

# JNR VERSION 4: PUBLIC CONSULTATION SUMMARY OF COMMENTS

# 1 INTRODUCTION

This document summarizes the main points of feedback received during the October 2020 <u>Jurisdictional and Nested REDD+ (JNR) public</u> <u>consultation</u>. This consultation was the second 60-day public consultation held as part of the JNR update process. After receiving comments for key high-level concepts during the first 60-day public consultation, held in December 2019, Verra analyzed the feedback and engaged with relevant stakeholders. The proposal documents posted for the 2020 consultation included information on how the comments received during the 2019 public consultation were addressed, revised proposals and the corresponding text changes to existing requirements and proposed text for new requirements.

During the 2020 public consultation, Verra received more than 300 comments from 19 stakeholders, including project developers, validation/verification bodies, trade associations, NGOs, academia, the private sector and other market participants. Verra would like to extend our sincere thanks to all those who submitted comments.

During the consultation, Verra sought input on three overarching topics:

 Jurisdictional Forest Reference Emission Level (FREL) requirements and nested project baseline allocation. Verra consulted on the technical and procedural requirements for the development and registration of jurisdictional FRELs to reflect current best practices, state-of-the-art technologies, methods and government experience in the last decade in the development of FRELs. The update included the methods to quantify activity data and emission factors, the FREL historical reference period, the FREL



reassessment period and the FREL approach (e.g., historical average, trends). Additionally, Verra sought feedback on the JNR Allocation Tool and the JNR Risk Mapping Tool.<sup>1</sup>

- 2) Updates to several other technical aspects of the JNR Requirements. Verra consulted on the current *JNR Requirements* structure and its sections on uncertainty, carbon rights, and other proposed requirements (e.g., carbon decay, leakage belts, alignment with countries' National Forest Monitoring System, loss event reports, and crediting period).
- 3) JNR Validation and Verification Process. Verra consulted on replacing the JNR Expert Panel Assessment with specific expertise requirements for validation/verification bodies. Facilitation of joint validation and verification with *REDD*+ Social and *Environmental Standards* (REDD+ SES) was also proposed.

Verra analyzed consultation comments concerning each of the questions asked and general comments received. The feedback received provided a range of useful yet sometimes divergent perspectives on each of the proposals made. Section 2, below, summarizes the comments received on each proposed update and how Verra has taken due account of each comment while drafting the final VCS JNR documents. Section 3 provides some conclusions.

In addition to the public consultation, Verra organized calls and webinars with the JNR Stakeholder Group (comprised of 55 individuals from diverse backgrounds and organizations), engaged in regular calls JNR Advisory Group (comprised of six experts), discussed the updates in one-to-one calls with government officials (e.g., from Peru, Chile, Guatemala, Paraguay, Mexico, Colombia, Cambodia and Costa Rica) and presented the JNR update proposals in numerous fora. Moreover, Verra contracted several experts to support the development of specific requirements related to the establishment of FRELs, the development and testing of the *JNR Allocation Tool* and the associated *JNR Risk Mapping Tool*, and the refinement of the requirements regarding carbon authority and rights to GHG emission reductions.

<sup>&</sup>lt;sup>1</sup> Based on a deforestation and degradation risk map, the JNR Allocation Tool will allow users to allocate the jurisdictional FREL to nested projects and jurisdictional programs.

# 2 SUMMARY OF COMMENTS

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

Scenario	Update	Summary of Comment(s)	Response to comment(s)
Technical Co	nsiderations for the Development of	Jurisdictional FRELs	
1,2,3	Verra proposed requiring the historical average emissions as the default option to construct the FREL, and an alternative to include declining trends under specific circumstances.	There was overall support of Verra's proposal to require the historical average emissions as the default approach to estimate the FREL. There was also support for declining trends, with some revisions to the text. Stakeholders supported using increasing trends under two specific circumstances: for High Forest Low Deforestation (HFLD) countries and "legacy" emissions such as peat soil oxidation.	Verra will require the historical average emissions to construct the FREL as the default option. Although there was support to include a negative adjustment factor or decreasing trend in emissions, Verra has decided to consider this option for a further update in 2021. Although declining trends will not be required at this time, a requirement in the text will remain to ensure that estimated historical emissions' annual average does not represent GHG emissions above those that could be released by the loss of all remaining forests under threat within the jurisdictional boundaries during the FREL period. Regarding increasing trends, Verra will include this option in a future update of the <i>JNR</i> <i>Requirements</i> this year once methodologically robust and credible options to estimate trends are established.



