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

This document presents results from the application of a methodology, developed by Oeko-Institut, World Wildlife Fund (WWF) 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

<table>
<thead>
<tr>
<th>Criterion:</th>
<th>6.1 Robustness of the carbon crediting program's environmental and social safeguards</th>
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<tbody>
<tr>
<td>Carbon crediting program with complementary standard:</td>
<td>CCBS + VCS</td>
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<tr>
<td>Project type:</td>
<td>Establishment of natural forests</td>
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<tr>
<td>Assessment based on carbon crediting program and complementary standard documents valid as of:</td>
<td>15 May 2022</td>
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<td>Date of final assessment:</td>
<td>08 November 2022</td>
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<td>Score:</td>
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Assessment

This document presents the results of the assessment of sub-criterion 6.1 for the combination of the Verified Carbon Standard (VCS) and Verra’s Climate, Community & Biodiversity Standards (CCBS).

Approach to assessing combinations of carbon crediting programs with complementary standards

For assessing the combination of a carbon crediting program with a complementary standard, the following approach was taken:

1. The carbon crediting program and the complementary standard were assessed separately against all indicators of sub-criterion 6.1. The results of these two individual assessments are available in separate documents on the CCQI website.

2. When assessing the combination of the carbon crediting program with a complementary standard, there are three possible outcomes for each indicator:
   a. Both the carbon crediting program and the complementary standard fulfill the indicator;
   b. Either the carbon crediting program or the complementary standard fulfills the indicator;
   c. Neither the carbon crediting program nor the complementary standard fulfills the indicator.

3. For assessment outcomes falling in categories a. and b., the indicator was deemed to be fulfilled for the combination of the carbon crediting program and the complementary standard and no further assessment was conducted.

4. For assessment outcomes falling into category c., an additional assessment was made whether the relevant provisions of the carbon crediting program and the complementary standard fulfill the indicator when looking at them in combination.

Scope of this assessment

This document presents the results of the additional assessment conducted when neither the carbon crediting program nor the complementary standard individually fulfill an indicator (assessment outcomes falling into category c. as described above).

To facilitate the navigation through this document, the table on the following page provides an overview which of the three categories presented above applies for each of the indicators of sub-criterion 6.1.

In this document, assessments are only provided for indicators that fall into category c. For all other indicators, the individual assessments for VCS and CCBS apply for deriving the respective indicator score of the combination (see respective detailed evaluations for sub-criterion 6.1 for VCS and CCBS on the CCQI website).
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<th>Indicator</th>
<th>Outcome category for the indicator (see explanation above)</th>
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Indicator 6.1.10

Relevant scoring methodology provisions
The program requires the project owners to establish an environmental and social management plan, at least for projects that the program classifies as having high environmental and social risks.

Information sources considered

Relevant carbon crediting program provisions

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Assessment outcome
No (0 Points).

Justification of assessment
The provisions of both CCBS and VCS do not include a requirement to explicitly set up an environmental and social management plan for projects with high risks. The indicator is therefore not fulfilled.

Indicator 6.1.11

Relevant scoring methodology provisions
“The program has a grievance mechanism in place that allows local stakeholders to submit grievances throughout the lifetime of the project without any barriers (e.g. liability for expenses associated with the investigation). Such grievances must be duly considered by the carbon crediting program.”

Information sources considered

Relevant carbon crediting program provisions

Provision 1  Source 1, section 7, page 35: “Project proponents, validation/verification bodies and other stakeholders may submit enquiries to the VCS at any time. In addition, the CCB Program provides a complaints procedure and an appeals procedure.

All expenses, internal and external, incurred by VCS in handling complaints and appeals shall be paid by the entity filing the complaint or appeal. Prior to initiation of the handling process, the VCS will inform the entity filing the complaint or appeal of its estimated handling cost. Where the outcome of a complaint or appeal is to overturn an earlier decision made by the VCS, the entity filing the complaint or appeal will not be liable for covering such expenses.

7.1 Complaints.

7.1.1 A complaint is an objection to a decision taken by the VCS or an aspect of how it operates the CCB Program, or a claim that the CCB rules have had an unfair, inadvertent or unintentional adverse effect. Project proponents and other stakeholders are provided with the following complaints procedure:

1) The complaint shall include the following information:

   a) Name of the complainant.

   b) Name of organization, if relevant.

   c) Contact information for the complainant.

   d) Details of the complaint.

   e) Declaration of any conflict of interest in submitting the complaint.

2) The complaint shall be addressed to the CCB Program Manager and emailed to CCBStandards@v-c-s.org with the word complaint in the subject line. An email response is provided to the complainant from the VCS acknowledging receipt of the complaint.

3) The VCS appoints an appropriate person to handle the complaint, who will organize an analysis (involving external experts, as required) and determine any appropriate action required.

4) The VCS prepares a written response and provides this to the complainant. The response to the complaint is brought to the attention of and approved by the VCS CEO.

5) All information submitted by the complainant with respect to the complaint is kept confidential by the VCS.”
Provision 2 Source 1, section 4.6, page 29-30: “4.6.1 Comments are information relevant to past, present or future validations or verifications about whether the project, especially as represented in documentation posted on the VCS project database, meets the rules and requirements of the CCB Program. Some comments may be categorized as complaints (e.g., those comments that are objections or dissatisfactions relating to the activities of projects that may lead to the suspension of a project’s CCB validated or verified status and/or to an approved validation/verification body status; see Section 7.1 Complaints)."

