

SUMMARY OF PUBLIC COMMENTS: AUGUST-SEPTEMBER 2021 VCS PROGRAM UPDATE PROPOSALS

1 INTRODUCTION

This document presents the comments made in response to the [public consultation](#) that ran from 24 August through 22 September, 2021, and Verra's responses. In addition to the public consultation, Verra actively sought feedback from a diverse range of stakeholders that the proposed updates would directly or indirectly impact. 13 organizations submitted a total 123 comments. Verra would like to extend its sincere thanks to all who submitted comments.

Verra analyzed consultation comments concerning each of the questions asked and general comments received. The feedback received, combined with that of experts and direct interviews, was integral to decision-making around if and how to implement the proposed updates.

The proposed changes will affect VCS Program documents including the *VCS Standard v4.1*, the *VCS Methodology Requirements v4.0* and the *VCS Registration and Issuance Process v4.0*.

2 COMMENTS AND VERRA RESPONSES

2.1 Introducing requirements for dynamic performance benchmarks

2.1.1 Are the existing requirements for demonstrating appropriateness of data set out in Section 3.4.6 of the VCS *Methodology Requirements* appropriate for selecting control data for dynamic performance benchmarks? Are there any additional or different data requirements that should be added for dynamic performance benchmark control data?

Comment #	Issue Raised	Verra Response
1	The list appears to be comprehensive. However, we would highlight the importance of article 3.4.6(5) on the need for data to be publicly available in the definition of either a static or dynamic performance benchmark. This is especially important for many AFOLU project types because: a) baseline drivers of deforestation are often illegal or access to information and data is difficult; and b) the geographic coverage for AFOLU projects is often very large, potentially requiring enormous areas of land to be monitored at great cost.	There are many project activities that may not be well-suited to the development and use of dynamic performance benchmarks (e.g., due to the availability of data for drivers of deforestation or deforestation rates, or the cost of monitoring large areas of land). The dynamic performance benchmark will be an <i>option</i> for how methodologies set out the process for demonstrating additionality and/or the crediting baseline and will not be required for all project activity types.
2	Just one comment in relation to article 3.4.6(5), particularly the need for data to be publicly available in the definition of static or dynamic performance benchmark. It should be noted that for many AFOLU project types (1) baseline drivers of deforestation are often illegal or access to information and data is difficult; and (2) the geographic coverage for AFOLU projects is often very large, potentially requiring monitoring, with high expenditure, of vast territories.	See response to question #1

3	<p>We believe data from control plots, next to the project area, represent the real situation and its additionality. However, many aspects should be considered in the balance of the project owner or developer to take this approach: number of control plots, associated costs vs. project size (number of VCUs). Updating control data sets in this requirement represent proving additionality again. This is incomprehensive in scenarios of AFOLU projects where period of verification and updating of baseline scenario would be coinciding.</p> <p>Questions: what should do when the control area is deforested and any plot is lost? What should do when access to any control plot is denied for a later measurement?</p>	See response to question #1
4	The existing requirements set out in Section 3.4.6 of the VCS Methodology Requirements should be sufficient.	No response required
5	<p>There should either be tight requirements performance benchmark control data, or this method should not be allowed. In concept this is a great idea, but operationally can be gamed and is also difficult to implement. Any time a benchmark is matched to a site there will be a suitable range for that matching. A project developer who wanted to game the system would pick a benchmark at the low end of that range to artificially boost crediting. This option was intentionally left out of VM0042 for that reason.</p> <p>This method of benchmarks is also not appropriate for ALM projects as you would have to require monitoring and reporting of a farm that continued to implement pre-project practices (how would you pay for this or require someone to continue conventional management)? It seems perverse to require what could eventually be a significant area of cropland to NOT implement climate-smart management practices.</p>	<p>Verra agrees that it will be key to establish an allowable range for the matching method used. The requirements for dynamic performance benchmarks have been updated to require methodologies to establish the allowable range, and the range will be assessed by Verra and a VVB as part of the methodology approval process to ensure that it is appropriate given the context of the data source(s).</p> <p>We are not suggesting that dynamic performance benchmarks be required for all methodologies or project activity types. There are many project activities that may not be well-suited to the development and use of dynamic performance benchmarks.</p> <p>These requirements will be added as an option for how methodologies may establish the process to demonstrate additionality and/or the crediting baseline. The existing options (i.e., project-method, activity method and static performance</p>