1,2,3 Verra proposed shortening the FREL Historical Reference Period from 8-12 years to 4-6 years.

There was overall (but not unanimous) support that the jurisdictional FREL shall be based on the historical annual average GHG emissions over the period of 4 to 6 years ending within two years of the start of the current jurisdictional FREL period. Those who supported the proposal agreed that the new period would result, in most cases, in more conservative FRELs and will facilitate coherence across standards for jurisdictional REDD+, as well as with political cycles and UNFCCC processes. Additionally, evidence now suggests that in most countries, the use of near-term historical data is more appropriate to predict future forest dynamics.

Those that suggested revisions. proposed allowing for a flexible historical reference period for the first FREL estimation since many forest countries have already committed to a longer timeframe (e.g., current UNFCCC FREL submissions or other existing frameworks that require a 10-year period, such as the FCPF or bilateral Letters of Intent). Additionally, there was a concern that jurisdictional proponents could "cherry-pick" the historical reference period's length to increase GHG emission reductions estimates.

Based on the consultation, Verra will adopt the proposed 4-6 historical reference period to calculate jurisdictional FRELs. The flexibility between 4-6 years is necessary to allow for changes in government and other national circumstances that may prevent updating on a strict schedule (e.g., only every 5 years). The original proposal was modified to clarify that FRELs shall be calculated as the historical annual average GHG emissions rather than "based" on it and require that all the available years within the 4 to 6 year historical period be used to calculate the annual average.

To prevent gaming, longer historical reference periods may only be used if the resulting FREL is more conservative than the one that would be obtained by using a 4-, 5-or 6-year period.



		Those who oppose the proposal are concerned that a shorter period would increase uncertainty, and the possibility of choosing the length of the period could facilitate gaming in the FREL selection. Additionally, it was suggested that this would not provide incentives for a jurisdiction to steeply reduce its GHG emissions in the first FREL validity period.	
1,2,3	Verra proposed shortening the FREL reassessment period from 5- 10 years to 4-6 years	Feedback received on updating and revalidating the FREL every 4-6 years was varied. Those supporting the proposal agreed that it is more consistent with the Paris Agreement updates to NDCs and may provide more recent data.	Verra will maintain the proposal to shorten the FREL reassessment period to 4 to 6 years, as determined by the jurisdictional proponent. This update frequency provides flexibility to align with political cycles and reporting under the UNFCCC, and it is considered good practice to update more frequently where deforestation dynamics are more fluid.
		that more frequent updates would create more uncertainty for investors, as the estimated volume of GHG emission reductions could change significantly at every FREL reassessment, making a longer-term investment horizon challenging due to the more frequent changes in GHG emission reductions.	Based on the consultation, Verra will explicitly include the requirement that subsequent FREL updates should result in the same or lower FRELs. While this shorter period may provide more uncertainty for investors, 4-6 years should provide a minimum level of certainty, and helps to ensure accuracy and conservativeness of results.
1,2,3	Verra proposed allowing the use of a FREL developed under another	There was overall support for allowing jurisdictional proponents to use	VCS projects and jurisdictional programs may nest into higher-level jurisdictional programs that



program (e.g., FCPF) for nesting if a) it complied with the FREL requirements presented in the JNR or b) data from the FREL were used in the JNR Allocation Tool to estimate a compliant FREL	jurisdictional FRELs created for other GHG programs (e.g., FCPF) under the JNR framework. One concern raised during the consultation was that this approach could result in multiple FRELs being developed for the same jurisdiction.	have not been registered under the JNR framework. In order to be considered as nested, such projects and jurisdictional programs shall comply with all the applicable requirements contained in the <i>JNR Requirements</i> , including those on transitions to nested systems. Allowing for the use of such FRELs (where quality requirements are met), should help reduce the potential for multiple FRELs in a jurisdiction. Where the jurisdictional proponent cannot register a FREL compliant with the JNR quality requirements, REDD+ projects located within the jurisdiction may continue to operate as stand- alone projects using project-level methodologies. Verra plans to publish a consolidated REDD+ methodology soon after the JNR updates are finalized to align with the <i>JNR Requirements</i> . Stand-alone and nested projects will be subject to similar estimation methods and, therefore, will have similar baselines.
<ul> <li>Verra proposed requirements for planned vs. unplanned deforestation/degradation, including:</li> <li>a) Planned deforestation/degradation shall be separated from</li> </ul>	Feedback received for the proposed requirements for planned, and unplanned deforestation/degradation diverged. Those that supported the proposal suggested that planned deforestation/degradation permits must be spatially explicit and that some	The JNR Requirements will consider separating planned vs. unplanned deforestation/degradation as good practice. For GHG emissions from unplanned deforestation and unplanned forest degradation, the jurisdictional FREL must be calculated as the historical annual average GHG emissions over the period of 4 to 6 years ending
	<ul> <li>program (e.g., FCPF) for nesting if</li> <li>a) it complied with the FREL</li> <li>requirements presented in the JNR</li> <li>or b) data from the FREL were used</li> <li>in the JNR Allocation Tool to</li> <li>estimate a compliant FREL</li> </ul> Verra proposed requirements for planned vs. unplanned deforestation/degradation, including: a) Planned deforestation/degradation shall be separated from	program (e.g., FCPF) for nesting if a) it complied with the FREL requirements presented in the JNR or b) data from the FREL were used in the JNR Allocation Tool to estimate a compliant FRELjurisdictional FRELs created for other GHG programs (e.g., FCPF) under the JNR framework. One concern raised during the consultation was that this approach could result in multiple FRELs being developed for the same jurisdiction.Verra proposed requirements for planned vs. unplanned deforestation/degradation, including:Feedback received for the proposed requirements for planned, and unplanned deforestation/degradation, shall be separated froma) Planned deforestation/degradation shall be separated fromThose that supported the proposal suggested that planned deforestation/degradation permits must be spatially explicit and that some