Provision 3 Source 1, section 4.6, page 31, “Public Comment Period”: “4.6.10 Comments received outside an audit period are sent to the validation/verification body that conducted the previous CCB validation or verification and to the project proponent. These comments are not published by the VCS but the commenter is informed by the VCS that comments resubmitted during the next public comment period will be published and shall be addressed in the validation or verification report.

Comments received outside an audit period are also compiled by the VCS and sent to the next validation/verification body that is engaged for a validation or verification for the project proponent, who may request information from the project proponent about how comments received outside the audit period have been addressed."

Provision 4 Source 2, section 1 “Complaints”, page 2: “Complaints by stakeholders about a project proponent or its partners shall be pursued with the respective entity. Similarly, complaints about entities (by the clients of such entities) that provide services under the relevant Verra program, such as assessors, shall be pursued via the respective entity. In either of the cases above, where the complaint is not resolved to the satisfaction of the complainant and the complaint is in relation to the respective entity’s interpretation of the relevant program rules, the complainant may submit a complaint to Verra. Note that other stakeholders may also choose to submit complaints to entities providing services under the relevant program where such entities have complaints procedures for third parties (i.e., non-clients)."

Assessment outcome

No (0 Points).

Justification of assessment

The standard has a complaints and appeals policy that sets out the procedure and rules for submitting complaints to the program responsible for the standard (VCS or Verra). Upon receipt of a complaint, the program appoints an appropriate person to handle the complaint, and afterwards prepares a written response and provides this to the complainant. The response to the complaint is brought to the attention of and approved by the Verra CEO (Provision 1). Upon communication with the program, it was made clear that the grievance procedure in Provision 1 can be used by any stakeholder to submit grievances throughout the lifetime of the project. This is also indicated by the reference to Provision 1 in Provision 2, where comments received within and outside the public comment or audit period (Provision 3) can be categorized as complaints and are then to be handled.
as complaints in the “complaints” section in Provision 1. It remains slightly unclear if the last sentence in Provision 2 actually means that all comments, which are categorized as complaints, are handled via the procedure in Provision 1. The program provisions could though be clarified in this aspect.

If the CCBS is used in conjunction with VCS, Provision 4 additionally stipulates that complaints about a project must be pursued first with the project owner. Only when the complaint cannot be resolved to the satisfaction of the complainant it may be submitted to Verra (Provision 1).

Furthermore, complainants must bear the cost of the complaint if it does not result in overturning an earlier decision made by VCS (Provision 1). The latter is considered a considerable barrier (as per the indicator) for accessing the grievance mechanism as for example the capacity of vulnerable local people bearing the cost of such a complaint procedure might be low. The indicator is therefore not fulfilled.

**Indicator 6.1.13**

**Relevant scoring methodology provisions**

“The program requires that the grievance mechanism to be established by the project owners provide the possibility of providing anonymous grievances.”

**Information sources considered**


**Relevant carbon crediting program provisions**


Demonstrate that a clear grievance redress procedure has been formalized to address disputes with communities and other stakeholders that may arise during project planning, implementation and evaluation with respect but not limited to, free, prior and informed consent, rights to lands, territories and resources, benefit sharing and participation.

The project shall include a process for receiving, hearing, responding to and attempting to resolve grievances within a reasonable time period. The feedback and grievance redress procedure shall take into account traditional methods that communities and other stakeholders use to resolve conflicts.
The feedback and grievance redress procedure shall have three stages with reasonable time limits for each of the following stages.

First, the project proponent shall attempt to amicably resolve all grievances and provide a written response to the grievances in a manner that is culturally appropriate.

Second, any grievances that are not resolved by amicable negotiations shall be referred to mediation by a neutral third party.

Third, any grievances that are not resolved through mediation shall be referred either to a) arbitration, to the extent allowed by the laws of the relevant jurisdiction or b) competent courts in the relevant jurisdiction, without prejudice to a party's ability to submit the grievance to a competent supranational adjudicatory body, if any.

The feedback and grievance redress procedure must be publicized and accessible to communities and other stakeholders. Grievances and project responses, including any redress, must be documented and made publicly available.

**Provision 2**

Source 2, section 3.16.18 “AFOLU Projects – Communication and consultation”, page 43: “The project proponent shall develop a grievance redress procedure to address disputes with local stakeholders that may arise during project planning and implementation, including with regard to benefit sharing. The procedure shall include processes for receiving, hearing, responding and attempting to resolve grievances within a reasonable time period, taking into account culturally appropriate conflict resolution methods. The procedure and documentation of disputes resolved through the procedure shall be made publicly available. The procedure shall have three stages:

1) The project proponent shall attempt to amicably resolve all grievances and provide a written response to the grievances in a manner that is culturally appropriate.

2) Any grievances that are not resolved by amicable negotiations shall be referred to mediation by a neutral third party.

3) Any grievances that are not resolved through mediation shall be referred either to a) arbitration, to the extent allowed by the laws of the relevant jurisdiction or b) competent courts in the relevant jurisdiction, without prejudice to a party's ability to submit the grievance to a competent supranational adjudicatory body, if any.