		<p>benchmark) will also still be allowed. Additionally, note that all new methodologies proposing to use a dynamic performance benchmark will undergo a rigorous review and assessment per the <i>Methodology Approval Process</i> to ensure that the dynamic performance benchmark approach is appropriate for the project activity(ies) that the methodology is applicable to.</p>
6	<p>From a theoretical standpoint, dynamic benchmarks seem appropriate for avoided planned degradation (IFM) activities, where the baseline and additionality may be difficult to measure historically. However, for REDD activities, a dynamic baseline would not be practical for the following reasons: AFOLU Projects are required to prove longevity of at least 30 years under pain of ineligibility. It is therefore unrealistic to expect projects to prove that they are additional, and or change their crediting baseline in real-time within that same period. Doing so would by design destabilize the permanence claim by forcing AUD projects to be prone to changing circumstances out of their control. It is therefore inadvisable to implement such updates for Project types other than IFM.</p> <p>From a practical perspective, dynamic benchmarks could break down in several real-world scenarios, including the following examples:</p> <ul style="list-style-type: none"> a. A project that is protecting the last remaining area of forest in a region would have no way to measure performance in real time against a dynamic benchmark. b. Project developers could easily game the system by intentionally destroying the control plots, or perhaps paying others to do so. 	<p>See response to question #5</p>

c. A project that uses too few control and/or sample plots would be subject to wild swings in their additionality and baseline crediting calculations. A dynamic benchmark would therefore require enough plots to indicate a statistically valid result, and this could place practical time / financial burdens on the project developer if the plots are to be measured on the ground. This is less of a problem if the “plots” are to be remotely assessed.

In summary, we feel that the use of a dynamic benchmark for AUDD Projects is inappropriate, and they should not be applied to Projects that are expected to indicate 30-year longevity only once at validation. We furthermore suggest that if a dynamic benchmark approach is applied to AUD Projects despite the abovementioned, there are several impracticalities associated with the proposal that would need to be explored both through additional critical thinking and / or “road-testing” of the approach for existing projects.

2.1.2 Should Verra set out requirements for the types of matching methods that are allowed to be used when matching control and sample data in the dynamic performance benchmark approach? If so, which matching methods should be required (e.g., statistical methods such as nearest neighbor or optimal matching)?

Comment #	Issue Raised	Verra Response
7	Yes, Verra should set out strict requirements for the types of matching methods that are allowed. However, we believe all of these suggested methods require a range for a match; if the ranges are too wide, they are open to gaming, while if the ranges are too narrow it would be impractical for implementation.	See response to question #5

2.1.3 Should Verra require any new performance benchmarks to be developed as dynamic performance benchmarks? If Verra continues to allow for new static performance benchmarks to be developed (as proposed above), should Verra establish requirements for when a methodology must develop a static vs. dynamic performance benchmark?

Comment #	Issue Raised	Verra Response
8	There should be an option to select between the static vs. performance benchmarks. For the RIL- C methodology, for example, it seems like a static performance benchmark would make adding new concessionaires to a grouped project easier. If concessionaires to be added to a grouped project lack resources and technical skills, they may be dissuaded from joining the project if they must conduct their own field study.	Verra will continue to allow both static and dynamic benchmarks to be developed. We recognize that there may be cases where each of these approaches is more appropriate, depending on the specific activity covered by a methodology.
9	No, all new performance benchmarks should not be required to be developed as a dynamic performance benchmark.	See response to question #8

2.2 Add a pipeline listing deadline for all AFOLU projects and replace the validation deadline with a pipeline listing deadline for AFOLU projects that are small-scale or generate removals

General comments

Comment #	Issue Raised	Verra Response
10	Regarding item 3.2, where the VCS standard proposes to add a pipeline listing deadline for all AFOLU projects and to extend the validation deadline for small-scale AFOLU and certain types of removal projects (i.e., afforestation/reforestation and wetland restoration), we understand that the inclusion of an additional listing rule in 3 years from project start date, may undermined timelines for projects that are already in development but have not yet been listed, because proponents are taking into account uniquely that validation must be completed in 5 years, with no obligation to list in the third	<p>The new requirements for pipeline listing and the validation deadline are effective immediately for projects that started on or after 01 January 2020. Projects that started on or before 31 December 2019 will have 6 months to list on the pipeline and complete validation within the required timeframes.</p> <p>Although some projects may need to add the pipeline</p>

