

## Application of the Oeko-Institut/WWF-US/ EDF methodology for assessing the quality of carbon credits

This document presents results from the application of version 3.0 of a methodology, developed by Oeko-Institut, World Wildlife Fund (WWF-US) and Environmental Defense Fund (EDF), for assessing the quality of carbon credits. The methodology is applied by Oeko-Institut with support by Carbon Limits, Greenhouse Gas Management Institute (GHGMI), INFRAS, Stockholm Environment Institute, and individual carbon market experts. This document evaluates one specific criterion or sub-criterion with respect to a specific carbon crediting program, project type, quantification methodology and/or host country, as specified in the below table. Please note that the CCQI website [Site terms and Privacy Policy](#) apply with respect to any use of the information provided in this document. Further information on the project and the methodology can be found here: [www.carboncreditquality.org](http://www.carboncreditquality.org)

Sub-criterion:	<a href="#">1.3.1: Robustness of the general program principles and provisions for determining emission reductions and removals</a>
Carbon crediting program:	<a href="#">VCS</a>
Assessment based on carbon crediting program documents valid as of:	<a href="#">15 May 2022</a>
Date of final assessment:	<a href="#">31 January 2023</a>
Score:	<a href="#">2.29</a>

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# Assessment

## Indicator 1.3.1.1

### Relevant scoring methodology provisions

“The program has quantification methodologies in place and available for use, as well as a process for developing new or updating existing quantification methodologies.”

### Information sources considered

- 1 Program Website (<https://verra.org/methodologies/>), last accessed on 8 December 2021.
- 2 Verified Carbon Standard Program Guide, version 4.0, 19 September, 2019. Available: [https://verra.org/wp-content/uploads/2019/09/VCS\\_Program\\_Guide\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/VCS_Program_Guide_v4.0.pdf)
- 3 VCS Methodology Approval Process, Version 4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/Methodology\\_Approval\\_Process\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/Methodology_Approval_Process_v4.0.pdf)
- 4 VCS Methodology Requirements, Version 4.0, September 2021. Available: [https://verra.org/wp-content/uploads/2019/09/VCS\\_Methodology\\_Requirements\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/VCS_Methodology_Requirements_v4.0.pdf)

### Relevant carbon crediting program provisions

Provision 1 Source 1: “Methodologies set out detailed procedures for quantifying the real greenhouse gas (GHG) benefits of a project and provide guidance to help project developers determine project boundaries, set baselines, assess additionality and ultimately quantify the GHG emissions that were reduced or removed...The current and valid version of a methodology must always be used. From time to time, a methodology may be revised, withdrawn or put on hold.”

Provision 2 Source 2, section 6, page 15: “The methodology approval process is the process by which methodologies, methodology revisions, modules and tools (including additionality tools, performance benchmarks and technology benchmarks), are approved under the VCS Program. Such methodology elements are subject to review by Verra, a global stakeholder consultation hosted on the Verra website and independent assessment by one validation/verification body, before final approval by Verra.

The full rules and requirements for methodology elements with respect to the methodology approval process are set out in the VCS Program document Methodology Approval Process.”

Provision 3 Source 2, section 6.1, page 15: “Verra may periodically review methodology elements approved under the VCS Program to ensure they continue to reflect best practice and scientific consensus. This includes ensuring that methodology elements approved under the program are consistent with any new requirements issued by Verra and that methodology elements have appropriate criteria and procedures for addressing all VCS Program requirements and are consistent with emerging best practice and scientific consensus. As a result, Verra may need to update, put on hold or withdraw

a methodology element. The procedure through which Verra may review approved VCS Program methodology elements and take appropriate action is set out in the VCS Program document Methodology Approval Process.”

- Provision 4 Source 3, section 1, page 1: “The [methodology approval] process consists of two main steps. First, the methodology developer submits a methodology concept note for evaluation and acceptance by Verra. Second, following Verra acceptance of the methodological concept (“concept”), the methodology developer drafts the full methodology and submits it for assessment and approval. Such methodologies are subject to an in-depth review by Verra, a public stakeholder consultation hosted on the Verra website and an independent assessment by one validation/verification body, before final approval by Verra.”
- Provision 5 Source 4, section 2, page 1: “This section sets out the general rules and requirements for all methodologies under the VCS Program. Specific requirements for agriculture, forestry and other land use (AFOLU) and ozone depleting substances (ODS) methodologies are set out throughout this Section 2 (and Section 3) below, as these methodology types may encounter unique circumstances related to project implementation, monitoring and other matters, which must be addressed. In order to become an approved methodology under the VCS Program, methodologies shall demonstrate how they meet the rules and requirements set out below [section 2 of the Methodology Requirements]. Methodologies shall be assessed per the process set out in the VCS Program document Methodology Approval Process.”

### **Assessment outcome**

Yes (2 Points).

### **Justification of assessment**

The above documentation specifies that the indicator is fulfilled.

### **Indicator 1.3.1.2**

#### **Relevant scoring methodology provisions**

“Approved quantification methodologies (or general program provisions) address the following essential components:

- Applicability or eligibility criteria
- Determination of the project boundary
- Determination of additionality
- Establishing the baseline scenario
- Quantification of emission reductions
- Monitoring practices”

## Information sources considered

- 1 VCS Methodology Requirements, Version 4.0, September 2021. Available: [https://verra.org/wp-content/uploads/2019/09/VCS\\_Methodology\\_Requirements\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/VCS_Methodology_Requirements_v4.0.pdf)

## Relevant carbon crediting program provisions

- Provision 1 Source 1, section 2.1.4, page 2: “Methodologies shall be informed by a comparative assessment of the project and its alternatives in order to identify the baseline scenario. Such an analysis shall include, at a minimum, a comparative assessment of the implementation barriers and net benefits faced by the project and its alternatives.”
- Provision 2 Source 1, section 2.2.2, page 2: “Methodologies shall use a standardized method (i.e., performance method or activity method) or a project method to determine additionality and/or the crediting baseline, and shall state which type of method is used for each.
- 1) A project method is a methodological approach that uses a project-specific approach for the determination of additionality and/or crediting baseline.
  - 2) Standardized methods are further described in Section 2.3.1 and additional guidance is available in VCS document Guidance for Standardized Methods”
- Provision 3 Source 1, section 2.2.3, page 2-3: “Methodologies may use any combination of project, performance or activity methods for determining additionality and the crediting baseline. However, methodologies shall provide only one method (i.e., a project method or performance method) for determining the crediting baseline (i.e., methodologies shall not provide the option of using either a project method or a performance method for the crediting baseline).”
- Provision 4 Source 1, section 2.5, page 7: “Methodologies may use models, default factors and/or proxies to streamline monitoring or measurement processes. Where methodologies use models, default factors and/or proxies, they shall follow the requirements set out below [see section 2.5.1] in order to ensure the integrity of the model, default factor(s) and proxy(s) used.”
- Provision 5 Source 1, section 2.5.2, page 8: “Where methodologies use default factors and standards to ascertain GHG emission data and any supporting data for establishing baseline scenarios and demonstrating additionality, the [requirements stated in 2.5.2 apply.]”
- Provision 6 Source 1, section 2.5.3, page 9: “Where proxies are used, it shall be demonstrated that they are strongly correlated with the value of interest and that they can serve as an equivalent or better method (e.g., in terms of reliability, consistency or practicality) to determine the value of interest than direct measurement of the value itself.”
- Provision 7 Source 1, section 3.2.1, page 12: “Methodologies shall use applicability conditions to specify the project activities to which it applies and shall establish criteria that describe the conditions under which the methodology can (and cannot, if appropriate) be applied. Any applicability conditions set out in tools or modules used by the methodology shall also apply.”