**Provision 3**

Source 2, section 3.16.19, page 43: “All communication and consultation shall be performed in a culturally appropriate manner, including language and gender sensitivity, directly with local stakeholders or their legitimate representatives when appropriate. The results of implementation shall be provided in a timely manner and consultation shall be performed prior to design decisions or implementation to allow stakeholders adequate time to respond to the proposed design or action.”

**Assessment outcome**

No (0 Points).
Justification of assessment

The provisions for grievance mechanisms of project owners by CCBS (Provision 1) does not include the possibility to submit anonymous grievances. If used as a complementary standard with the VCS, the respective provisions do not mention the option to submit anonymous grievances either (Provision 2 and 3). The indicator is therefore not fulfilled.

Indicator 6.1.14

Relevant scoring methodology provisions

“The program requires that grievances received by the carbon crediting program and/or the project owners must be responded to within a specific response time.”

Information sources considered


Relevant carbon crediting program provisions


Demonstrate that a clear grievance redress procedure has been formalized to address disputes with communities and other stakeholders that may arise during project planning, implementation and evaluation with respect but not limited to, free, prior and informed consent, rights to lands, territories and resources, benefit sharing and participation.

The project shall include a process for receiving, hearing, responding to and attempting to resolve grievances within a reasonable time period. The feedback and grievance redress procedure shall take into account traditional methods that communities and other stakeholders use to resolve conflicts.

The feedback and grievance redress procedure shall have three stages with reasonable time limits for each of the following stages.
First, the project proponent shall attempt to amicably resolve all grievances and provide a written response to the grievances in a manner that is culturally appropriate.

Second, any grievances that are not resolved by amicable negotiations shall be referred to mediation by a neutral third party.

Third, any grievances that are not resolved through mediation shall be referred either to a) arbitration, to the extent allowed by the laws of the relevant jurisdiction or b) competent courts in the relevant jurisdiction, without prejudice to a party’s ability to submit the grievance to a competent supranational adjudicatory body, if any.

The feedback and grievance redress procedure must be publicized and accessible to communities and other stakeholders. Grievances and project responses, including any redress, must be documented and made publicly available.”

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**Provision 2**

Source 2, section 7, page 35: “Project proponents, validation/verification bodies and other stakeholders may submit enquiries to the VCS at any time. In addition, the CCB Program provides a complaints procedure and an appeals procedure. [...]”

7.1 Complaints.

7.1.1 A complaint is an objection to a decision taken by the VCS or an aspect of how it operates the CCB Program, or a claim that the CCB rules have had an unfair, inadvertent or unintentional adverse effect. Project proponents and other stakeholders are provided with the following complaints procedure:

1) The complaint shall include the following information:
   a) Name of the complainant.
   b) Name of organization, if relevant.
   c) Contact information for the complainant.
   d) Details of the complaint.
   e) Declaration of any conflict of interest in submitting the complaint.

2) The complaint shall be addressed to the CCB Program Manager and emailed to CCBStandards@v-c-s.org with the word complaint in the subject line. An email response is provided to the complainant from the VCS acknowledging receipt of the complaint.

3) The VCS appoints an appropriate person to handle the complaint, who will organize an analysis (involving external experts, as required) and determine any appropriate action required.

4) The VCS prepares a written response and provides this to the complainant. The response to the complaint is brought to the attention of and approved by the VCS CEO.”
Provision 3  Source 3, Section 3.16.18 “AFOLU Projects – Communication and consultation”, page 43: “AFOLU. […] The project proponent shall develop a grievance redress procedure to address disputes with local stakeholders that may arise during project planning and implementation, including with regard to benefit sharing. The procedure shall include processes for receiving, hearing, responding and attempting to resolve grievances within a reasonable time period, taking into account culturally appropriate conflict resolution methods. The procedure and documentation of disputes resolved through the procedure shall be made publicly available.”

Assessment outcome
No (0 Points).

Justification of assessment
Under CCBS, grievances received by the project owners must be “resolve[d] […] within a reasonable time period” (Provision 1) but the provisions for project owners do not include specific response times. There is also no specific response time given for grievances submitted to the program (Verra) (Provision 2). If CCBS is used in combination with VCS for land-based projects, the respective AFOLU VCS Provisions may apply. However, the relevant provisions of VCS regarding requirements for grievance mechanisms in AFOLU projects require that grievances must be responded to within a “reasonable time period” but without defining a specific response time (Provision 3). The indicator is therefore not fulfilled by the combination of the carbon crediting program with the complementary standard.

Indicator 6.1.18

Relevant scoring methodology provisions
“The program requires that the local stakeholder consultation be conducted before the decision of the project owners to proceed with the project and before the validation of the project.”

Information sources considered
Relevant carbon crediting program provisions

Provision 1  Source 1, section G3, page 17: “Consultation.

Describe how communities including all the community groups and other stakeholders have influenced project design and implementation through effective consultation, particularly with a view to optimizing community and other stakeholder benefits, respecting local customs, values and institutions and maintaining high conservation values. Project proponents must document consultations and indicate if and how the project design and implementation has been revised based on such input.