unplanned

#### JNR Version 4 Public Consultation Summary of Comments

within two years of the start of the current

	<ul> <li>deforestation/degradation</li> <li>b) Planned deforestation (e.g., permits) needs to be determined ex-ante.</li> <li>c) The estimated average historical deforestation/degradation rate per permit type shall be used to construct the FREL of planned activities</li> <li>d) Where data is unavailable, planned activities shall be estimated using the same approach used for unplanned activities</li> </ul>	jurisdictional proponents to include planned deforestation/degradation in a stepwise approach. Those that oppose raised a concern that in many countries, there is no concept of planned vs. unplanned deforestation/degradation and that while the proposed approach may be theoretically possible, it is likely to be very challenging to implement in practice and, at worst, may create opportunities for gaming. Land designated for planned activities often follows complex legal designations, license types, and regulations concerning use. These are likely to differ between countries, and within a country are liable to change at short notice.	jurisdictional reference level period. Where GHG emissions from planned deforestation and planned forest degradation are estimated separately from unplanned activities, the jurisdictional FREL shall be calculated based on the observed historical average rate of change per permit type that allows for the deforestation or forest degradation (i.e., not only based on the rate allowed by the type of permit). With this the it is expected to overcome the different country's circumstances related to permit assignation. The JNR Allocation Tool can separate planned and unplanned deforestation/degradation. Projects that are associated with reduced planned degradation (e.g., IFM logged to protected forest) must nest if the jurisdictional program includes degradation in its FREL by
			applying the JNR Allocation Tool.
1,2	Verra consulted on the overlap of REDD+ activities included in the FREL.	There was support that if several activities are included in the FREL they should not spatially overlap. A few stakeholders suggested requiring a map since this provision might not be compatible with a sample-based approach. Others suggested that it is important to define activities clearly (e.g., afforestation can not take place in an area deforested five years ago).	If deforestation and degradation are both included in the jurisdictional FREL, the <i>JNR</i> <i>Allocation Tool</i> will allocate to each point (i.e., pixel) within the jurisdiction a fraction of the deforestation component of the FREL proportionally to the risk of deforestation that exists in each point according to the deforestation risk map as well as a fraction of the degradation component of the FREL proportionally to the risk of degradation that

flexibility should be allowed for



		Stakeholders also suggested allowing overlapping of activities that address both GHG emission reductions and enhancements.	exists in each point according to the degradation risk map. This means that each point will have a "baseline" that includes GHG emissions from deforestation and GHG emissions from forest degradation. However, there is no risk of double counting because the sum of the baselines allocated to each point is equal to the jurisdictional FREL. This version of the JNR will not include enhancements, so overlapping activities of reductions and removals will be addressed in a future update.
1,2,3	Verra proposed including consistent definitions of REDD+ activities to ensure the fungibility of the VCUs. This implies that activity data corresponding to different categories of land-use change must be interpreted and classified into a REDD+ activity using consistent decision rules.	It was suggested that a robust and consistent approach on how to describe Devegetation; Revegetation; and Non- Forest Conservation, as well as rotational plantations, should also be established.	Jurisdictional programs may include REDD+ activities as defined under the UNFCCC, in line with the VCS Program AFOLU categories. Verra will include guidance on how to interpret land-use transitions to be classified into REDD+ activities in the JNR Allocation Tool Guidance Document to ensure that multiple land-use transitions be interpreted consistently and classified into REDD+ activities in a consistent manner.
1,2,3	<ul> <li>Verra updated the requirements for estimating Activity Data (AD), including:</li> <li>Activity-based accounting vs. land-based accounting</li> </ul>	There were suggestions to keep just activity-based accounting and to allow the option to use land-based accounting. Feedback received on how activity data should be estimated diverged. There	Verra will consider both activity-based and land- based accounting. However, the <i>JNR</i> <i>Requirements</i> update will only provide guidance for activity-based accounting. Rules and requirements for land-based accounting could be developed in the future if jurisdictional