	<p>year.</p> <p>Although, it has been commented that, if the proposal is adopted, VERRA will include an appropriate grace period for the updated pipeline listing, it is suggested that a valid starting date be established for the change and that a time frame be established for the beginning of the application of such rule so that projects that are currently being developed are not harmed in any way (e.g., Only projects with a start date after 2021).</p> <p>Still in this sense, the document does not make it explicit what would happen in case some project is unable to meet the established deadline, that is, what is the direction in case the project proponent is unable to accomplish the listing in three years and the verification in five years (AFOLU projects in general). Thus, going in the direction of what was proposed, it is plausible that such a referral is evident.</p>	<p>listing step earlier in the development process, we believe that these timelines will provide projects more than enough time to submit draft documentation to list on the VCS pipeline.</p>
11	<p>In item 3.3, referring to Pipeline Listing Deadline, where it is questioned if the proposed deadline (three years) to complete the listing is sufficient for all AFOLU projects, we point out the need for Verra to reflect on projects with more than one certification standard. This means that projects that are associated with another standard, such as CCB, are considered more complex and require more time for the elaboration of the draft PDD, given the additional requirements of the CCB standard. It can be seen, therefore, that the limitation in 3 years can harm projects that include another label besides the VCS. Therefore, it is advisable that Verra establishes and/or guarantees some flexibility for projects that have other labels, other than the VCS.</p>	<p>Projects will be required to list under the VCS Program within the three-year deadline (e.g., as "under development"). They could list with CCB at a later stage (e.g., once all sections of the project documents are complete).</p>
12	<p>What activity represents the beginning of the project pipeline listing process? The email from the project developer asking for that? The start of the VERRA review? The first day of the public comments period? In addition, we propose this modification: "within four years of the project start date, once the grace period included by VERRA is over. One year after the end of the grace period, within three years of the project start date".</p>	<p>The proposed text requires that projects "initiate" the pipeline listing process (e.g., submit a listing request through the Verra registry).</p>

13	<p>For the update of the pipeline listing requirements and the requesting registration processes, it is recommended to include clarifications regarding the moment whereby the public comment period will be open and the minimal requirements when the is attempting the joint certification of VCS+CCB.</p>	<p>The proposed text requires that projects "initiate" the pipeline listing process (e.g., submit a listing request through the Verra registry). Projects will be required to list under the VCS Program within the three-year deadline (e.g., as "under development"). They could list with CCB at a later stage (e.g., once all sections of the project documents are complete).</p>
14	<p>We recommend:</p> <ul style="list-style-type: none"> • Verra drop all deadlines associated with validation. As noted below, the deadline only serves to limit participation and does not improve the integrity of a project. The VCS Standard accomplishes that with baseline, additionality, start dates, etc. The original standard did not require a validation deadline. • If Verra believes it still needs a validation deadline for ARR projects, we believe that the eight years should apply to all project sizes. • If Verra decides to establish a small-scale capacity limit for the eight-year deadline, it should be 16,000 tCO₂e per year capacity limit as the small-scale definition and allow grouped projects to exceed that capacity. If Verra creates a lower benchmark in new Section 3.7.4, it would result in (1) inconsistent application of the term "small-scale" throughout the Standard, and (2) projects with emission removal estimates between 10,001 tCO₂e and 16,000 tCO₂e per year continuing to experience the challenges that currently defined small-scale projects face meeting the 5-year validation requirement. 	<p>We will continue to require all projects to complete validation within a certain time period because this helps to ensure that projects require carbon finance in order to implement activities (i.e., helps to ensure that projects are truly additional).</p> <p>We are proposing that all ARR projects (regardless of size) have up to 8 years to complete validation. Additionally, we have updated the requirement to apply to any type of AFOLU project that results in estimated annual emission reductions of <20,000 tCO₂e/year.</p>
15	<p>We support the proposed addition of a pipeline listing deadline for all AFOLU projects and to extend the validation deadline for small-scale AFOLU and certain types of removal projects. This proposed approach provides more flexibility and may better reflect the nature of certain AFOLU projects. We support that validation must be completed within a defined number of years in order to maintain structure and certainty within the program.</p>	<p>No response required</p>
16	<p>We are in alignment that certain AFOLU projects (e.g., small-scale activities and activities that result primarily in removals, including</p>	<p>We have decided to require all AFOLU projects to list on the pipeline within three years of the project start</p>

afforestation/reforestation and wetland restoration) may require more than five years to generate enough emission reductions/removals before a verification would be financially justifiable. The cost of Validation and Verification can be cumbersome to small scale projects and implementing partners. We support the revised text “3.7.5 Notwithstanding the above, all ARR and wetland restoration projects and AFOLU projects with ex-ante average emission reduction/removal estimates of 10,000 tCO₂e per year or less shall complete validation within eight years of the project start date.” We also recognize that there is a cost to creating the Project Listing, including working with smallholders to implement Project Activities, community engagement, gathering documentation and permissions/approvals. The revised text “3.7.3 AFOLU projects shall initiate the project pipeline listing process (as set out in the VCS Program document Registration and Issuance Process) within two years of the project start date.” is inappropriate and given that the listing process provides no benefits to Project Proponents, this should be their choice when they list the project. There should be a clear explanation of why 2 years listing would be required.

date. We believe that requiring an early indication that a project intends to use the VCS Program for carbon finance is an important safeguard to project-specific additionality demonstrations. We recognize that the pipeline listing process takes time and effort from the project proponent and have updated the requirements for the draft project description that can be submitted to list a project as "under development" (as set out in Section 3.1.3 of the *Registration and Issuance Process*, v4.1) and the instructions included in the *VCS Project Description Template*, v4.1 to reduce the amount of detail and burden associated with completing a draft project description for this purpose.