Effective consultation requires project proponents to inform and engage broadly with the communities and other stakeholders using socially and culturally appropriate methods to enable meaningful influence on the subject of consultation. Different approaches may be appropriate for different community groups or other stakeholders. Communities and community groups potentially affected by the project must have an opportunity to evaluate impacts and raise concerns about potential negative impacts, express desired outcomes and provide input on the project design including the theory of change, both before the project design is finalized and during implementation. In cases where it is unclear whether a project will be implemented or not, it is acceptable to start with preliminary consultations, provided there are plans for appropriate full consultations before the start of the project. Where conformance with the Climate, Community & Biodiversity Standards is being applied to a project already under implementation, project proponents must either provide documentation of appropriate consultations during the project design phase or demonstrate how more recent consultations have been effective in evaluating community benefits and adapting project design and implementation to optimize community and other stakeholder benefits and respect local customs.”

Provision 2  Source 2, section 3.3.5; page 9: “Stakeholder Consultations (G3.4).

Describe the steps taken to validate the project’s method(s) for conducting effective consultation to fulfill the requirements of G3.4. Provide and justify an overall conclusion regarding the project’s method(s) for conducting effective stakeholder consultations.”

Provision 3  Source 3, section 4.1, page 18: “Validation is the independent assessment of the project by a validation/verification body that determines whether the project design complies with the CCB rules.”
Provision 4  Source 4, section 3.16.2 General, page 40: "The project proponent shall conduct a local stakeholder consultation prior to validation as a way to inform the design of the project and maximize participation from stakeholders. Such consultations allow stakeholders to evaluate impacts, raise concerns about potential negative impacts
and provide input on the project design. The project proponent shall establish mechanisms for ongoing communication with local stakeholders to allow stakeholders to raise concerns about potential negative impacts during project implementation."

Provision 5 Source 4, section 3.16.4, page 40: “The project proponent shall take due account of all and any input received during the local stakeholder consultation and through ongoing communications, which means it will need to either update the project design or justify why updates are not appropriate. The project proponent shall demonstrate to the validation/verification body what action it has taken in respect of the local stakeholder consultation as part of validation, and in respect of ongoing communications as part of each subsequent verification.”

Provision 6 Source 4, section 3.7 “Project Start Date”, page 25: “The project start date of a non-AFOLU project is the date on which the project began generating GHG emission reductions or removals. The project start date of an AFOLU project is the date on which activities that led to the generation of GHG emission reductions or removals are implemented (e.g., preparing land for seeding, planting, changing agricultural or forestry practices, rewetting, restoring hydrological functions, or implementing management or protection plans). Projects shall complete validation within specific timeframes from the project start date.”

Provision 7 Source 4, section 3.7.1, page 25: “Non-AFOLU projects shall complete validation within two years of the project start date. Additional time is granted for non-AFOLU projects to complete validation where they are applying a new VCS methodology. Specifically, projects using a new VCS methodology and completing validation within two years of the approval of the methodology by Verra may complete validation within four years of the project start date.”

Provision 8 Source 4, section 3.7.3, page 25: “AFOLU projects shall complete validation within five years of the project start date.”

Assessment outcome
No (0 Points).

Justification of assessment
The CCBS requires that consultations are conducted before the project design document is submitted in order to provide input on the project design both before the project design is finalized and during implementation (Provision 1). This includes, for example, that the project owner would have to consult stakeholders if any further changes to the project design occur after the initial posting for validation public comment. As part of the validation process, the stakeholder consultations are reviewed and thus have to be conducted before validation (Provision 2 and 3). The requirement to conduct the stakeholder consultations before submission of the PDD does however not constitute a requirement to conduct the stakeholder consultations before the decision to proceed with the project as there are no time restrictions on when a PDD can be submitted. The CCBS can for example also be obtained by an already existing project (Provision 1).
To generate carbon credits, the CCBS needs to be combined with other carbon crediting programs. The VCS requires that project owners conduct a stakeholder consultation before validation and demonstrate to the VVB what action it has taken in respect of the local stakeholder consultation as part of validation (Provision 4 and 5). This aspect of the indicator is therefore considered to be fulfilled. The program however does not require project owners to conduct the consultations before the decision to proceed with the project. Validation must be finalized within two years of the project start date (Provision 7) and within 5 years of the start date for AFOLU projects (Provision 8). Start date is defined by the carbon crediting program as the date on which the project began generating GHG emission reductions or removals (Provision 6). These rules would allow for stakeholder consultations to take place after the project start date and thus do not fulfil this aspect of the indicator. The indicator is therefore considered not to be fulfilled by the combination of VCS with CCBS.

**Indicator 6.1.21**

**Relevant scoring methodology provisions**

“The program requires that project owners make key information on the project available to local stakeholders prior to conducting the local stakeholder consultation, such as the project design documents and any supplemental project documentation.”

**Information sources considered**


**Relevant carbon crediting program provisions**

Provision 1 Source 1, section G3, page 16: “Access to Information.

1) Describe how full project documentation has been made accessible to communities and other stakeholders, how summary project documentation (including how to access full documentation) has been actively disseminated to communities in relevant local or regional languages and how widely publicized information meetings have been held with communities and other stakeholders.

2) Explain how relevant and adequate information about potential costs, risks and benefits to communities has been provided to them in a form they understand and in a timely manner prior to any decision they may be asked to make with respect to participation in the project.
40 Includes project description and monitoring reports, as they become available, through the project lifetime.”

Provision 2  Source 1, section G3, page 17: “Consultation.