- Provision 8 Source 1, section 3.3.1, page 14: “Methodologies shall establish criteria and procedures for describing the project boundary and identifying and assessing GHG sources, sinks and reservoirs relevant to the project and baseline scenarios. Justification for GHG sources, sinks and reservoirs included or excluded shall be provided.”
- Provision 9 Source 1, section 3.5.1, page 32: “Methodologies shall establish a procedure for the demonstration and assessment of additionality based upon the requirements set out below.”
- Provision 10 Source 1, section 3.5.2, page 32: “Methodologies shall use a project method, performance method and/or activity method to determine additionality. The high level specifications and procedural steps for each approach are set out in Sections 3.5.3 to 3.5.9 below. New methodologies developed under the VCS Program shall meet this requirement by doing one of the following:
- 1) Referencing and requiring the use of an appropriate additionality tool that has been approved under the VCS Program or an approved GHG program;
  - 2) Developing a full and detailed procedure for demonstrating and assessing additionality directly within the methodology; or
  - 3) Developing a full and detailed procedure for demonstrating and assessing additionality in a separate tool, which shall be approved via the methodology approval process, and referencing and requiring the use of such new tool in the methodology.”
- Provision 11 Source 1, section 3.9.4, page 57: “The methodology shall establish criteria and procedures for monitoring, which shall cover the following:
- 1) Purpose of monitoring.
  - 2) Monitoring procedures, including estimation, modelling, measurement or calculation approaches.
  - 3) Procedures for managing data quality.
  - 4) Monitoring frequency and measurement procedures.”

### **Assessment outcome**

Yes (1 point).

### **Justification of assessment**

The above documentation specifies that the indicator is fulfilled.

### **Indicator 1.3.1.3**

#### **Relevant scoring methodology provisions**

“The program requires that, as part of the approval process, new quantification methodologies undergo expert review by an independent technical panel or working group.”

### Information sources considered

- 1 VCS Methodology Approval Process, Version 4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/Methodology\\_Approval\\_Process\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/Methodology_Approval_Process_v4.0.pdf)
- 2 VCS Standard, Version 4.1, April 2021. Available: [https://verra.org/wp-content/uploads/2021/04/VCS-Standard\\_v4.1.pdf](https://verra.org/wp-content/uploads/2021/04/VCS-Standard_v4.1.pdf)
- 3 Verified Carbon Standard Program Guide, Version 4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/VCS\\_Program\\_Guide\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/VCS_Program_Guide_v4.0.pdf)

### Relevant carbon crediting program provisions

- Provision 1 Source 1, section 4.5.1, page 9: “Verra will send a request for proposals (RFP) to all validation/verification bodies which meet the relevant eligibility criteria to conduct the methodology assessment (set out in Section 5.1 below). Upon receipt of any proposals, Verra will narrow the pool of eligible validation/verification bodies based on those with the most relevant expertise and experience. Verra will forward the remaining proposals to the methodology developer, and the methodology developer may make a selection amongst the eligible pool of validation/verification bodies provided by Verra. Verra contracts the validation/verification body selected by the methodology developer, using its standard agreement. The developer pays the validation/verification body directly, as provided for in the contract between Verra and the validation/verification body and the methodology approval process submission form.”
- Provision 2 Source 2, section 4.1.12, page 53: “The validation/verification body and validation and verification team shall meet the competence requirements set out in ISO 14065:2013, mutatis mutandis.”
- Provision 3 Source 1, section 5.1.1, page 12: “The eligibility requirements for validation/verification bodies are set out in Table 1 below. Recognizing that the approval of methodologies has implications for more than a single project, the eligibility requirements ensure that the appropriate level of expertise and experience is applied in the methodology approval process. Table 1 also states (third column) for which of the applicable eligibility requirements the validation/verification body shall submit evidence of its fulfilment of same. The specific requirements regarding evidence of fulfilment of applicable eligibility requirements are outlined in Section 5.2.”

Provision 4 Source 1, section 5, table 1, page 13:

Table 1: Eligibility Requirements for Validation/Verification Bodies

Methodology	Eligibility Requirements	Evidence Required?
Non-AFOLU methodologies	1) The validation/verification body shall be eligible under the VCS Program to perform validation for the applicable sectoral scope(s). Where there is more than one sectoral scope applicable to the methodology, the validation/verification body shall be eligible for all relevant sectoral scopes for validation; AND	N
	2) The validation/verification body shall have completed at least ten project validations or methodology assessments under the methodology approval process in the sectoral scope group applicable to the methodology. <sup>1</sup> Project validations can be under the VCS Program or an approved GHG program and projects shall be registered under the applicable program. A validation of a single project under more than one program (e.g., VCS and CDM) counts as one project validation. Methodology assessments shall be for methodologies that have been approved by Verra.	Y
AFOLU methodologies	1) The validation/verification body shall be eligible under the VCS Program to perform validation for sectoral scope 14 <sup>2</sup> (AFOLU); AND	N
	2) For non-ARR methodologies, the validation/verification body shall use an AFOLU expert (see Section 10) in the assessment; AND	Y
	3) The validation/verification body shall have completed at least ten project validations in any sectoral scope. Project validations can be under the VCS Program or an approved GHG program and projects shall be registered under the applicable program. A validation of a single project under more than one program (e.g., VCS and CDM) counts as one project validation.	Y
Methodologies using a standardized method	In addition to the above, the validation/verification body shall use a standardized methods expert (see Section 10) in the assessment.	Y

Provision 5 Source 1, section 10.1.1, page 25: “Recognizing that there is currently limited experience and expertise within the broader validation/verification body community regarding the assessment of certain methodologies and the precedent that is set by new methodologies approved under the VCS Program, an expert shall be used in the assessment of the following:

- 1) Non-ARR AFOLU methodologies (see Table 1).
- 2) Methodologies that use a standardized method.”

Provision 6 Source 1, section 10.1.2, page 25: “The process for use and designation of experts shall operate as set out in Sections 10.2 and 10.3. The requirement and necessity for validation/verification bodies to use an expert shall be revisited by Verra as and when it has been demonstrated that the validation/verification body community has developed sufficient experience and expertise in assessing the relevant types of methodologies.”