-	Options data.	to	estimate	activity	<ul> <li>was general agreement that map-based methods should be allowed with adequate ground-truthing to ensure classification accuracy within the jurisdictional boundaries. There were different responses as to whether to allow sample-based methods. A concern raised was that sampling methods can't be used accurately to determine gross deforestation rates and cannot be used to spatially allocate baselines. There were also arguments to include surveys and logging statistics, which could be acceptable under certain conditions.</li> <li>A number of suggestions were made on the type of satellite imagery acceptable to estimate avoided deforestation (AD).</li> <li>Feedback received related to the number of data points needed to calculate AD diverged between those who suggested that data should only be required at the beginning and the end of the FREL historical period and those</li> </ul>	proponents demonstrate an interest in applying such an accounting approach. To estimate activity data, area measurements shall be undertaken through remote sensing, either using maps or area sampling approaches. Sample-based methods will also be allowed. Logging statistics or surveys will not be permitted in this update of the <i>JNR</i> <i>Requirements</i> . A time series of area estimates shall be used to estimate the rate of different land-use transitions during the historical reference period. The maximum number of years between measurements shall be two years. For the initial development of the jurisdictional FREL, the period between measurements may be up to four years.
					calculate AD diverged between those who suggested that data should only be required at the beginning and the end of	
					who argued that intermediate measurements should be required. Those that opposed the proposal noted	
					that requiring multiple periods increased costs of measuring and accounting. Annual assessments may	
					also pose challenges for stratified area estimates. Those in agreement with the	



		proposal suggested that requiring data from several periods could identify frequent competition between the different land uses.	
1,2,3	Verra updated the requirements for estimating Emission Factors (EFs).	There was overall support to allow for the use of default emission factors for deadwood, litter, and soil organic carbon, while requiring field measurements for above and below- ground biomass. However, SOC should be measured in the case of mangroves. There was also a suggestion to include a timeframe to update EFs.	<ul> <li>Following the updated requirements, EFs will need to be calculated as the difference between biomass before and after an observed deforestation or forest degradation event.</li> <li>Above-ground biomass and below-ground biomass will need to be estimated based on a plot-based field inventory. Biomass in deadwood and litter will be estimated through field inventories within the jurisdiction. Default data, from the 2019 Refinement to the 2006 IPCC guidance, may be used in specific circumstances.</li> <li>Each biomass estimate for each pool and each stratum shall come with an uncertainty estimate. It is considered good practice to collect EF information regularly (e.g., at least every second update of the jurisdictional FREL).</li> </ul>
1,2	The JNR Allocation Tool (JNR AT) was available for public consultation, including its applicability, data requirements, and risk mapping requirements.	More than half of the stakeholders supported the use of the <i>JNR Allocation</i> <i>Tool</i> . Yet, some respondents noted that other approaches should also be permitted.	Verra will require that nested project baselines and lower-level jurisdictional FRELs be estimated by applying the <i>JNR Allocation Tool</i> . Given that FREL allocation depends mostly on the risk maps used, Verra believes that providing flexibility in the selection of risk mapping methodologies, as noted below, is more important than allowing for



Likewise, there was support to allow different methods to develop a risk map.

A few recommendations were made on the statistical test for comparing different risk maps obtained using different methodologies. the use of different allocation tools. Moreover, the JNR Allocation Tool has been designed to reflect the JNR Requirements, and any other tool developed to this end would also be bound by such rules, which implies that there is limited potential for modifications. Nevertheless, Verra seeks to continuously improve the JNR Allocation Tool based on the lessons learned using it in practice and will modify it in the coming months to reflect planned updates to the JNR Requirements, such as the inclusion of removals, blue carbon, legacy emissions, and increasing trends.