Describe how communities including all the community groups and other stakeholders have influenced project design and implementation through effective consultation, particularly with a view to optimizing community and other stakeholder benefits, respecting local customs, values and institutions and maintaining high conservation values.

Effective consultation requires project proponents to inform and engage broadly with the communities and other stakeholders using socially and culturally appropriate methods to enable meaningful influence on the subject of consultation. Consultations must be gender and inter-generationally sensitive with special attention to vulnerable and/or marginalized people and must be conducted at mutually agreed locations and through representatives who are designated by the groups themselves in accordance with their own procedures. Different approaches may be appropriate for different community groups or other stakeholders. Communities and community groups potentially affected by the project must have an opportunity to evaluate impacts and raise concerns about potential negative impacts, express desired outcomes and provide input on the project design including the theory of change, both before the project design is finalized and during implementation. Consultations must include participatory identification of ecosystem services important for communities and high conservation values, for example through participatory mapping. Consultations must also include an evaluation of the type and magnitude of impacts resulting from project activities (CM2.1). Consultations must also include a participatory design of feedback and grievance redress procedures (G3.8).”

Provision 3  Source 2, section 3.16.2 “Local Stakeholder Consultation”, page 40: “The project proponent shall conduct a local stakeholder consultation prior to validation as a way to inform the design of the project and maximize participation from stakeholders. Such consultations allow stakeholders to evaluate impacts, raise concerns about potential negative impacts and provide input on the project design.”

Provision 4  Source 2, section 3.16.17 “AFOLU projects”, page 42: “The project proponent shall take all appropriate measures to communicate and consult with local stakeholders in an ongoing process for the life of the project. The project proponent shall communicate:

1) The project design and implementation, including the results of monitoring.
2) The risks, costs and benefits the project may bring to local stakeholders.
3) All relevant laws and regulations covering workers’ rights in the host country.
4) The process of VCS Program validation and verification and the validation/verification body’s site visit.”

Provision 5  Source 2, section 3.16.19 “AFOLU Projects”, page 42: “All communication and consultation shall be performed in a culturally appropriate manner, including language and gender sensitivity, directly with local stakeholders or their legitimate
representatives when appropriate. The results of implementation shall be provided in a timely manner and consultation shall be performed prior to design decisions or implementation to allow stakeholders adequate time to respond to the proposed design or action."

Assessment outcome

No (0 Points).

Justification of assessment

The VCS provisions addressing stakeholder consultation requirements for general projects (Provision 3) do not contain any specific requirements to make key documentation available before the consultation takes place. For AFOLU projects, the program stipulates what the project owner must communicate to local stakeholders. However, no requirements apply with regard to the timing of when the information must be made available (Provision 4). The provisions for AFOLU projects do continue a requirement to perform consultations prior to design decisions or implementation to allow stakeholders adequate time to respond to the proposed design or action (Provision 5). It is not fully clear whether this constitutes a requirement to make information available prior to the stakeholder consultations as such.

The CCBS requires that key information, including the project description, is made available to local stakeholders (Provision 1). It is also required that information on potential impacts is provided in a “timely manner”. While it is foreseen that stakeholders shall have the opportunity to “evaluate impacts and raise concerns about potential negative impacts, express desired outcomes and provide input on the project design” (Provision 2) in order to influence project design and implementation, it is not stated explicitly, that key documents will be shared before the consultations are conducted. This could be made clearer in the provisions.

The indicator is thus considered to not be fulfilled by the combination of VCS with CCBS.

Indicator 6.1.25

Relevant scoring methodology provisions

“The program requires project validation and verification entities to contact and engage with affected local stakeholders during validation.”

Information sources considered


Relevant carbon crediting program provisions

Provision 1 Source 1, section 4.3.13, page 24: “Validation and verification audits shall include a visit to the project site. The purpose of the site visit is to confirm the validity of the written project description or monitoring report and to ensure that the project meets the rules and requirements of the CCB Program. The on-site audit process normally includes interviews with project proponents and stakeholders, and a review of supporting records, documents and reports.”

Assessment outcome

No (0 Points).

Justification of assessment

The VCS has no provisions relevant for this indicator. In combination with CCBS, the validation process “normally” includes interviews with stakeholders as a way to engage with stakeholders (Provision 1). Upon communication with the standard, it was clarified that if the validation did not include interviews, Verra will question how a positive validation was concluded without such interviews. However, this implies that the VVB do not necessarily need to engage with affected stakeholders. The provision could thus clarify what “normally” means and in which cases this requirement does not apply and what process might instead suffice. The phrasing questions the mandatory nature of this provision. The indicator is therefore not fulfilled by the combination of VCS with CCBS.

Indicator 6.1.31

Relevant scoring methodology provisions

“The program provisions explicitly ban any violation of human rights by the project owner or any other entity involved in project design or implementation.”

Information sources considered


Relevant carbon crediting program provisions

Provision 1  Source 1, section G3, page 18: “Describe the measures needed and taken to ensure that the project proponent and all other entities involved in project design and implementation are not involved in or complicit in any form of discrimination\(^{47}\) or sexual harassment with respect to the project.

\(^{47}\) Including discrimination based on gender, race, religion, sexual orientation or other habits.”

Provision 2  Source 2, section 3.16.1 “No Net Harm”, page 39: The project proponent shall identify potential negative environmental and socio-economic impacts, and shall take steps to mitigate them. Additional certification standards may be applied to demonstrate social and environmental benefits beyond GHG emission reductions or removals.