Provision 7 Source 1, section 10.2.2, page 25: “As set out in Section 5.1, a validation/verification body conducting an assessment of an AFOLU methodology or a methodology that



uses a standardized method may need to use an expert in the assessment, and the following applies:

- 1) Experts shall be approved by Verra in accordance with the procedure set out in Section 10.3.
- 2) AFOLU experts shall be approved for the AFOLU project category relevant to the methodology.
- 3) Standardized method experts have the authority to assert their expert judgment in relation to the appropriateness of the proposed level(s) of the performance benchmark metric in ensuring environmental integrity and provision of sufficient financial incentive to potential projects, and therefore to require the methodology to use a level it deems appropriate.”

Provision 8 Source 1, section 10.2.3, page 26: “The expert can be part of the validation team or act as technical expert to the validation team. Where the expert is acting as technical expert to the validation team, they shall meet all the requirements of technical experts set out in ISO 14065:2013 and shall not carry out the assessment alone.”

Provision 9 Source 1, section 10.2.4, page 26: “As set out in Section 5.2 the methodology assessment report shall state the name of the expert and its role in the assessment.”

Provision 10 Source 3, section 3, page 10: “Measurable

All GHG emission reductions and removals must be quantifiable using recognized measurement tools (including adjustments for uncertainty and leakage) against a credible emissions baseline.

Permanent

Where GHG emission reductions or removals are generated by projects or programs that carry a risk of reversibility, adequate safeguards must be in place to ensure that the risk of reversal is minimized and that, should any reversal occur, a mechanism is in place that guarantees the reductions or removals will be replaced or compensated.

Additional

GHG emission reductions and removals must be additional to what would have happened under a business-as-usual scenario if the project had not been carried out.

Conservative

Conservative assumptions, values and procedures must be used to ensure that the GHG emission reductions or removals are not over-estimated.”

## Assessment outcome

No (0 Points)



## Justification of assessment

Under the VCS, new methodologies are reviewed by Verra's staff and by a validation and verification body (VVB) (Provision 1). The VCS Standard requires that VBB teams have specific expertise related to validating and verifying environmental information (Provision 2). The VCS Methodology Approval Process further sets out eligibility requirements for VBBs to conduct methodology reviews. These include a track record in the sectoral scope of the methodology (Provisions 3 and 4). For some methodologies the provisions further require VBBs to use an external expert in the methodology review (Provision 5 to Provision 9). VVBs must assess methodologies for their compliance with the VCS Program rules which includes requirements for measurability, permanence, additionality, and conservativeness (Provision 10).

Given that VVBs must have the appropriate expertise to take on the review of methodologies and that their review must include an assessment of the methodology's ability to satisfy the VCS Program rules, it is determined that they do provide expert review of methodologies. However, the VCS does not require the review of methodologies by a body of independent experts. Only individual experts may review the methodology and these are paid by the methodology developer. The indicator is therefore not fulfilled.

### Indicator 1.3.1.4

#### Relevant scoring methodology provisions

"The program requires that the approval of new quantification methodologies must include a public stakeholder consultation."

#### Information sources considered

- 1 VCS Methodology Approval Process, Version 4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/Methodology\\_Approval\\_Process\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/Methodology_Approval_Process_v4.0.pdf)

#### Relevant carbon crediting program provisions

- Provision 1 Source 1, section 4.4.1, page 9: "Verra posts the methodology documentation on the Verra website for a period of 30 days, for the purpose of inviting public comment. As part of the consultation process, Verra may also host a presentation of the methodology. Any comments shall be submitted to Verra at [secretariat@verra.org](mailto:secretariat@verra.org) and respondents shall provide their name, organization, country and email address."
- Provision 2 Source 1, section 4.4.2, page 9: "At the end of the public comment period, Verra provides all and any comments received to the developer. The developer shall take due account of such comments, which means it will need to either update the methodology or demonstrate the insignificance or irrelevance of the comment. It shall demonstrate to the validation/verification body what action it has taken."
- Provision 3 Source 1, section 4.4.3, page 9: "All and any comments received are posted by Verra on the Verra website, alongside the methodology information."

## Assessment outcome

Yes (2 Points).

## Justification of assessment

The above documentation specifies that the indicator is fulfilled.

## Indicator 1.3.1.5

### Relevant scoring methodology provisions

“The program requires that all quantification methodologies be reviewed and updated at least every five years to verify that they continue ensuring environmental integrity. The program may provide for exceptions from this rule (e.g. in case of rarely used quantification methodologies or if the review is pending due to forthcoming decisions by other bodies such as governments or guidance setting institutions).”

### Information sources considered

- 1 VCS Methodology Requirements, Version 4.0 (19 September 2019). Available: [https://verra.org/wp-content/uploads/2019/09/VCS\\_Methodology\\_Requirements\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/VCS_Methodology_Requirements_v4.0.pdf)
- 2 VCS Methodology Approval Process, Version 4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/Methodology\\_Approval\\_Process\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/Methodology_Approval_Process_v4.0.pdf)

### Relevant carbon crediting program provisions

- Provision 1 Source 1, section 2.8, page 10: “VCS methodologies and approved GHG program methodologies may be revised under the VCS Program. Additionally, standardized methods must be re-evaluated periodically to ensure that they are still valid, and necessary updates to a standardized method may require revision to the underlying methodology.”
- Provision 2 Source 1, section 2.8.4, page 11: “Standardized methods approved under the VCS Program shall be periodically reviewed and may require revision, as set out in the VCS Program document Methodology Approval Process.”
- Provision 3 Section 11.1.1, pages 29-30: “For methodologies using a standardized method, an assessment shall be undertaken within five years of the approval of the standardized method and each subsequent five years, as follows:
- 1) The developer (or another entity) shall re-evaluate the standardized method to reflect current data or demonstrate that there have not been significant changes in data, as follows:
    - a) For performance methods, the data and dataset characterizing available technologies, current practices and trends within a sector (which may be documented and contained in the methodology or may be maintained in a separate database referenced by the methodology) shall be evaluated, and updated if there have been significant changes in the data. The developer

does not need to undertake stakeholder consultation with respect to the level of the performance benchmark metric (as is required for the initial development of performance methods).

b) For activity methods, additionality shall be re-determined (from scratch using the activity penetration, financial viability or revenue streams options). Where the activity method uses the activity penetration option and the level of activity penetration has risen (since initial approval) to exceed the five-percent threshold level, the activity method may not be revised to use either of the other two options. Such activity methods become invalid and shall be withdrawn.

Note –The VCS Methodology Requirements should be read for further information on the use of data within standardized methods and appropriateness of the level of performance benchmarks

2) The developer or another entity shall submit to Verra a report documenting the standardized method revaluation. This report shall be issued no earlier than four years after the previous approval of the methodology. Verra reviews the report and determines whether a revision to the standardized method or methodology is required.