Verra has developed the JNR Risk Mapping Tool to be used as the basis for FREL allocation. However, jurisdictional proponents will be allowed to use other methodologies provided that they meet a number of conditions: a) risk maps must always include the "O" risk class, b) it shall be demonstrated that the risk map to be used for allocation is more accurate than the risk map created with the JNR Risk Mapping Tool, and c) the accuracy assessment and comparison of risk maps must be carried out following the methodological procedures described in the JNR Risk Mapping Tool.

Verra will seek further input on the <u>JNR Risk</u> <u>Mapping Methodology</u> through a public consultation process before releasing the final version.



1	Verra proposed requiring a jurisdictional proponent developing only a FREL for nesting to carry out monitoring in order to be able to reassess the FREL.	There was overall support that there should be monitoring by the jurisdiction to reassess the FREL, even if the FREL was only estimated for nesting purposes. Yet, concerns were raised that this requirement might cause delays in the FREL reassessment.	Verra will require monitoring at the jurisdictional level to reassess the FREL for nesting purposes. It is important to clarify that monitoring at the jurisdictional level under this particular scenario will not impact project monitoring and should not impact the ability of projects to verify and claim credits during the baseline period.
Proposed Up	odates to the JNR Requirements		
1,2,3	A number of proposals were presented to improve the structure of the document, such as: removing references to "scenarios" and replaced them with a more accurate description of the different phases of jurisdictional program development, separating requirements for programs and nesting; and clarifying changes to requirements.	There was overall support for the proposals made. Some suggestions included leaving a reference to the JNR "scenarios" in a definitions section so that readers can interpret and understand CORSIA-related decisions that utilize the "scenarios" terminology. Others pointed out the benefits of developing separate requirements documents for each scenario.	<ul> <li>Verra has decided to keep the Scenarios, which are now described in separate documents, as follows: <ol> <li>Jurisdictional and Nested REDD+ Guide (overarching framing and requirements for all jurisdictional elements).</li> <li>JNR Scenario 1 Requirements (requirements for jurisdictional FRELs for project and lower-level jurisdictional program nesting)</li> <li>JNR Scenario 2 Requirements (requirements for jurisdictional programs with or without crediting to the higher-level jurisdictional programs</li> <li>JNR Scenario 3 Requirements (requirements for jurisdictional programs without crediting to nested projects/lower-level jurisdictional programs</li> </ol> </li> </ul>

projects or lower-level jurisdictional

programs)



1,2,3	Verra proposed new updates to the uncertainty requirements.	There was support to update the uncertainty requirements. A number of suggestions were made by stakeholders related to the accuracy of activity data and emission factors, uncertainty deductions, the right balance between the probability of underestimating GHG emission reductions and overestimating GHG emission reductions for individual programs, and deduction for uncertainty at the project level.	Verra considered the feedback received and will require jurisdictional programs to undertake an analysis of uncertainty in estimating GHG emissions and GHG emission reductions. Uncertainties will be required to be reported referring to the half-width of the two-sided 90% confidence interval. Requirements have been included to calculate the uncertainty of activity data, emission factors, and GHG emission estimates. The GHG emission reduction estimates will be required to be discounted to prevent the risk of overestimation. Nested projects and lower-level jurisdictional programs will require to undertake an analysis of uncertainty in estimating GHG emissions.
2,3	Verra proposed new updates to carbon rights requirements.	It was suggested that Verra should consider: 1) clear carbon rights for landholders and/or those with the legal right to control and operate the program activities, and 2) clear and transparent approaches to benefit-sharing that ensure fair emission reduction allocations and compensation for all relevant actors.	Verra considered the feedback received and updated this section, now called "Authority and rights to GHG emission reductions." Under the updated requirements, jurisdictional programs can only be proposed by jurisdictional proponents that have the legal authority to adopt REDD+ policies and measures at the jurisdictional level. Jurisdictional proponents shall also demonstrate a right to benefit from GHG emission reductions for which they seek issuance of VCUs. Project and jurisdictional proponents of nested projects and lower-level jurisdictional programs shall demonstrate that they have the legal right or program authority to control and operate program activities. Jurisdictional proponents, lower-level