2.2.1 Is it reasonable and practical for AFOLU projects to list on the pipeline within three years of the project start date?

Comment #	Issue Raised	Verra Response
17	No. In some cases, carbon finance projects that are fully additional may be initiated but may not initially target the VCS as the carbon finance Standard employed to verify their performance. However, due to various causes, including alterations in finance availability, government regulations or priorities, or to the original target Standard, the VCS may become the target carbon finance Standard most appropriate for a given location and/or project (for example, a Jurisdiction develops a JNR program employing Scenario 3 and nested projects are developed, but subsequently the Jurisdiction ceases pursuing JNR and thus existing projects seek validation under the VCS	See response to question #16

	<p>instead). This could easily happen after the proposed 3-year term limit from project start. As such, projects would be penalized and either not be accepted or be required to forgo emission reduction performance from the years prior to the 3-year cutoff, unnecessarily penalizing them. The original 5-year requirement is, for this reason, more appropriate.</p>	
<p>18</p>	<p>No. There are cases where projects pass the baseline and additionality assessments, but the project developer is not targeting the VCS standard to verify their performance. This could be due to lack of funding to cover the costs within the proposed 3-year term limit from project start. These projects could therefore be unduly punished, by not being accepted or being required to not take into account emission reduction performance from the years prior to the 3-year cutoff. The original 5-year requirement would therefore appear more appropriate.</p>	<p>Although the requirement to list on the pipeline within three years may require some projects to consider whether to use the VCS Program earlier than they are currently required to, we have decided to require it for all AFOLU projects because it is an important safeguard to project-specific additionality demonstrations.</p>
<p>19</p>	<p>Sounds reasonable if that listing is “under development” just for small projects (under 20,000 VCUs per year). Please, consider that in 3.2 (3.7.4) we proposed 20,000 tCO₂e as the benchmark, instead of 10,000.</p> <p>However, this would depend on the listing requirements:</p> <ul style="list-style-type: none"> - Once the project is listed in the pipeline, a public comments period would be open? Considering that projects, at least, would have five (5) years to complete the validation, it is likely that (at year 3, for example) some key topics are still in an early stage of development. Therefore, the project proponent would instead not expose partial information that stakeholders could misunderstand. Also, assuming that the purpose of the pipeline listing is avoiding early consideration conflicts of the carbon credits during the validation, we consider that listing without submitting for public comments is enough to make visible the project and demonstrate the intention of the future registration and carbon credits claiming. - Differentiate the requirements when the project is being designed under 	<p>We have updated Section 3 of the <i>Registration and Issuance Process</i>, v4.1 to allow projects to list as "under development" on the pipeline and require all projects to update their status to "under validation" once a fully complete draft project description is available to begin the public comment period.</p> <p>The VCS Program documents do not set out requirements for processes that projects should follow under other programs (including the CCB Program). However, VCS+CCB projects may choose to list the project as "under development" following the VCS Program rules, then subsequently submit a fully complete draft VCS+CCB project description to start the public comment period under both programs.</p>

	<p>VCS+CCB. The current rules do not offer the possibility to list “under development” an early version of the PD when CCB is applied together with VCS. For instance, it is necessary to clarify the minimal requirements for listing using the combined template VCS+CCB (e.g. what sections should be completed for the submission).</p> <p>For projects with over 20,000 VCUs per year, the ongoing process should be kept on.</p>	
20	<p>It is reasonable and will provide an incentive to projects to move forward in implementation and search for financial support. For equity purposes, we suggest that the requirement should not be based per project type but per scale, thus any project that won't generate the ex-ante credit threshold should have the same period</p>	<p>All AFOLU projects that are under the threshold for a small-scale project will have up to eight years to complete validation. We continue to see value in extending the validation deadline for a sub-set of AFOLU activities that may take a longer period of time before completing the validation audit is financially practical and requiring other AFOLU projects to complete validation within the existing five-year deadline.</p>
21	<p>Whatever Verra adopts, the onus will be on the projects to meet these deadlines. However, we ask “What is the purpose of these new requirements?” Every project must establish their baseline, demonstrate additionality, and demonstrate the start date so the integrity of a project is independent of the validation and pipeline deadlines. Why does it matter when or if a project is listed on a pipeline or when it is validated? As Verra knows by granting an exception for TIST UG 011 (2497), projects with thousands of PAs and thousands of farmers are complicated and sometimes require more than three years to list on the pipeline and more than five (or even eight) years to validate. The time limitation only serves to limit projects; the limitation does not enhance the projects or increase sequestration. We recommend that Verra be more flexible about the time limits for pipeline listings and validation and rely on the requirements of the rest of the Standard to make sure the projects are additional.</p>	<p>The purpose of requiring projects to list on the pipeline is to allow projects to undergo a public comment period as part of the validation process, provide Verra an early opportunity to ensure that all projects moving forward with the certification process are eligible under the VCS Program and aware of any changes relevant to their project (e.g., FRELS relevant for the location), and to help ensure that projects have considered carbon finance from an early stage in project development (especially as we extend the validation deadline for certain project types).</p>