3) Where a methodology revision is required, the revised methodology shall be approved via the methodology approval process set out in Section 4. In addition, the following applies:

a) The methodology shall be exempt from the submission of a methodology concept note or minor methodology revision description, and corresponding application fee, processing fee and the public stakeholder consultation.

b) The scope of assessment shall be limited to assessment of the revisions undertaken as set out in Section 11.1.1(1) above.

c) For performance methods where data is maintained in a central repository (i.e., not documented and contained within the methodology), the validation/verification body shall assess whether there are still clear and robust custody arrangements for the data and defined roles and responsibilities with respect to the central repository.

d) For performance methods, Verra re-examines the appropriateness of the level(s) of the performance benchmark metric to ensuring environmental integrity and provision of sufficient financial incentive to potential projects, by re-evaluating the original (and any subsequent) analysis undertaken to determine the level of the performance benchmark metric and considering evidence from use of the methodology by projects. The methodology may need to be revised to reflect the outcome of such re-examination and Verra will co-ordinate with the developer accordingly.

e) Verra reviews the revised methodology and the assessment report submitted by the validation/verification body, together with the outcome of the re-examination of the appropriateness of the level(s) of the performance

benchmark metric, following the procedure set out in Section 4.6, mutatis mutandis.

4) Where a report is not submitted to Verra within five years of the methodology’s initial or previous approval, the methodology is put on hold until such time as it is determined that the methodology does not require revision or the revised methodology is approved. Where the methodology remains on hold on the day that is seven years after its previous approval, the methodology will be withdrawn.

Note –Where methodologies are put on hold or withdrawn, grace periods apply (as set out in Section 9) and registered projects may continue to issue VCUs for the remainder of their project crediting periods.”

### Assessment outcome

No (0 Points).

### Justification of assessment

The requirement to review and revise methodologies every five years after their approval only applies to standardized methods. Other methods “may be revised” under the VCS Program but there is no requirement for periodic review. The indicator is therefore not fulfilled.

### Indicator 1.3.1.6

#### Relevant scoring methodology provisions

“The program has procedures in place to suspend the use of quantification methodologies in cases where new information, such as new scientific studies, indicate that emission reductions or removals are being over-estimated or that additionality may not be ensured.”

#### Information sources considered

- 1 VCS Methodology Approval Process, Version 4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/Methodology\\_Approval\\_Process\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/Methodology_Approval_Process_v4.0.pdf)

#### Relevant carbon crediting program provisions

Provision 1 Source 1, section 9, page 26: “On occasion, Verra may review methodologies approved under the VCS Program to ensure that they continue to reflect best practice and scientific consensus. This includes ensuring that methodologies approved under the program are consistent with any new requirements issued by Verra and that methodologies have appropriate criteria and procedures for addressing all VCS Program rules and requirements.

As a result of a review, Verra may need to put on hold the prevailing versions of methodologies or permanently withdraw methodologies approved under the VCS Program. Relevant stakeholders will be kept informed during the review process. The procedure for reviews is set out in the sections below. Note that these procedures are applicable to all types of methodologies and a module may be put on hold or

withdrawn without the parent methodology being put on hold. The statuses of all methodologies are available on the Verra website.”

- Provision 2 Source 1, section 9.1.1, page 26: “A review of a methodology may be triggered as a result of the following:
- 1) Verra periodically issues new requirements that reflect the on-going development of the program, best practice and/or emerging scientific consensus with respect to projects and methodologies. On occasion, methodologies may become materially inconsistent with new requirements subsequently issued (e.g., the inconsistency could lead to a material difference in the quantification of GHG emission reductions or removals by projects applying the methodology).
  - 2) Verra may periodically review methodologies where there are concerns that they do not reflect best practice or scientific consensus, or they are materially inconsistent with VCS requirements. Such reviews may be triggered by general scientific or technical developments in the sector or specific concerns about a methodology that are brought to Verra’s attention.
  - 3) Verra sanctions the consolidation of a number of methodologies into one single methodology (requiring the withdrawal of the original methodologies).”
- Provision 3 Source 1, section 9.3.1, page 27: “Where the review determines that the methodology meets all VCS Program rules and requirements and reflects best practice and scientific consensus, no further action is required.”
- Provision 4 Source 1, section 9.3.2, page 27: “Where the review determines that the methodology requires limited modifications, edits or clarifications, Verra coordinates with the developer to update the methodology documentation, in accordance with procedure set out in Section 7.1.4. Verra may require the validation/verification body that initially assessed the methodology to review and approve the updates via email. Likewise, Verra may seek input from appropriately qualified external experts.”
- Provision 5 Source 1, section 9.3.3, page 27: “Where the review determines that the methodology requires substantive revision, the methodology is put on hold. Where the developer or another entity would like to have the methodology reissued, the methodology shall be revised and approved via the methodology approval process set out in Section 4 (though the methodology shall be exempt from the submission of a methodology concept note and corresponding application fee, processing fee and the public stakeholder consultation). Verra may seek input from appropriate qualified external experts prior to approving the new version of the methodology.”
- Provision 6 Source 1, section 9.3.4, page 27: “Where the review determines that the methodology is fundamentally flawed, the methodology is withdrawn (or in certain circumstances put on hold pending further investigation). The withdrawal of a methodology is considered permanent.”
- Provision 7 Source 1, section 9.3.5, page 27: “Where the review determines that the methodology needs to be withdrawn due to consolidation of a number of methodologies, the methodology is withdrawn. The withdrawal of the methodology is considered permanent.”

## Assessment outcome

Yes (1 Point).

## Justification of assessment

The above documentation specifies that the indicator is fulfilled.

## Indicator 1.3.1.7

### Relevant scoring methodology provisions

“The program clearly defines that a carbon credit unit represents one metric ton of CO<sub>2</sub> equivalent of GHG emission reductions or removals and identifies the underlying GWP values used to calculate the CO<sub>2</sub> equivalence (e.g., the source of the GWP value and the time horizon used).”

### Information sources considered

- 1 VCS Program Definitions Version 4.1, April 2021. Available: [https://verra.org/wp-content/uploads/2021/04/Program\\_Definitions\\_v4.1.pdf](https://verra.org/wp-content/uploads/2021/04/Program_Definitions_v4.1.pdf)
- 2 VCS Standard, Version 4.1, April 2021. Available: [https://verra.org/wp-content/uploads/2021/04/VCS-Standard\\_v4.1.pdf](https://verra.org/wp-content/uploads/2021/04/VCS-Standard_v4.1.pdf)

### Relevant carbon crediting program provisions

Provision 1 Source 1, section 2, page 17: “Verified Carbon Unit (VCU)

A unit issued by and held in the Verra registry representing the right of an accountholder in whose account the unit is recorded to claim the achievement of a GHG emission reduction or removal in an amount of one (1) metric tonne of CO<sub>2</sub> equivalent that has been verified by a validation/verification body in accordance with the VCS Program rules. Recordation of a VCU in the account of the holder at the Verra registry is prima facie evidence of that holder’s entitlement to that VCU.”

Provision 2 Source 2, section 3.14.3, page 34: “Metric tonnes shall be used as the unit of measure and the quantity of each type of GHG shall be converted to tonnes of CO<sub>2</sub> equivalent (CO<sub>2</sub>e).”

Provision 3 Source 2, section 3.14.4, page 34: “All GHG emission reductions shall be converted to CO<sub>2</sub>e using 100-year global warming potential (GWP) values.”