Note that VCU labels may be labelled with additional standards and certifications on the Verra registry where both the VCS Program and another standard are applied. The Verra website provides the list of standards that are accepted as VCU labels.

Provision 3  Source 2, section 3.16.14 “AFOLU projects”, page 40: “The project proponent or any other entity involved in project design or implementation shall not be involved in any form of discrimination or sexual harassment.”

Assessment outcome

No (0 Points).

Justification of assessment

The CCBS bans any form of discrimination, but does not explicitly ban any violation of human rights (Provision 1). Also in combination with the VCS, the VCS provisions are not sufficient (Provision 2 and 3). Therefore, the indicator is considered not to be fulfilled.

Indicator 6.1.34

Relevant scoring methodology provisions

“The program provisions specifically require that projects avoid physical and economic displacement in its projects and that, in exceptional circumstances where avoidance is not possible, displacement occurs only with appropriate forms of legal protection and compensation as well as informed participation of those affected.”
Information sources considered


Relevant carbon crediting program provisions

Provision 1 Source 1, section G5, page 21: “The project recognizes respects and supports rights to lands, territories and resources, including the statutory and customary rights of Indigenous Peoples and others within communities and other stakeholders. The free, prior and informed consent (as described in G5.2) of relevant property rights holders has been obtained at every stage of the project.

Project activities do not lead to involuntary removal or relocation of property rights holders from their lands or territories and do not force them to relocate activities important to their culture or livelihood. Any proposed removal or relocation occurs only after obtaining free, prior and informed consent from the relevant property rights holders.


Provision 2 Source 1, section G5, page 21: “Respect for Rights to Lands, Territories and Resources and Free, Prior and Informed Consent

1) Describe and map statutory and customary tenure/use/access/management rights to lands, territories and resources in the project zone including individual and collective rights and including overlapping or conflicting rights. If applicable, describe measures needed and taken by the project to help to secure statutory rights. Demonstrate that all property rights are recognized, respected and supported.

2) Demonstrate with documented consultations and agreements that:

a) The project will not encroach uninvited on private property, community property, or government property,

b) The free, prior and informed consent has been obtained of those whose property rights are affected by the project through a transparent, agreed process.

[...]

c) Appropriate restitution or compensation has been allocated to any parties whose lands have been or will be affected by the project.
3) Demonstrate that project activities do not lead to involuntary removal or relocation of property rights holders from their lands or territories and does not force them to relocate activities important to their culture or livelihood. If any relocation of habitation or activities is undertaken within the terms of an agreement, the project proponents must demonstrate that the agreement was made with the free, prior and informed consent of those concerned and includes provisions for just and fair compensation.

61 'Customary rights' to lands, territories and resources refer to patterns of long-standing community lands, territories and resource usage in accordance with Indigenous Peoples’ and local communities’ customary laws, values, customs and traditions, including seasonal or cyclical use, rather than formal legal title to lands, territories and resources issued by the State. (See: World Bank Operational Manual, OP 4.10 – Indigenous Peoples, 200, available at: https://policies.worldbank.org/sites/ppf3/PPFDocuments/090224b0822f69d5.pdf)

62 Including collective rights, both customary and statutory, to lands, territories and resources that communities have traditionally owned, occupied or otherwise used or acquired whether or not such ownership has been formally recorded. (Food and Agriculture Organization of the UN, Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security, Principle 3.1, 2012 (available at: http://www.fao.org/docrep/016/i2801e/i2801e.pdf)).

63 In conformance with the United Nations Declaration on the Rights of Indigenous Peoples and International Labour Organization (ILO) Convention 169. The following manual can be used for guidance on Free, Prior and Informed Consent: Anderson, 2011, Free, Prior and Informed Consent in REDD+: Principles and Approaches for Policy and Project Development (available at http://www.recoftc.org). If non-contacted peoples are located or believed to be located in the project area, their right to remain in isolation should be respected in accordance with local, national and international laws and recommendations. Unless invited to make contact, implementing entities should not engage in any activities that may impact these populations, including project activities. There should be a buffer zone between the project area and the area in which indigenous populations living in voluntary isolation reside, or are believed to reside. Guidelines for the Protection of Indigenous Peoples in Voluntary Isolation and Initial Contact in the Amazon Region, the Gran Chaco and the Eastern Region of Paraguay, Office of the United Nations High Commissioner (OHCHR) and the Spanish Agency for International Cooperation and Development, May 2012.

Compensation should include both the financial and non-financial costs of the loss of lands, for example loss of culture or loss of business opportunity. See UN Declaration on the Rights of Indigenous Peoples, Article 10. Article 28

In conformance with the United Nations Declaration on the Rights of Indigenous Peoples and ILO 169, Article 28 of the UN Declaration on the Rights of Indigenous Peoples indicates that unless otherwise agreed upon, compensation should be in the form of lands, territories or resources equivalent in quality, size and legal status to those taken. When such compensation is not available, monetary compensation is appropriate.

Provision 3  Source 2, section 3.16.1 “No Net Harm”, page 39: The project proponent shall identify potential negative environmental and socio-economic impacts, and shall take steps to mitigate them. Additional certification standards may be applied to demonstrate social and environmental benefits beyond GHG emission reductions or removals.