22	Yes, however it is not clear to us why the requirement went from 5 years to 3 years?	The requirement to list on the pipeline within three years would complement the validation deadline (e.g., within five or eight years of the project start date) and would be an early indication that a project intends to complete validation under the VCS Program.
23	It is unreasonable and unpractical for AFOLU projects to list on the pipeline within two years of the Project Start Date. Many stakeholders including community stakeholders will need ample time to understand AFOLU Projects, benefits and be engaged enough to be empowered by the program. By requiring the project to be listed within two years of Project Start, will could create a non-inconclusive process, where a project maybe listed before real boundaries are defined and engagement takes place. The same deadline for the Validation should be used for Listing.	<p>See response to question #16</p> <p>Projects are not expected to have completed stakeholder outreach prior to listing on the pipeline as "under development".</p>

2.2.2 Should the requirement to list on the pipeline within three years of the project start date apply to all AFOLU projects or only to those projects that will complete validation within the timeline proposed in Section 3.7.4 above (e.g., within eight years of the project start date)?

Comment #	Issue Raised	Verra Response
24	No	See response to question #16
25	It should not apply to any of them, for the reasons set out above.	See response to question #16
26	It would not be reasonable. Flexibility to include projects over time, that were not considered at the start, should be allowed. Otherwise, changing circumstances, including e.g., ongoing deforestation and other land conversions, changes in land-use or land rights, new stakeholder involvement, that prevented portions from being included at validation, could not be taken into account.	We will not require grouped projects to include any additional information (e.g., beyond the requirements set out in the <i>VCS Standard</i> , v4.1 for grouped projects) about the size and location of each planned activity instance at validation. Projects may add activity instances that were not included in the original draft PD submitted at pipeline listing.

27	Just for projects that will complete validation within eight years of the project start date and considering the topics mentioned one row above. For this type of projects, initiating the listing process within three years of the project start date would help and strengthen the additionality arguments and the necessity of selling carbon credits.	No response required
28	The rule can be simplified by the threshold of ex-ante credits. All project types generating less than 10,000 tCO2 per year for the initial 8 years, would have 8 years to be validated, above 10,000 tCO2/y the rule remain for 5 years. Additionally, A/R and soil carbon projects can benefit from an 8 year period due to slow initial credit generation regardless of size.	No response required
29	The pipeline listing requirement should be voluntary and not be required for any project.	All projects (regardless of size or scope) are currently required to list on the pipeline in order to undergo a 30-day public comment period. This is an important step of the project assessment process, and we will continue to require all projects to list on the pipeline in order to undergo the public comment period.
30	It is more reasonable that this requirement would be applied to these very small-scale AFOLU projects, only and the engagement and activities would likely be implemented over a smaller area, and within 2 years suitable engagement activities may take place. We still suggest that this requirement be removed.	See response to question #16

2.2.3 For grouped projects, is it reasonable to include information about the size and location of each project activity instance that would be included in the project at validation?

Comment #	Issue Raised	Verra Response
31	No. The success of a project over time may result in additional project locations becoming appropriate for inclusion that were not considered at project start. Furthermore, spatial boundaries of additional instances will likely	We will not require grouped projects to include any additional information (e.g., beyond the requirements set out in the <i>VCS Standard</i> , v4.1 for grouped

	<p>not be exactly the same at time of inclusion based on a number of evolving factors: e.g., ongoing deforestation or other land conversions; consent from communities for all or portions of their land being included; and changes in land-use or land rights that prevent portions from being included.</p>	<p>projects) about the size and location of each planned activity instance at validation.</p>
32	<p>We understand the necessity of generating a geographical scope of projects from the beginning. However, in AFOLU projects, the addition of new areas is complex and hard to predict. In the case of umbrella projects, smallholders are only open to change their practices once successful experiences of the surrounding communities/neighbors are achieved. Therefore, in those cases, limiting the geographical scope at validation could prevent the inclusion of new areas during the project implementation.</p>	<p>See response to question #31</p>
33	<p>It may not be reasonable since the inclusion of new instances involves for example, having project to carry out full consultation (such as FPIC) and prepare different analysis to ensure that these potential new instances meet all VCS requirements. Additionally, analysis to ensure financial sustainability will be required. In this sense, we consider that adding information about the size and location of each project activity instance and listing specific areas in the validation report could cause conflicts among partners as the full consent and engagement might not have been established yet. In addition, the project might not have identified the location of each activity instance, as it will be included based on the revenues from previous carbon credits generated.</p> <p>On the other hand, avoided deforestation projects that consider the initial projects area as a large track of land and therefore, would have a humongous amount of ex ante credit, should at validation provide the baselines only for the first instance, and extended to other instance in future verification events.</p>	<p>See response to question #31</p>
34	<p>No, it is not reasonable. The purpose of the grouped projects is to allow the addition of new PAs over the life of a project. If a proponent has the information about the size and location at validation, they would likely be included in the PD. (They can be added to the PD even with no active ARR</p>	<p>See response to question #31</p>