			jurisdictional programs, and project proponents of nested projects shall demonstrate a legal right to GHG emission reductions that lead to VCU issuance.
1,2,3	Verra proposed removing requirements for including carbon decay in the calculation of GHG emissions.	There was overall opposition to removing the carbon decay requirement, especially for soil carbon stocks.	<ul> <li>Verra will handle carbon decay as follows:</li> <li>1) Carbon decay will be revisited as part of the consideration of activities carried out on wetlands (including peatlands), which will be included in a future update to the <i>JNR Requirements</i>.</li> <li>2) Verra is exploring methodologically robust and credible options to account for GHG emissions from changes in soilorganic carbon.</li> <li>3) Under the current update, for aboveground biomass, below-ground biomass, deadwood, and litter, biomass decay overtime after deforestation and forest degradation events shall not be considered; instead, instantaneous oxidation shall be assumed.</li> </ul>
1,2,3	Verra proposed aligning jurisdictional monitoring with the National Forest Monitoring System	There was overall support to align jurisdictional monitoring with the national forest monitoring system to the extent possible.	Verra will require that jurisdictional proponents demonstrate how the development of the jurisdictional FREL is consistent, to the extent possible, with the data and methods used to account for forest related GHG emission reductions in the country's existing or emerging UNFCCC GHG inventory. Subnational jurisdictional programs



			shall integrate subnational monitoring systems into the national system.
2,3	Verra proposed removing requirements for overlapping leakage belts and projects crossing jurisdictional boundaries.	There was overall support to remove requirements for overlapping leakage belts and projects crossing jurisdictional boundaries.	Sections 3.5.9 and 3.12.14 of the JNR Requirements, v3.4 were removed.
2,3	Verra proposed facilitating joint validation and verification between JNR and REDD+ Social and Environment Standards (REDD+SES).	There was overall support to facilitate joint validation and verification between JNR and REDD+ SES.	The proposed update has been integrated into the JNR Requirements by making a number of clarifications and minor procedural changes in Section 3.8, "Environmental and Social Safeguards." Additionally, the JNR Validation and Verification Process was updated to include technical expertise requirements for joint validation and verification of a jurisdictional program under VCS JNR and REDD+SES, and release joint JNR and REDD+SES templates for the jurisdictional program description, jurisdictional validation report, jurisdictional monitoring report and jurisdictional verification. Verra would like to clarify that jurisdictional programs shall comply with all UNFCCC decisions on safeguards for REDD+ but have the option of using REDD+ SES to demonstrate compliance with the UNFCCC requirements.
2,3	Verra proposed updating the loss event reporting requirements.	There was overall opposition to the proposal.	Based on the consultation input, Verra has modified the text as follows:



			"Where an event occurs that is likely to qualify as a loss event (see the <i>Program Definitions</i> for the definition of loss event) and VCUs have been previously issued, the jurisdictional proponent that has experienced the potential loss should notify Verra of the loss within 6 months of discovery of the event, and prepare and submit a loss event report to the Verra registry, within 2 years of the date of discovery of the loss event."
1,2,3	Verra proposed updates to the jurisdictional program and nested project crediting periods. The program crediting period shall be 10 - 20 years with a maximum of 30 years of crediting (e.g., 10 years twice renewable or 20 years with a 10 year renewal). For VCS projects that were registered prior to the registration of the jurisdictional program they have nested into, the first nested crediting period shall begin on the start date of the first allocated baseline.	There was overall support for the proposal.	Verra modified the proposed text to make it clearer: "The program crediting period shall be 10 years twice renewable or 20 years renewable for a period of 10 years, for a maximum of 30 years of crediting." Where VCS projects and lower-level jurisdictional programs were registered prior to the registration of the jurisdictional program they are nesting into, the first nested crediting period shall begin on the date when their first allocated baseline (or FREL, respectively) is applied.
1,2,3	Verra received specific comments to Section 3.5., "Jurisdictional Program Area and Location."	It was suggested that Verra should consider projects developed before the jurisdictional program that crossed jurisdictional boundaries to keep operating as one project.	Verra removed the provision for projects crossing jurisdictional boundaries and will address this issue on a case-by-case basis.



		It was also suggested that there should be a minimum jurisdictional program size, that jurisdictional programs should only be either national or one level down, that there should be a rationale for subnational program boundaries if other than administrative (e.g., ecoregions), and that subnational programs should only operate on an "interim" basis, requiring full national scale programs no later than 2030.	Verra clarified the section to ensure there is a clearer definition of a jurisdiction, whether an administrative boundary or other designation. However, we are still providing flexibility on the minimum size requirement since a size threshold is an arbitrary rule with no clear benefits in terms of accuracy or credibility. Regarding setting a deadline for a full national scale program, Verra considers that the level of implementation and accounting of REDD+ is a sovereign decision that should be taken by governments. The UNFCCC does not define an end date for 'interim' subnational programs.
1,2,3	Verra received specific comments for Section 3.10., "Scope and Jurisdictional Program Boundaries."	One comment suggested that Verra should not promote Tier 1 methods, as it is very general and cannot yield accurate results.	Verra removed the requirement that allowed jurisdictional proponents to account for degradation based on IPCC Tier 1 methods. However, Tier 1 methods can be used to demonstrate <i>de minimis</i> exclusion of carbon pools and GHG sources. Default data can be used to estimate deadwood and litter where field inventories are not suitable, deadwood and litter collectively are expected to amount to less than 15% of the total of above-ground biomass, below- ground biomass, deadwood, and litter; and default data meets the requirements set out for the use of default factors and models in the VCS Program document VCS Methodology Requirements.