Note that VCU may be labelled with additional standards and certifications on the Verra registry where both the VCS Program and another standard are applied. The Verra website provides the list of standards that are accepted as VCU labels and the procedure for attaining such VCU labels.

Provision 4  Source 2, section 3.16.16 “AFOLU Projects”, page 42: “The project proponent shall avoid negative impacts of project implementation and mitigate impacts when unavoidable, including the following:

1) The project proponent shall recognize, respect and support local stakeholders’ property rights and where feasible, take measures to help secure rights. The project shall not encroach on private, stakeholder or government property or relocate people off their lands without consent [emphasis added]. The project may affect property rights if free, prior and informed consent is obtained from those concerned and a transparent agreement is reached that includes provisions for just and fair compensation. In the event there are any ongoing or unresolved conflicts over property rights, usage or resources, the project shall undertake no activity that could exacerbate the conflict or influence the outcome of an unresolved dispute.”

Assessment outcome

No (0 Points).

Justification of assessment

The standard requires that no involuntary relocations shall occur (Provisions 1 and 2). If relocations or removals occur, free, prior and informed consent by affected people shall be ensured as well as appropriate compensation (Provisions 1 and 2). The standard does not have an explicit requirement that displacement shall be avoided, and only allowed in exceptional circumstances.

While Provision 3 of VCS states that projects “shall not encroach on private, stakeholder or government property or relocate people off their lands without consent” and just and fair compensation is foreseen if property are affected, the provisions do not explicitly exclude voluntary
relocation or highlight that displacement shall only occur in exceptional circumstances. The VCS displacement provisions do not fully meet the requirements of the indicator. The indicator is therefore not fulfilled by both the carbon crediting program and the complementary standard.

**Indicator 6.1.36**

*Relevant scoring methodology provisions*

“The program has safeguards in place in relation to environmental issues that at least address air pollution, water pollution, soil and land protection, waste management, and biodiversity.”

**Information sources considered**


**Relevant carbon crediting program provisions**

Provision 1 Source 1, section B1, page 41: “Indicators.

1) Describe biodiversity within the project zone at the start of the project and threats to that biodiversity, using appropriate methodologies.

2) Evaluate whether the project zone includes any of the following high conservation values (HCVs) related to biodiversity and describe the qualifying attributes for any identified HCVs:

   a) Globally, regionally or nationally significant concentrations of biodiversity values:
      
      i) Protected areas
      
      ii) Threatened species
      
      iii) Endemic species
      
      iv) Areas that support significant concentrations of a species during any time in their lifecycle.

   b) Globally, regionally or nationally significant large landscape-level areas where viable populations of most if not all naturally occurring species exist in natural patterns of distribution and abundance;
c) Threatened or rare ecosystems.

3) Identify the areas that need to be managed to maintain or enhance the identified HCVs.

4) Describe how the without-project land use scenario would affect biodiversity conditions in the project zone.

112 Biodiversity is defined as the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems (Convention on Biological Diversity, 1992).

Provision 2 Source 1, section B2, page 43-44: “Indicators.

1) Use appropriate methodologies to estimate changes in biodiversity, including assessment of predicted and actual, positive and negative, direct and indirect impacts, resulting from project activities under the with-project scenario in the project zone and over the project lifetime. This estimate must be based on clearly defined and defendable assumptions.

2) Demonstrate that the project’s net impacts on biodiversity in the project zone are positive, compared with the biodiversity conditions under the without-project land use scenario (described in B1).

3) Describe measures needed and taken to mitigate negative impacts on biodiversity and any measures needed and taken for maintenance or enhancement of the high conservation value attributes (identified in B1.2) consistent with the precautionary principle.

4) Demonstrate that no high conservation values (identified in B1.2) are negatively affected by the project.

7) Guarantee that no GMOs are used to generate GHG emissions reductions or removals.

8) Describe the possible adverse effects of, and justify the use of, fertilizers, chemical pesticides, biological control agents and other inputs used for the project.

9) Describe the process for identifying, classifying and managing all waste products resulting from project activities.”

Provision 3 Source 1, section CM.2 “Net positive community impacts”, page 35: “Concept.

The project generates net positive impacts on the well-being of communities and the community groups within them over the project lifetime. The project maintains or enhances the high conservation values in the project zone that are of importance to the well-being of communities.

Indicators.
1) Use appropriate methodologies to assess the impacts\textsuperscript{100}, including predicted and actual, direct and indirect benefits, costs and risks, on each of the identified community groups (identified in G1.5) resulting from project activities under the with-project scenario. The assessment of impacts must include changes in well-being due to project activities and an evaluation of the impacts by the affected community groups. This assessment must be based on clearly defined and defendable assumptions about changes in well-being of the community groups under the with-project scenario, including potential impacts of changes in all ecosystem services identified as important for the communities (including water and soil resources), over the project lifetime.

2) Describe measures needed and taken to mitigate any negative well-being impacts on community groups and for maintenance or enhancement of the high conservation value attributes (identified in CM1.2) consistent with the precautionary principle.

\textsuperscript{100} Impacts' includes benefits, costs and risks, including those that are direct and indirect and including those related to social, cultural, environmental and economic aspects and to human rights and rights to lands territories and resources. Costs include those related to responsibilities and also opportunity costs. Note that the term ‘benefits’ refers to positive impacts and the phrase ‘costs and risks’ equates with negative impacts.