	<p>activity and updated in subsequent MRs). One of the purposes of the grouped projects is to bring new PAs into an existing PD after validation. If this is changed, half the utility of grouped projects disappears.</p>	
35	<p>We believe that the introduction of the requirement on the indication of the size and location of each project activity instance in the PD will not be practical for AFOLU and ILM projects. Inclusion of such information will not provide additional value to the reader and just lead to increase of complexity of the PD and additional workload for the project developer, with e.g. many hundreds or even thousands of farmers fields to be potentially listed in the PD in the case of ILM projects. In addition, such information can constitute commercially sensitive information for project developers and thus project developers might have difficulties in publishing this information in the public domain. The information on the location and size of each project activity instance will be in any case shared with the VVB upon request.</p>	See response to question #31
36	<p>General descriptions of activity instances are reasonable, however we do not believe detailed information on size and exact location should be required as these might not be initially known or public information (e.g., within a grouped ALM project that relies on enrolling new farms over time).</p>	See response to question #31
37	<p>The Project Listing of a grouped project should only be required to provide enough information about the project activities that will be adopted in general by all Project Activities Instances. However, we believe that at least one Project Activity Instance with a defined geographic area should be included. Otherwise, the use of a Grouped Project could be used to “reserve” a large area without really having any real Project Activity Instances participating.</p>	See response to question #31

2.2.4 Is the proposed time frame (i.e., eight years) to complete validation long enough for small-scale AFOLU projects and AFOLU projects that primarily result in emission removals to complete both validation and first verification simultaneously?

Comment #	Issue Raised	Verra Response
38	<p>In item 3.3, regarding the question whether this new deadline should be extended to larger projects, (e.g., those with ex-ante emission reduction/removal estimates of up to 60,000 tCO₂e/year) or other types of AFOLU activities, it is understood that grouped projects, especially ARR projects, may have difficulties in gaining scale in the first years, which would make it difficult to generate relevant credits per year. Given the impediments associated with projects of this nature, and taking into account that the term "scale" may vary from region and context, increasing the rule to projects that have ex-ante estimates of NET GHG up to 60,000 tCO₂e would be ideal, as it brings greater flexibility to these projects that, even if they have a potential for large scale in the long term, may initially face numerous storms and difficulty in gaining scale at the beginning.</p> <p>Updating the project</p>	<p>No action required. The proposed updates will apply to a subset of AFOLU activities, including ARR projects, of any scale.</p>
39	<p>Agree, if the benchmark is 20,000 tCO₂e.</p>	<p>We have updated the requirement to apply to any type of AFOLU project that results in estimated annual emission reductions of <20,000 tCO₂e/year.</p>
40	<p>It seems to be reasonable. The timing for verification also should be reviewed allowing 8 years if the 10,000 tCO₂/y is not met.</p>	<p>No response required</p>
41	<p>We believe eight years is better than five years and should affect all ARR projects, large or small-scale. We would like to remind Verra that the original VCS rules did not have a required validation deadline. That seemed to be a tacit acknowledgment that trees grow slowly and that, when dealing with small-scale grouped projects that contain thousands of PAs, the planting can take place over years as new farmers join and get trained and time their planting with seasonal rains. If it is Verra's desire to be more inclusive and</p>	<p>We will continue to require all projects to complete validation within a certain time period because this helps to ensure that projects require carbon finance in order to implement activities (i.e., helps to ensure that projects are truly additional).</p>

	have more small- scale farmers helping mitigate climate change, the more flexibility for the validation time frame, the better.	
42	Yes, the proposed time frame is long enough for small-scale AFOLU projects to complete both validation and the first verification, however, additional information on what defines a small-scale project is required.	See response to question #39
43	We do not support extending the deadline for validation any further. Extending the validation deadline will increase the risk of non-additional projects. And if the baseline cannot be established and validated within a 5-year period, this shows that the project has not really been defined and focused on the added value of carbon. It also reduces transparency by having details available which is important as more and more projects are developed to see potential overlap and results of VVB audits on similar projects. This suggested change for increasing the first verification to 8 years is supported by us. Extending the verification period from 5 years to 8 years will assist small scale projects and those with slowly accumulating carbon will be more cost effective .	The VCS Program does not set out a deadline for projects to complete their first verification, though many AFOLU projects choose to complete it at the same time as validation for cost savings on the VVB audit. We will require all AFOLU projects to list on the pipeline within three years of the project start date as this is an important safeguard on project-level additionality demonstrations.