Provision 4 Source 2, section 3.14.5, page 34-35: “For GHG emission reductions occurring on or after 1 January 2021, all ex-ante estimates and ex-post calculations shall be converted to CO<sub>2</sub>e using GWP values from the IPCC Fifth Assessment Report (AR5). See Table 2 for the GWP values for methane and nitrous oxide established in AR5.

For GHG emission reductions occurring on or before 31 December 2020, all ex-ante estimates and ex-post calculations may be converted to CO<sub>2</sub>e using either the GWP values from the IPCC Fourth Assessment Report (AR4) or those from AR5.

Projects that complete validation on or before 31 July 2021 may use GWP values from AR4 for ex-ante emission reduction estimates, though such projects shall use GWP values from AR5 for ex-post calculations.

Table 2: Selected GWP values from the IPCC Fifth Assessment Report, Table 8.A.1

Eligible GHG	Chemical Formula	100-year GWP value
Carbon dioxide	CO <sub>2</sub>	1
Methane	CH <sub>4</sub>	28
Nitrous oxide	N <sub>2</sub> O	265

### Assessment outcome

Yes (1 Point).

### Justification of assessment

The above documentation specifies that the indicator is fulfilled.

### Indicator 1.3.1.8

#### Relevant scoring methodology provisions

“The program requires in its general program provisions (rather than only in its specific quantification methodologies) that emission reductions or removals be determined in a conservative manner (rather than using the most accurate estimate) to ensure that emission reductions or removals are not overestimated (this prioritization of conservativeness over accuracy acknowledges that uncertainty exists with even the most accurate estimates)

OR

The program requires in its general program provisions (rather than only in its specific quantification methodologies) that emission reductions or removals be determined in a conservative manner (rather than using the most accurate estimate) to ensure that emission reductions or removals are not overestimated, unless emission reductions or removals can be determined with a very high accuracy, in which case no conservativeness needs to be included in the quantification.”

#### Information sources considered

- 1 VCS Standard, Version 4.1, April 2021. Available: [https://verra.org/wp-content/uploads/2021/04/VCS-Standard\\_v4.1.pdf](https://verra.org/wp-content/uploads/2021/04/VCS-Standard_v4.1.pdf)
- 2 VCS Methodology Requirements, Version 4.0 (19 September 2019). Available: [https://verra.org/wp-content/uploads/2019/09/VCS\\_Methodology\\_Requirements\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/VCS_Methodology_Requirements_v4.0.pdf)



## Relevant carbon crediting program provisions

- Provision 1 Source 1, section 2.2.1, page 4: “Conservativeness
- Use conservative assumptions, values and procedures to ensure that net GHG emission reductions or removals are not overestimated.
- Note – Accuracy should be pursued as far as possible, but the hypothetical nature of baselines, the high cost of monitoring of some types of GHG emissions and removals, and other limitations make accuracy difficult to attain in many cases. In these cases, conservativeness may serve as a moderator to accuracy in order to maintain the credibility of project and program GHG quantification.”*
- Provision 2 Source 2, section 2.5, page 7: “Methodologies may use models, default factors and/or proxies to streamline monitoring or measurement processes. Where methodologies use models, default factors and/or proxies, they shall follow the requirements set out below in order to ensure the integrity of the model, default factor(s) and proxy(s) used.”
- Provision 3 Source 2, section 2.5.1, page 7-8: “Where methodologies mandate the use of specific models to simulate processes that generate GHG emissions (i.e., the project proponent is not permitted to use other models), the following applies, given the note below:
- [...]
- 6) Models shall apply conservative factors to discount for model uncertainty (in accordance with the requirements set out in Section 2.1.3), and shall use conservative assumptions and parameters that are likely to underestimate, rather than overestimate, the GHG emission reductions or removals.”
- [...]
- Note –The criteria set out in (2)-(6) above are targeted at more complex models. For simple models, certain of these criteria may not be appropriate, or necessary to the integrity of the methodology. Such criteria may be disregarded, though the onus is upon the methodology developer to demonstrate that they are not appropriate or necessary.”
- Provision 4 Source 2, section 3.9.2, page 57: “When highly uncertain data and information are relied upon, conservative values shall be selected that ensure that the quantification does not lead to an overestimation of net GHG emission reductions or removals.”
- Provision 5 Source 2, section 3.6.5, page 39: “Where activity-based methods are used for determining baseline soil carbon stocks, estimates shall be conservatively determined relative to the computed maximum carbon stocks that occurred in the designated project area within the previous 10 years. For example, if carbon stocks in the project area were 100 tonnes C/ha in 2002 and declined to 90 tonnes C/ha by 2007 after intensive tillage, the minimum baseline carbon stock for a project established in 2008 would be 100 tonnes C/ha.”
- Provision 6 Source 2, section 3.6.27, page 45: “Baseline emissions shall be estimated conservatively and consider that the water table depth in the project area may rise

during the project crediting period due to any or all of the causes identified in alternative baseline scenarios as set out in Section 3.4.18.”

### **Assessment outcome**

The second of the two conditions applies (1 Point).

### **Justification of assessment**

The VCS Standard identifies the conservativeness principle as a guiding principle for all projects and notes that conservativeness should be employed to avoid overestimation and be used to moderate accuracy when difficult to achieve (Provision 1). Given that full accuracy is rarely possible to attain for any project, there should be a bias reflected in the program towards conservativeness, which does not appear within the VCS program documents.

The VCS Methodology Requirements include a number of provisions that relate to the principle of conservativeness when determining emission reductions or removals. The most relevant provision appears to be in Section 2.5 Models, Default Factors and Proxies (Provision 2-3). This section lays out requirements for models, default factors and/or proxies. The requirements are different for each of the three instruments.

For models, the provisions require that they apply conservative factors to discount for model uncertainty and that they use conservative assumptions and parameters that are likely to underestimate, rather than overestimate, the GHG emission reductions or removals (Provision 3).

For some sub-project types, the VCS Methodology Requirements include specific provisions to estimate baseline emissions conservatively (e.g., Wetland Restoration and Conservation and AFOLU Methodologies) (Provision 5 and Provision 6).

Also, monitoring provisions require the use of conservative values when data and information is considered to be “highly uncertain” (Provision 4). However, this identifies that when not “highly uncertain” there is not a requirement to apply conservative values.

Although some of the above provisions could be strengthened to reiterate the principle of conservativeness and the need to prioritize the underestimation of emission reductions, the principle of conservativeness is clearly identified as an essential approach to quantification within the VCS program, but leaves room for non-conservativeness where accuracy is high. The indicator is therefore fulfilled according to the second statement in the scoring methodology.

### **Indicator 1.3.1.9**

#### **Relevant scoring methodology provisions**

“The program requires in its general program provisions that, before approving a methodology, the level of uncertainty of emission reductions and removals is identified, or that a provision is included in the methodology requiring that each project applying the methodology must determine the level of uncertainty in quantifying the emission reductions or removals.”