1,2,3	Verra received specific comments to Section 3.9., "Eligible Activities."	One comment suggested that degradation must be included if it is not de minimis, rather than only in the case where a jurisdictional proponent has chosen to account for it. Another stakeholder suggested that Verra should promote alignment with NDCs and support enhancement to the ambition of NDCs by requiring that forests be covered in a country's NDC.	As per the suggestions received, GHG emissions from deforestation shall always be accounted for when significant, regardless of which other activities are (or are not) included. It is required to include GHG emissions from forest degradation, where they are above <i>de minimis</i> . Where forest degradation is not included, procedures shall be established to account for possible leakage from deforestation to forest degradation The choice of what should be part of a country's NDC is a sovereign decision for governments to make.
2,3	Verra received specific comments to Section 3.7., "Participation under other GHG Programs and other forms of Credits."	It was suggested that Verra address the risk of double claiming of units with the host country's NDC and/or CORSIA, by putting mechanisms in place to prevent double counting of all credits and by requiring information about the broader NDC context in countries (e.g., at a minimum, articulating that there is a link to the NDCs, and Article 6 of the Paris Agreement). One stakeholder suggested that corresponding adjustments should be carried out for all credits, including those in the voluntary market.	Under the updated requirements, jurisdictional programs with the same program boundaries and scope may participate under the VCS Program and other GHG programs, or a results- based payment mechanism such as the GCF. In order to maintain environmental integrity, GHG emission reductions that are issued as VCUs cannot be issued as other types of GHG credits or allowances under other GHG programs, emissions trading programs or as other forms of environmental credit. Adherence to specific criteria (including those related to double counting) set out under Paris Agreement Article 6 mechanisms and international Paris-related programs such as CORSIA will be handled via VCU labels. Jurisdictional and nested project proponents who



			<ul><li>want to demonstrate that their VCUs adhere to such criteria should refer to the Verra website for more information about the relevant VCU labels.</li><li>Verra is also concurrently releasing updates on double counting, as outlined in the VCS Standard v4.1.</li></ul>
1,2,3	Verra received specific comments to Section 3.17 (Scenarios 1,2) and Section 3.16 (Scenario 3)., "Non-permanence risk and natural disturbances."	Verra received one comment suggesting that work is needed to review and revise the VCS the buffer levels and withholdings for unintentional reversals from natural events through improved climate impact modeling.	Verra is currently working on updating the <i>AFOLU</i> and JNR Non-Permanence and Risk Tools to require projects and jurisdictional programs to take expected climate change impacts into account in the risk assessment, among other updates. We expect to release the updated versions of the tools later in 2021, and may include further updates to the buffer mechanism.
1,2,3	Verra received specific comments to Section 3.13., "Transition to a Nested System" (previously Grandparenting) and the overall nesting requirements.	Feedback received related to nesting diverged between stakeholders. Comments included those related to grandparenting, such as endorsing the 18 month period for lower-level jurisdiction and ensuring that projects have the same transition timeframe of 8 to 10 years. A number of stakeholders asked for clarification on specific nesting requirements (e.g., rules regarding now a Jurisdictional Proponent can impose an allocated FREL on a project, how the credit perioding changes once a	Based on the consultation, Verra removed the provisions that government nesting rules shall take precedence over the JNR rules, except on the transition period, where the length may be equal or shorter than the one set out by the <i>JNR Requirements</i> . Additionally, where individual activities or pools are not overlapping, any activities or pools within the project baseline or lower-level jurisdictional FREL that are not included in the higher-level reference level (e.g., where the lower level includes carbon stock enhancement or degradation, but the higher level does not) may continue as independent (stand-alone) project or jurisdictional activities. Projects that are not



2,3

#### JNR Version 4 Public Consultation Summary of Comments

jurisdictional reference level and/or program is registered, and whether projects are allowed to develop baselines and claim GHG emission reductions from activities and areas that are not included in the jurisdictional FREL as stand-alone projects.

covered by a registered jurisdictional FREL or program cannot be nested, and therefore, remain as stand-alone projects.

