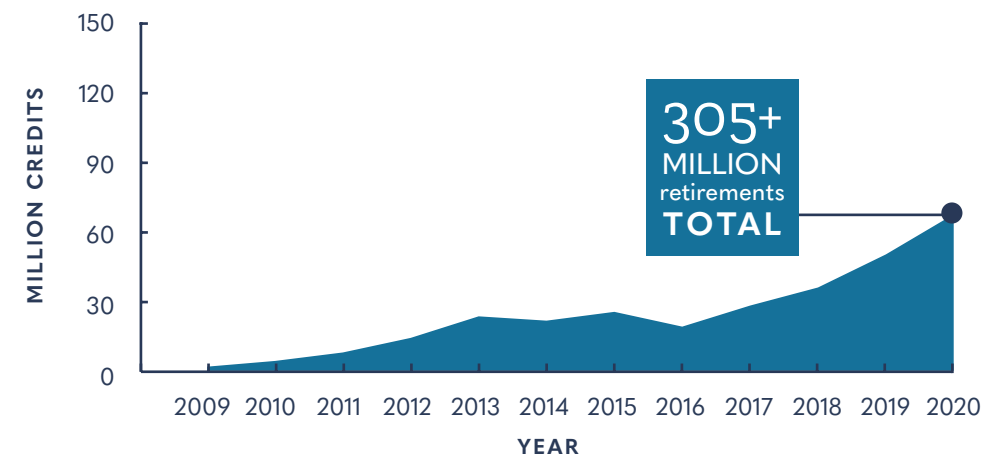


## The VCS Program in Numbers

### Credit Issuances



### Credit Retirements



The above figures are based on publicly reported data in the [Verra Registry \(https://registry.verra.org\)](https://registry.verra.org). Please visit the Verra Registry for up-to-date information about credit issuances and retirements.

## Verra - Highlights



### Innovations

- Launched **new VCS methodology for Improved Agricultural Land Management** that enables farmers and ranchers to access revenue from farming carbon. By leveraging new technology and incorporating the use of sophisticated biogeochemical models, the new methodology can streamline project development and help overcome scalability issues that the agricultural sector has faced in the past. It has the potential to bring farmers to the fore of efforts to combat climate change while improving their incomes and on-farm resilience.
- Released **first blue carbon conservation methodology** approved under any major GHG program that unlocks finance for tidal wetland conservation and restoration.

This will enable blue carbon activities to access additional sources of finance through the sale of carbon credits in voluntary and compliance markets and help scale up tidal wetland conservation and restoration. Blue carbon activities currently receive just 3% of total climate investment globally in spite of having the potential to deliver a third of the emissions reductions needed by 2030 to keep global warming below 2 degrees.

- Ran **two public consultations for the forthcoming Plastic Waste Reduction Program**: one for the three principal documents of the Plastic Program, and one on methodologies of the Plastic Program and the *Guidelines for Leadership in Corporate Plastic Accounting*.

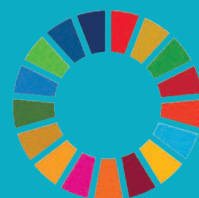


## Programs

→ **Transitioned from a multi-registry system to a single registry** administered by Verra to provide more efficient and streamlined registry services and to support the broadening scope of standards that Verra manages, including the Climate, Community & Biodiversity (CCB) Standards and the Sustainable Development Verified Impact Standard (SD VISta). The transition occurred seamlessly, and the team actively supported new and existing users. We also updated our VCU Issuance Levy sliding scale by introducing a new fee band in an effort to lower costs for small-scale projects.

→ **Registered first SD VISta project:** Rimba Raya, a 64,500-hectare peat swamp in Central Kalimantan, Indonesia, that is also the world's largest privately funded orangutan sanctuary. Registration under SD VISta is open to both registered VCS projects with a primary focus on producing carbon credits as well as projects with an exclusive sustainable development focus. By successfully completing the

registration and successful verification of monitored results under SD VISta, Rimba Raya has shown how projects can track progress against the SDGs in a rigorous and workable manner. Sustainable development projects registered under SD VISta will primarily interest those who seek to support projects that drive real impact and transformation and value knowing that these projects have additional benefits beyond reducing emissions.



SD VISta is Verra's Sustainable Development Verified Impact Standard. Registration to this standard enables projects to assess and report the sustainable development benefits they generate directly against the UN Sustainable Development Goals.



## Market Development

→ Saw the VCS accepted **as eligible for providing compliance units under the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA)** of the International Civil Aviation Organization (ICAO), including projects under the VCS Jurisdictional and Nested REDD+ (JNR) Framework, small-scale standalone REDD+ projects, as well

as various Agriculture, Forestry and Other Land Use (AFOLU) projects as standalone activities.