## Information sources considered

- 1 VCS Methodology Requirements, Version 4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/VCS Methodology Requirements v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/VCS_Methodology_Requirements_v4.0.pdf)

## Relevant carbon crediting program provisions

- Provision 1 Source 1, section 2.4, page 7: “Uncertainty is a characteristic of a measurement or sample that describes the dispersion of values that could reasonably be attributed to the measured value. Certain measurements and sampled data will have inherent uncertainty. Where relevant, methodologies shall set out procedures for projects to estimate uncertainty and apply confidence deductions to account for uncertainty, according to recognized statistical approaches.”
- Provision 2 Source 1, section 2.4.1, page 7: “Where applicable, methodology elements shall provide a means to estimate a 90 or 95 percent confidence interval. Where a methodology applies a 90 percent confidence interval and the width of the confidence interval exceeds 20 percent of the estimated value or where a methodology applies a 95 percent confidence interval and the width of the confidence interval exceeds 30 percent of the estimated value, an appropriate confidence deduction shall be applied.”
- Provision 3 Source 1, section 2.4.2, page 7: “Methods used for estimating uncertainty shall be based on recognized statistical approaches such as those described in the IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories. Confidence deductions shall be applied using conservative factors such as those specified in the CDM Meth Panel guidance on addressing uncertainty in its Thirty Second Meeting Report, Annex 14.”
- Provision 4 Source 1, section 2.5.1, page 8: “All plausible sources of model uncertainty, such as structural uncertainty or parameter uncertainty, shall be assessed using recognized statistical approaches such as those described in 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 1, Chapter 3.

Models shall have comprehensive and appropriate requirements for estimating uncertainty in keeping with IPCC or other appropriate guidance, and the model shall be calibrated by parameters such as geographic location and local climate data.”

## Assessment outcome

No (0 Points).

## Justification of assessment

The above documentation identifies that “where applicable” measurements, data, models, and parameters that may represent sources of uncertainty must demonstrate the level of uncertainty that exists for that component of the methodology and may need to make a conservativeness adjustment. This is a requirement for methodologies, but the language does not specify specific parameters or types of parameters’ uncertainties that must be determined. In general, a systematic assessment of uncertainty of the overall emission reductions was not identified within the program provisions and therefore the indicator is not fulfilled.

### Indicator 1.3.1.10

#### Relevant scoring methodology provisions

“The program requires in its general program provisions (rather than only in its specific quantification methodologies) that the degree of conservativeness in quantifying emission reductions or removals be based on the magnitude of uncertainty in the estimation of emission reductions and removals (i.e., applying a larger degree of conservativeness in case of higher uncertainties).”

#### Information sources considered

- 1 VCS Methodology Requirements, Version 4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/VCS\\_Methodology\\_Requirements\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/VCS_Methodology_Requirements_v4.0.pdf)

#### Relevant carbon crediting program provisions

- Provision 1 Source 1, section 2.4.1, page 7: “Where applicable, methodology elements shall provide a means to estimate a 90 or 95 percent confidence interval. Where a methodology applies a 90 percent confidence interval and the width of the confidence interval exceeds 20 percent of the estimated value or where a methodology applies a 95 percent confidence interval and the width of the confidence interval exceeds 30 percent of the estimated value, an appropriate confidence deduction shall be applied.”
- Provision 2 Source 1, section 2.4.2, page 7: “Methods used for estimating uncertainty shall be based on recognized statistical approaches such as those described in the IPCC Good Practice Guidance and Uncertainty Management in National Greenhouse Gas Inventories. Confidence deductions shall be applied using conservative factors such as those specified in the CDM Meth Panel guidance on addressing uncertainty in its Thirty Second Meeting Report, Annex 14.”

#### Assessment outcome

Yes (1 Point).

#### Justification of assessment

The above documentation specifies that the indicator is fulfilled.

### Indicator 1.3.1.11

#### Relevant scoring methodology provisions

“The program explicitly requires in its general program provisions (rather than only in its specific quantification methodologies) that existing government policies and legal requirements which lower GHG emissions (e.g., feed-in tariffs for renewable energy, minimum product efficiency standards, air quality requirements, or carbon taxes) must be included when determining the baseline emissions.

Note: This indicator does not apply to announcements that have not yet been operationalized within the country, such as mitigation targets communicated in Nationally Determined Contributions (NDCs) or Low Emission Development Strategies (LEDS), or other similarly broad national goal-

setting policies. However, the implementing policies developed to accomplish objectives within NDCs or LEDS would need to be considered (if relevant to the project in question)."

### Information sources considered

- 1 VCS Methodology Requirements, Version 4.0 (19 September 2019). Available: [https://verra.org/wp-content/uploads/2019/09/VCS\\_Methodology\\_Requirements\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/VCS_Methodology_Requirements_v4.0.pdf)

### Relevant carbon crediting program provisions

- Provision 1 Source 1, section 3.4.1, page 21: "Methodologies using a project method shall establish criteria and procedures for identifying alternative baseline scenarios and determining the most plausible scenario, taking into account the following:
- 1) The identified GHG sources, sinks and reservoirs.
  - 2) Existing and alternative project types, activities and technologies providing equivalent type and level of activity of products or services to the project.
  - 3) Data availability, reliability and limitations.
  - 4) Other relevant information concerning **present** or future conditions, such as legislative, technical, economic, socio-cultural, environmental, geographic, site-specific and temporal assumptions or projections."
- Provision 2 Source 1, section 3.4.2, page 21: "Methodologies using a standardized method for determining the crediting baseline shall describe (taking into account the factors set out Section 3.4.1 above), as far as is possible, the technologies or measures that represent the most plausible baseline scenario or the aggregated baseline scenario (see Section 3.4.4 for further information on aggregate baseline scenarios), though it is recognized that it may not be possible to specify precisely all technologies or measures given that the baseline may represent a variety of different technologies and measures."
- Provision 3 Source 1, section 3.5.3, page 5: "Step 1: Regulatory Surplus
- The project activity shall meet with the requirements on regulatory surplus set out under the project method in Section 3.5.3."
- Provision 4 Source 1, section 3.5.8, page 34: "Step 1: Regulatory Surplus
- The project activity shall meet with the requirements on regulatory surplus set out under the project method in Section 3.5.3."

### Assessment outcome

No (0 Points).

### Justification of assessment

The VCS provisions require to take regulatory information into account when identifying baseline scenarios, including "legislative" assumptions (Provision 1). However, it is not clear from these

provisions whether policies that lower emissions (such as feed-in tariffs) need to be considered when establishing the baseline. The indicator is therefore not fulfilled.

### Indicator 1.3.1.12

#### Relevant scoring methodology provisions

“The program explicitly requires in its general program provisions (rather than only in its specific quantification methodologies) that new government policies and legal requirements which lower GHG emissions (e.g., feed-in tariffs for renewable energy, minimum product efficiency standards, air quality requirements, or carbon taxes) must be included when determining the baseline emissions, once they enter into force. This means that baseline emissions may need to be adjusted during the crediting period, and not only when a regular review of the baseline emissions is required (e.g., at the renewal of the crediting period).