2.2.5 Are the project types covered by the proposed new validation deadline appropriate for a longer validation deadline? Should this new deadline be extended to larger projects (e.g., those with ex-ante emission reduction/removal estimates of up to 60,000 tCO₂e/year) or to other types of AFOLU activities?

Comment #	Issue Raised	Verra Response
44	The additional flexibility for larger projects and all AFOLU project types to first achieve validation would be accepted, however without the corresponding requirement to list on the pipeline within 3 years.	No action required. (See above for response to comments on the requirement for pipeline listing within a certain timeframe.)
45	The project types are appropriate, and it seems appropriate for larger projects and all AFOLU activities. See comments above regarding the recommendation	No action required. (See above for response to comments on the requirement for pipeline listing within a certain timeframe.)

	to not include the additional requirement of adding to the pipeline within 3 years.	
46	We propose 20,000 tCO ₂ e as the benchmark, instead of 10,000.	See response to question #39
47	To ensure equity, all project types should be covered, as long as they meet the 10,000 tCO ₂ /y for the first 8 y. It should include ALM and Sustainable Grassland Management since they can be either small- or large-scale projects.	No action required. (The proposed updates will apply to all AFOLU activities that meet the definition of "small-scale" and to a subset of AFOLU activities, regardless of whether they meet the definition of "small-scale" or not.)
48	Yes, these new deadlines should apply to all project sizes. Clarification is also needed. They should apply to all sizes to ensure incorporation of much larger grouped projects. As an example, we have several projects with thousands of small hold properties (< 1 ha). We use a small-scale methodology, and each PA is limited to 1% of the small-scale limit (16,000 t/yr average). However due to the number of PAs, our annual tonnage can exceed 60,000 tonnes. We believe TIST can serve as a model for much greater participation by small-hold farmers world-wide, and we would hope that Verra makes their participation easier rather than harder.	The definition of a small-scale project will be subject to the same capacity limit requirements that are already set out in Section 3.5.14 of the VCS <i>Standard</i> . These requirements require that project activity instances within a certain distance be clustered together for the purposes of any capacity definitions or limits.
49	Yes, potentially ALM projects as some project types may require more than five years to generate sufficient emission reductions/removals before a verification would be financially feasible.	Although we agree that some ALM projects may take more than five years to generate significant volumes of emission reductions/removals, many types of improved agricultural land management activities can also lead to near-term, non-carbon financial incentives for landowners (e.g., improved yields). Therefore, ALM projects that exceed the definition of a small-scale project will continue to be required to complete validation within 5 years of the project start date.
50	This suggested change is supported by us. Extending the period from 5 years to 8 years will assist all AFOLU projects and the communities they support.	No response required

2.3 Updating the project area requirements to allow tidal wetland projects to add land after the first verification

2.3.1 Should Verra include additional requirements on the types of WRC projects eligible to add land to the project area after validation?

Comment #	Issue Raised	Verra Response
51	Regarding item 4.2, which suggests updating the project area requirements to allow tidal wetland projects to add land after the first verification, it is understood that the updates would bring improvements for wetland related projects. Additionally, as a suggestion would be to improve the tidal wetland definition and their differences to other types of wetlands, mainly because in VM0007 it is not clear.	Updated the text in the requirement to clarify that it applies to WRC projects in the "coastal zone". This definition aligns with the requirements set out for when sea level rise must be considered by projects (in Section 3.3.28 of the <i>VCS Methodology Requirements</i> , v4.0).
52	Yes, additional requirements should be added for projects that require wetland mitigation and specific requirements for defining such mitigation	No response required
53	We support the update to allow tidal wetland restoration and conservation (WRC) projects to add land to the project area after the first verification where it is needed for wetland migration due to sea-level rise. We commend Verra for recognizing the need to add this additional flexibility for tidal WRC projects given the expected inland migration of wetlands due to sea level rise. We would support additional guidance on the process to add land to the project area.	<p>The proposed text indicates that a project adding land after validation/first verification would do so via a project description deviation. Further guidance about the type of information required to add land to a project or the type of changes that need to be considered in the project documentation is likely methodology-specific, and therefore not appropriate to include in the <i>VCS Standard</i>.</p> <p>We will consider whether additional guidance about adding land to the project area after validation should be made in the VCS blue carbon methodologies so that this is clear for projects and VVBs.</p>
54	We applaud Verra in understanding that AFOLU Projects (including wetlands) need to be dynamic and allow for scaling in a cost-effective	No response required.

	manner. We support the text “WRC projects may add land to the project area after the first verification where it is necessary to do so to accommodate wetland migration, following the requirements for a project description deviation as set out in Section 3.18.”	
55	We believe that the above text is clear, but it should clearly specify that they would need to be developed as a grouped project.	The intent of this change is not to require all WRC projects to be developed as grouped projects.