	are not included in the jurisdictional FREL as stand-alone projects.	Different government entities may have control over components included in a jurisdictional FREL or program. Only the jurisdictional proponent with program authority may submit documentation for registering a jurisdictional program or FREL or authorize government agencies to register it on its behalf. In cases of overlapping program authority, the jurisdictional proponent needs to submit an approval or non- objection from the national or subnational authority that shares the control over the program or FREL with the jurisdictional proponent.
		Jurisdictional FRELs shall be developed and documented in a transparent manner and in consultation with relevant stakeholders. Jurisdictional proponents shall develop a mechanism for receiving, screening, addressing, monitoring and reporting feedback on grievances and concerns submitted by stakeholders relating to the design and allocation of the FREL
Verra received specific comments to Section 3.11., "Additionality".	There were suggestions to provide more objective guidance on determining additionality and that Verra should not require jurisdictional proponents to have	Verra has revised the additionality section. Requiring jurisdictions to have a REDD+ strategy or plan only applies to Scenarios 2 and 3. Jurisdictional proponents only developing a FREL



REDD+ strategies or plans since they do not necessarily impact the jurisdictional proponent's ability to develop a jurisdictional FREL.

for nesting under Scenario 1 do not need to have a REDD+ strategy or plan, and nested projects would need to comply with the additionality criteria as set out in the VCS Standard.

#### Proposed updates to the JNR Validation and Verification Process

1,2,3 expert panel review process in a and more efficient than the existing process set out in the JNR Validation and Verification Process, and will also align more closely with the updates made to the Methodology Approval Process in the VCS Standard version 4.

Verra proposed updates to the There was overall support to the proposal, with some recommendations way that will be equally as robust such as allowing public comments to be made anonymously, inviting public comment proactively, having an independent review panel in addition to the VVB, and making the standard sufficiently prescriptive to ensure environmental robustness and independently reproducible results.

Verra has added specific requirements to Section 4 of the JNR Validation and Verification Process document, including provisions on technical expertise requirements of the validation/verification team.

#### CONCLUSIONS 3

The key updates to the JNR Requirements are described below. Please refer to the JNR Version 4 Summary of Updates and Effective Dates that summarizes the substantive changes made to the existing requirements included in version 3.4 of the Jurisdictional and Nested REDD+ (JNR) Requirements and the new requirements that were incorporated into the JNR Program under VCS Version 4.

- New requirements for the setting of Forest Reference Levels (FRELs) that will mandate the use of historical average GHG emissions • from the last 4-6 years before the start of the jurisdictional program, which most experts agree is more likely to predict near-future carbon stock changes.
- Shortening the time frames upon which FRELs will need to be reassessed, from the current 5-10 year time frame down to a 4-6 year ۲ interval.



- The JNR Allocation Tool (JNR AT) launch will enable jurisdictions to allocate the jurisdictional FREL across the jurisdictional program or FREL boundaries, including to projects and lower-level jurisdictional programs, based on deforestation and/or forest degradation risk in/around the jurisdiction. The JNR AT has been developed by Verra and piloted with the support of a number of governments, enabling us to calibrate the tool with real data from country FRELs and through testing allocations in operational project areas.
- Minimum quality requirements and uncertainty discounts for FRELs, which will ensure that those developed following the *JNR Requirements* or under other GHG programs are sufficiently robust to generate VCUs before being used for nesting or jurisdictional programs under the JNR framework.
- Clearer definitions of authority and rights to emission reductions, a critical precondition for VCU issuance that that is particularly relevant to indigenous and rural communities.
- New document structure that is more user friendly.
- Careful review of each section to reflect best practices.

Additional updates in late 2021 will aim to:

- Widen the scope of jurisdictional programs and nested projects to account for emission reductions and removals, blue carbon, longterm emissions from peatlands (due to the extended oxidation period common to peatlands), soil carbon, and enhancement activities currently not covered by the *JNR Requirements*.
- Include the possibility of applying increasing trends in the construction of jurisdictional FRELs, for example, for High-Forest, Low-Deforestation (HFLD) countries and for legacy emissions.
- Widen the scope of the *JNR Allocation Tool* to reflect the additions to the *JNR Requirements* noted above and to incorporate any improvements resulting from piloting the tool.
- Test the JNR Risk Mapping Tool and risk map comparison method.
- Update the JNR Non-Permanence Risk Tool and associated buffer rules.
- Update the leakage requirements.



• Provide a consolidated REDD methodology (for unplanned deforestation, and possibly for other activities) for standalone REDD projects, which will require use of similar methods and the *Allocation Tool*.