Note: This indicator does not apply to announcements that have not yet been operationalized within the country, such as mitigation targets communicated in Nationally Determined Contributions (NDCs) or Low Emission Development Strategies (LEDS), or other similarly broad national goal-setting policies. However, the implementing policies developed to accomplish objectives within NDCs or LEDS would need to be considered (if relevant to the project in question).

#### Information sources considered

- 1 VCS Methodology Requirements, Version 4.0, 19 September 2019. Available: [https://verra.org/wp-content/uploads/2019/09/VCS\\_Methodology\\_Requirements\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/VCS_Methodology_Requirements_v4.0.pdf)
- 2 VCS Standard, Version 4.1, April 2021. Available: [https://verra.org/wp-content/uploads/2021/04/VCS-Standard\\_v4.1.pdf](https://verra.org/wp-content/uploads/2021/04/VCS-Standard_v4.1.pdf)

#### Relevant carbon crediting program provisions

Provision 1 Source 1, section 3.4.1, page 21: “Methodologies using a project method shall establish criteria and procedures for identifying alternative baseline scenarios and determining the most plausible scenario, taking into account the following:

- 1) The identified GHG sources, sinks and reservoirs.
- 2) Existing and alternative project types, activities and technologies providing equivalent type and level of activity of products or services to the project.
- 3) Data availability, reliability and limitations.
- 4) Other relevant information concerning present or **future** conditions, such as legislative, technical, economic, socio-cultural, environmental, geographic, site-specific and temporal assumptions or projections.”

Provision 2 Source 1, section 3.4.2, page 21: “Methodologies using a standardized method for determining the crediting baseline shall describe (taking into account the factors set out Section 3.4.1 above), as far as is possible, the technologies or measures that represent the most plausible baseline scenario or the aggregated baseline scenario (see Section 3.4.4 for further information on aggregate baseline scenarios), though it

is recognized that it may not be possible to specify precisely all technologies or measures given that the baseline may represent a variety of different technologies and measures.”

Provision 3 Source 1, section 3.5.3, page 33: “Step 1: Regulatory Surplus

The project activity shall meet with the requirements on regulatory surplus set out under the project method in Section 3.5.3.”

Provision 4 Source 1, section 3.5.8, page 34: “Step 1: Regulatory Surplus

The project activity shall meet with the requirements on regulatory surplus set out under the project method in Section 3.5.3.”

Provision 5 Source 2, section 3.8.9, page 28: “The following shall apply with respect to the renewal of the project crediting period under the VCS Program: 1) A full reassessment of additionality is not required when renewing the project crediting period. However, regulatory surplus shall be demonstrated in accordance with the requirements set out in the VCS Program rules and the project description shall be updated accordingly. 2) The validity of the original baseline scenario shall be demonstrated, or where invalid a new baseline scenario shall be determined, when renewing the project crediting period, as follows: a) The validity of the original baseline scenario shall be assessed. Such assessment shall include an evaluation of the impact of new relevant national and/or sectoral policies and circumstances on the validity of the baseline scenario.”

### Assessment outcome

No (0 Points).

### Justification of assessment

The provisions in the VCS Methodology Requirements explicitly allow policies in non-Annex 1 countries that incentivize low-emissions technologies and practices to be excluded from determinations of regulatory surplus (Provisions 3 & 4). While the VCS provisions require project proponents and verifiers to take future information into account when identifying and assessing baseline scenarios (Provision 1), the provisions do not specify whether policies that lower emissions (such as feed-in tariffs) need to be considered when establishing the baseline. This falls short of an explicit requirement to reflect emissions-impacting policies in the baselines. The indicator is therefore not fulfilled.

### Indicator 1.3.1.13

#### Relevant scoring methodology provisions

“The program has established procedures to invalidate and/or replace carbon credits under circumstances in which the emission reductions or removals are demonstrated to have been overestimated.”



## Information sources considered

- 1 VCS Registration and Issuance Process, version 4.0, 19 September, 2019. Available: [https://verra.org/wp-content/uploads/2019/09/Registration\\_and\\_Issuance\\_Process\\_v4.0.pdf](https://verra.org/wp-content/uploads/2019/09/Registration_and_Issuance_Process_v4.0.pdf)

## Relevant carbon crediting program provisions

- Provision 1 Source 1, section 6.1.1, page 33: “Verra may, at its discretion, review registered projects and issued VCUs where it has concerns about adherence of the project to the VCS Program rules and the applied methodology. A review may be triggered by any of the following: A validation/verification body performing a verification of a registered project identifies an error or quality issue in a previous validation or verification. A project proponent identifies an error or quality issue after the registration or issuance of the project. A stakeholder has concerns about a registered project2. Verra itself identifies an error or quality issue, as part of routine operations.”
- Provision 2 Source 1, section 6.1.2, page 33: “Where a review is triggered, Verra notifies the project proponent (or its authorized representative) and the relevant validation/verification body of the review and may suspend further VCU issuance while the review is performed.”
- Provision 3 Source 1, section 6.1.5, page 35: “Where Verra determines that VCUs have been issued in excess of the correct amount, the following applies:
- 1) The project proponent is responsible for compensating for excess VCU issuance where Verra deems, acting reasonably, that there has been a material erroneous issuance of VCUs in respect of the project, as a result of the fraudulent conduct, negligence, intentional act, recklessness, misrepresentation or mistake of the project proponent, as set out further in the issuance representation.
  - 2) Any compensation for excess VCU issuance shall be through the following, with Verra using reasonable efforts to work with the project proponent to ensure that any adverse impacts on the project proponent are minimized to the extent possible.
  - 3) Where the excess VCUs remain in the project proponent’s Verra registry account and it can be demonstrated that they have not been used for offsetting purposes, immediate cancellation of the VCUs.
  - 4) Replacement of VCUs through immediate cancellation from subsequent issuances of VCUs to the project.
  - 5) Purchase by the project proponent of an equivalent number of replacement VCUs, and cancellation of same, within 60 business days of receiving formal Verra notification of such required action.
  - 6) Where the project proponent fails to compensate for excess VCU issuance, Verra may take action against the project proponent, including applying sanctions with respect to its registry account activities until such time as the excess issuance has been compensated.”

## Assessment outcome

Yes (1 point).

## Justification of assessment

The above documentation specifies that the indicator is fulfilled.

## Indicator 1.3.2.14

### Relevant scoring methodology provisions

“The maximum length of the sum of crediting periods is:

- a. up to 40 years for afforestation/reforestation projects and up to 10 years for all other project types  
OR
- b. up to 60 years for afforestation/reforestation projects and up to 15 years for all other project types  
OR
- c. up to 80 years for afforestation/reforestation projects and up to 20 years for all other project types  
OR
- d. more than 80 years for afforestation/reforestation projects and more than 20 years for all other project types.”