→ **Strengthened our presence in South Africa and Colombia**, including government engagement, capacity-building, local communications, and research.



## Internal Operations

→ **Grew our staff from 34 to 45** to respond to market demands and increasing interest in our standards programs.

→ Responding to the changing circumstances caused by the coronavirus pandemic, **Verra transitioned to a fully virtual organization**. This allowed us to draw on a much larger candidate pool for new positions and enabled us to broaden diversity among our growing staff.

→ Following the murder of George Floyd, **took concrete steps to tackle racial**

**and other biases**, both internally by reviewing employment, recruitment, and compensation practices, and externally by ensuring that our programs address any inequities or discrimination related to project and program implementation. Acknowledging that Verra's rapid growth presents an opportunity to strengthen Diversity, Equity, and Inclusion (DEI) as part of organizational operations and culture, we established the Verra DEI Working Group to support the operationalization of Verra's DEI commitment.

# 2020 Financial Report

All figures are in US dollars.

## Statement of Financial Position

Total Assets	26,985,298
Total Liabilities	3,400,665
<b>Net Assets</b>	<b>23,584,633</b>

## Statement of Activities

### Revenue and Support

VCS, CCB, and SD VISTa Levies	17,673,476
Grants	1,672,391
Project Registration Fees	930,363
VCS and CCB Verification and Validation Fees	392,300
Contributions	64,420
Other:	
Validation/Verification Bodies Annual Fees	35,000
Interest Income	36,037
Other Revenue	7,500

**Total 20,811,487**

### Expenses

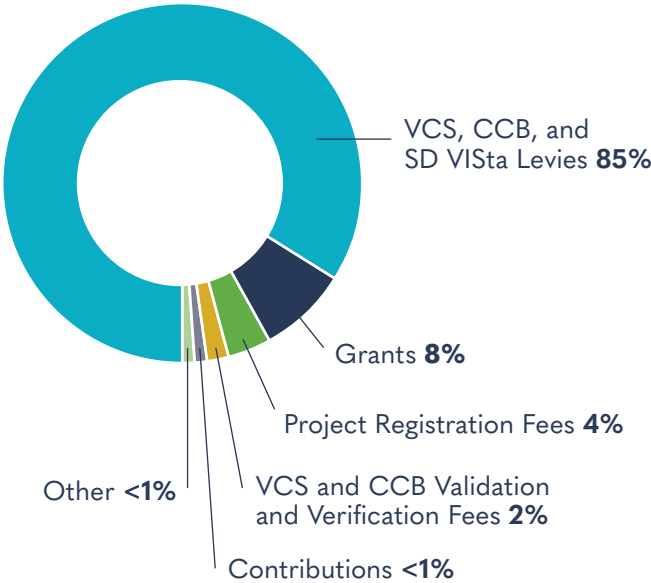
Verra Program Services	6,097,006
Management and General	3,723,494

**Total 9,820,500**

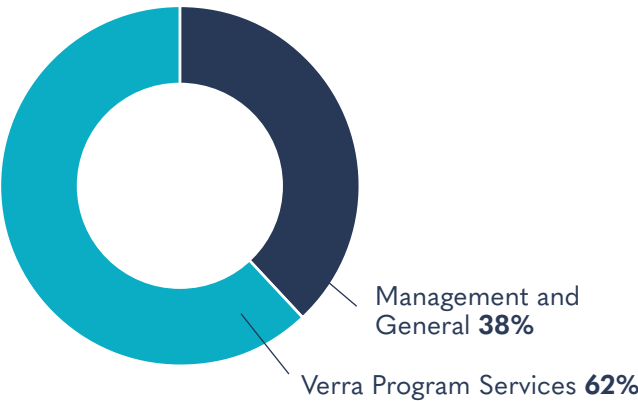
### CHANGE IN NET ASSETS

Net Assets, beginning of year	12,593,646
Net Assets, end of year	23,584,633

### Revenue and Support



### Expenses



## Board of Directors

<b>CHAIR</b>	Jim Cannon	Mark Kenber	Ken Newcombe
Tao Yun	Dirk Forrister	Kelley Kizzier	Mandy Rambharos
<b>VICE CHAIR</b>	Andrea Guerrero	Kenneth J.	Charlotte Streck
Anne-Marie Warris	García	Markowitz	Marc Stuart

Back photo: The Alto Mayo Conservation Initiative, Peru, provides local coffee growers with skills and access to specialty-grade coffee markets. Photo by Alex Bryce.

Above photo: Revenue from selling carbon credits funds water catchments that provide people in the Kasigau Corridor REDD Project, Kenya, with easier access to fresh, clean water. Photo by Filip Agoo on behalf of Everland.





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Sustainable Future

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