Provision 4 Source 2, section 3.16 “Concept”, page 39: “Project activities shall not negatively impact the natural environment or local communities. Project proponents shall identify and address any negative environmental and socio-economic impacts of project activities, and shall engage with local stakeholders during the project development and implementation processes. […]”

Provision 5 Source 2, section 3.16.1, page 39: “The project proponent shall identify potential negative environmental and socio-economic impacts, and shall take steps to mitigate them. Additional certification standards may be applied to demonstrate social and environmental benefits beyond GHG emission reductions or removals.”

Provision 6 Source 2, section 3.16.16 “AFOLU Projects”, page 42: “[…] 2) b) The project shall justify the use of fertilizers, chemical pesticides, biological control agents and other inputs used by the project and their possible adverse effects.”

**Assessment outcome**

No (0 Points).
Justification of assessment

The complementary standard approaches the subject by requiring an assessment of potential impacts of projects on ecosystem services and biodiversity (Provision 3). In principle, this conceptual approach does address aspects of the “environment” that both relate to humans (ecosystem services) and the flora and fauna (biodiversity and high conservation values) (Provision 1 and 2). The requirement to describe steps needed and taken to mitigate any negative impacts thus provides for an overall framework for projects to principally ensure that the environment is protected, and community well-being is not negatively affected. For some environmental assets the standard further includes specific safeguards. For example, it requires project owners to describe the process for identifying, classifying and managing all waste products resulting from project activities (Provision 2). Similar applies to the requirement to describe the possible adverse effects of, and justify the use of, fertilizers, chemical pesticides, biological control agents. There are however no specific safeguards formulated by the standard that are addressing air and water pollution as well as soil and land protection.

The VCS does require project owners to identify and mitigate any potential negative impacts (Provision 4). The VCS, however, does not have specific safeguards in place that provide further details what this at a minimum must entail to meet specific safeguards. The program notes that it provides additional certification options for demonstration of environmental and social benefits (Provision 5), but CCBS in this case does not fulfil the indicator either. Specifically for AFOLU projects additional requirements apply that mandate the project owner to justify the use of fertilizers, chemical pesticides, biological control agents and other inputs used by the project and their possible adverse effects (Provision 6).

Overall, the combination of VCS and CCBS do not specify the environmental safeguards sufficiently to fulfil the indicator.

Indicator 6.1.39

Relevant scoring methodology provisions

“The program requires experts to support processes dedicated to avoiding physical and economic displacement and to free, prior and informed consent from indigenous people.

OR

The program requires experts to support all safeguard processes which are included in the program’s provisions.”

Information sources considered


Relevant carbon crediting program provisions


The project has adequate human and financial resources for effective implementation.

Indicators.

5) Document key technical skills required to implement the project successfully, including community engagement, biodiversity assessment and carbon measurement and monitoring skills. Document the management team’s expertise and prior experience implementing land management and carbon projects at the scale of this project. If relevant experience is lacking, the proponents must either demonstrate how other organizations are partnered with to support the project or have a recruitment strategy to fill the gaps.”

Assessment outcome

No (0 Points).

Justification of assessment

While the CCBS requires that the project team has the necessary skills and expertise to implement the project, the provisions do not include a specific requirement that necessitates experts to support processes dedicated to avoiding physical and economic displacement and to free, prior and informed consent from indigenous people. There is also no general requirement that all safeguard processes need to be supported by experts. The VCS also has no relevant provisions for this indicator. The indicator is therefore not fulfilled.

Indicator 6.1.41

Relevant scoring methodology provisions

“The program has a dedicated gender policy, strategy or action plan that integrates gender considerations and women empowerment into all aspects of its operations.”

Information sources considered

Relevant carbon crediting program provisions

Assessment outcome
No (0 Points).

Justification of assessment
The CCBS and VCS have no dedicated gender policy, strategy or action plan in place that integrates gender considerations and women empowerment into all aspects of its operations.

Indicator 6.1.43

Relevant scoring methodology provisions
“The program explicitly requires that project developers perform a gender safeguard assessment during project design.”

Information sources considered


Relevant carbon crediting program provisions
Provision 1 Source 1, section G3, page 18: “Anti-Discrimination.

Describe the measures needed and taken to ensure that the project proponent and all other entities involved in project design and implementation are not involved in or complicit in any form of discrimination or sexual harassment with respect to the project.
Assessment outcome

No (0 Points).

Justification of assessment

Provision 1 of the CCBS not only prescribes that any form of discrimination, including discrimination based on gender, shall be banned but that project owners describe the measures needed and taken to ensure this. However, this provision does not explicitly require a systematic assessment of where discrimination based on gender might occur. The VCS has no relevant provisions. The indicator is therefore not fulfilled by the combination of VCS with CCBS.

Scoring results

According to the above assessment, none of the indicators, for which neither the carbon crediting program nor the complementary standard received points in their individual assessment, are fulfilled when looking at their provisions in combination. The assessment of these indicators therefore yields no additional points. When combining these assessment results with the individual assessments from both the carbon crediting program and the complementary standards (for indicators in categories a and b), this results in a total point score of 32 for the combination of the carbon crediting program and complementary standard. Applying the scoring approach in the methodology, this results in a score of 3.61 for this criterion.