### Information sources considered

- 1 VCS Standard, Version 4.1, April 2021. Available:  
[https://verra.org/wp-content/uploads/2021/04/VCS-Standard\\_v4.1.pdf](https://verra.org/wp-content/uploads/2021/04/VCS-Standard_v4.1.pdf)

### Relevant carbon crediting program provisions

- Provision 1 Source 1, section 3.8.1, page 27: “For non-AFOLU projects, the project crediting period shall be either seven years, twice renewable for a total of 21 years, or ten years fixed.”
- Provision 2 Source 1, section 3.8.2, page 27: “For ALM projects focusing exclusively on reducing N<sub>2</sub>O, CH<sub>4</sub> and/or fossil-derived CO<sub>2</sub> emissions, the project crediting period shall be either seven years, twice renewable for a total of 21 years, or ten years fixed.”
- Provision 3 Source 1, section 3.8.3, page 27: “For all other AFOLU projects other than such ALM projects described above, the project crediting period shall be a minimum of 20 years up to a maximum of 100 years, which may be renewed at most four times with a total project crediting period not to exceed 100 years.”

## Assessment outcome

The last condition applies (0 Points).

## Justification of assessment

The above documentation specifies that the maximum length of the sum of crediting periods for projects in sectors other than the AFOLU sector is 21 years and for projects in the AFOLU sector up to 100 years. The carbon crediting program is therefore assigned 0 points.

## Indicator 1.3.1.15

### Relevant scoring methodology provisions

“The program provides guidance on the renewal of the crediting period, which must include a re-assessment of the baseline scenario.”

### Information sources considered

- 1 VCS Standard, Version 4.1, April 2021. Available:  
[https://verra.org/wp-content/uploads/2021/04/VCS-Standard\\_v4.1.pdf](https://verra.org/wp-content/uploads/2021/04/VCS-Standard_v4.1.pdf)

### Relevant carbon crediting program provisions

Provision 1 Source 1, section 3.8.9, page 28: “The following shall apply with respect to the renewal of the project crediting period under the VCS Program:

1) A full reassessment of additionality is not required when renewing the project crediting period. However, regulatory surplus shall be demonstrated in accordance with the requirements set out in the VCS Program rules and the project description shall be updated accordingly.

2) The validity of the original baseline scenario shall be demonstrated, or where invalid a new baseline scenario shall be determined, when renewing the project crediting period, as follows:

a) The validity of the original baseline scenario shall be assessed. Such assessment shall include an evaluation of the impact of new relevant national and/or sectoral policies and circumstances on the validity of the baseline scenario.

b) Where it is determined that the original baseline scenario is still valid, the GHG emissions associated with the original baseline scenario shall be reassessed using the latest version of the CDM Tool to assess the validity of the original/current baseline and to update the baseline at the renewal of a crediting period.

c) Where it is determined that the original baseline scenario is no longer valid, the current baseline scenario shall be established in accordance with the VCS Program rules.

d) The project description, containing updated information with respect to the baseline, the estimated GHG emission reductions or removals and the monitoring

plan, shall be submitted for validation. Such updates shall be based upon the latest approved version of the methodology or its replacement. Where the project does not meet the requirements of the latest approved version of the methodology or its replacement, the project proponent shall select another applicable approved methodology (which may be a new methodology or methodology revision it has had approved via the methodology approval process), or shall apply a methodology deviation (where a methodology deviation is appropriate). Failing this, the project shall not be eligible for renewal of its project crediting period.”

### Assessment outcome

Yes (1 Point).

### Justification of assessment

The above documentation specifies that the indicator is fulfilled.

### Indicator 1.3.1.16

#### Relevant scoring methodology provisions

“In the case of project types where the baseline scenario is the continuation of the current situation (i.e., not undertaking any investment), the program requires the re-assessment of additionality at the renewal of the crediting period.” (See methodology for further explanation).

#### Information sources considered

- 1 VCS Standard, Version 4.1, April 2021. Available: [https://verra.org/wp-content/uploads/2021/04/VCS-Standard\\_v4.1.pdf](https://verra.org/wp-content/uploads/2021/04/VCS-Standard_v4.1.pdf)

#### Relevant carbon crediting program provisions

Provision 1 Source 1, section 3.2.7, page 10: “For all IFM, REDD, WRC and ACoGS project types, the project proponent shall, for the duration of the project, reassess the baseline every 10 years and have this validated at the same time as the subsequent verification. Baseline projections for deforestation and/or degradation, land conversion, forest management plans and wetland hydrological changes beyond a 10-year period are not likely to be realistic because rates of change in land-use and/or land or water management practices are subject to many factors that are difficult to predict over the long term, hence the need for periodic reassessment of the baseline. The following shall apply with respect to the baseline reassessment:

- 1) The reassessment will capture changes in the drivers and/or behavior of agents that cause the change in land use, hydrology, sediment supply and/or land or water management practices and changes in carbon stocks, all of which shall then be incorporated into revised estimates of the rates and patterns of land-use change and estimates of baseline emissions.

- 2) The latest approved version of the methodology or its replacement shall be applied at the time of baseline reassessment.
- 3) The project description shall be updated at the time of baseline reassessment following the requirements set out in Section 3.8.9(2)(d).
- 4) Ex-ante baseline projections beyond a 10-year period are not required.”

Provision 2 Source 1, section 3.8.9, page 28: “The following shall apply with respect to the renewal of the project crediting period under the VCS Program:

- 1) A full reassessment of additionality is not required when renewing the project crediting period. However, regulatory surplus shall be demonstrated in accordance with the requirements set out in the VCS Program rules and the project description shall be updated accordingly.
- 2) The validity of the original baseline scenario shall be demonstrated, or where invalid a new baseline scenario shall be determined, when renewing the project crediting period, as follows:
  - a) The validity of the original baseline scenario shall be assessed. Such assessment shall include an evaluation of the impact of new relevant national and/or sectoral policies and circumstances on the validity of the baseline scenario.
  - b) Where it is determined that the original baseline scenario is still valid, the GHG emissions associated with the original baseline scenario shall be reassessed using the latest version of the CDM Tool to assess the validity of the original/current baseline and to update the baseline at the renewal of a crediting period.
  - c) Where it is determined that the original baseline scenario is no longer valid, the current baseline scenario shall be established in accordance with the VCS Program rules.
  - d) The project description, containing updated information with respect to the baseline, the estimated GHG emission reductions or removals and the monitoring plan, shall be submitted for validation. Such updates shall be based upon the latest approved version of the methodology or its replacement. Where the project does not meet the requirements of the latest approved version of the methodology or its replacement, the project proponent shall select another applicable approved methodology (which may be a new methodology or methodology revision it has had approved via the methodology approval process), or shall apply a methodology deviation (where a methodology deviation is appropriate). Failing this, the project shall not be eligible for renewal of its project crediting period.”

### **Assessment outcome**

No (0 Points).

### **Justification of assessment**

The above documentation specifies that the reassessment of the baseline does not require the full reassessment of additionality before the start of a new crediting period, but must re-evaluate the

baseline scenario and ensure it meets the requirement of regulatory surplus (Provision 2). The indicator is therefore not fulfilled.

### **Scoring results**

According to the above assessment, the carbon crediting program achieves a total point score of 11 for the indicators. Applying the scoring approach of the methodology, this results in a score of 2.29 for the sub-criterion.

## **Annex: Summary of changes from previous assessment sheet versions**

No substantive changes were implemented in comparison to the assessment from 31 May 2022.