2.3.2 Should Verra provide additional guidance on the process to add land to the project area? If so, please describe what types of guidance would be most helpful to include.

Comment #	Issue Raised	Verra Response
56	Yes, we suggest adding more detail to the definition of “where necessary to accommodate wetland migration”. When is this necessary, and under what circumstances. This vague language leaves open interpretation of that requirement, and will be difficult to verify.	Updated the proposed text to include, " Where it is not possible to include the entire area expected to be impacted by landward expansion of the wetland area at validation..." to indicate the circumstances under which land may be added to the project area after validation and first verification.
57	Allowing WRC projects to add project areas after project start, should be treated no differently than the requirements for grouped projects. We think this update is important and necessary for encouraging the scaling of existing WRC projects. Specific guidance should be provided that relate to demonstrating that the applicability criteria are met, the same baseline methods can be applied, project activities in the new areas are similar to those in the initial project areas, new areas are additional, and that the scope of sources and sinks resulting from the new areas are covered in the methodology.	The intent of this change is not to require all WRC projects to be developed as grouped projects.

2.4 Updating the language of the requirement related to the estimation of soil organic carbon stocks

2.4.1 Do you agree with the proposed clarifications?

Comment #	Issue Raised	Verra Response
58	We understand that Verra should determine the equivalent soil mass (ESM), avoiding discrepant values in the projects and standardizing the value. Also, as a complementary suggestion, there is a minimum depth of 30 cm, but it would be interesting to have a maximum depth as well.	Most ALM interventions affect the upper 30cm SOC stocks, which is the minimum depth required by the VCS Program. Projects are free to monitor SOC stock changes to a greater depth.
59	Yes	No response required
60	1 More details are needed. For example, when referring on “...utilizing site-specific measurements of differences in bulk density as well as and organic carbon concentrations”, it will be important to clarify if there will be a requirement that current projects accounting for SOC that used a bulk density approach correct their estimates using equivalent soil mass. This is potentially possible if certain measurements are known. The move over to ESM is positive though as bulk density is difficult to measure and changes in bulk density does not always equate to changes in SOC.	After this consultation, Verra will provide the necessary guidance to follow an ESM approach. Registered projects will not be required to correct past estimates.
61	yes, we agree with the suggested approach	No response required
62	We do not fully agree with the proposed clarifications unless further refinements are added to the language. More specifically, we suggest alternate wording to replace the proposed text: Methods for quantifying soil organic carbon stock changes should account for processes that may materially impact soil volume over time and bias emissions reductions estimates towards over-crediting. a. In a project where adoption of no-till is the predominant practice change without also including cover crops, increases in compaction may lead to a material change in soil mass at a fixed depth. In such cases, equivalent soil mass (ESM) can be	We agree that not all ALM interventions lead to bulk density changes. However, a standardization to quantify SOC stock changes on an ESM basis ensures comparable SOC stock changes across projects. In case project activities do not result in bulk density changes, this should be demonstrated, and no soil mass adjustments would be required. Future guidance will include references to be followed by projects for using the ESM approach, as has already been implemented as part of the VM0042 revision.

	<p>used to calculate soil carbon stock change for an initial depth of 30 cm.</p> <p>b. In a project where practices are not expected to impact bulk density or where multiple practices are included, including stacking of practices, fixed depth estimates of carbon stocks may be allowed if the estimated impact on the project is determined to be non-material.</p> <p>c. In cases when ESM is used, methods should be traceable to the following references:</p> <p>i. Ellert & Bettany, 1995 https://cdnsiencepub.com/doi/pdf/10.4141/cjss95-075</p> <p>ii. Wendt & Hauser, 2013 https://onlinelibrary.wiley.com/doi/abs/10.1111/ejss.12002</p> <p>iii. Rovira 2015 https://arxiudigital.ctfc.cat/docs/upload/27_492_PereR2015.pdf</p>	
63	<p>We are encouraged to hear that Verra is experiencing high interest in soil organic carbon (SOC) projects and is very supportive of any frameworks that allow for increased activity to enhance soil organic carbon stocks. We support the proposal to adopt best practices to estimate and calculate SOC stocks. However, the current proposal does not seem to provide a comprehensive method and guidance to measure and monitor the increase in SOC. This should be further explored and developed in the very near term to guide projects on how to account for and issue soil carbon credits.</p>	<p>Verra is considering providing additional guidance and/or requirements concerning soil sampling, stratification, laboratory analytical procedures, and related processes in future updates to the VCS Program. The VCS' agricultural land management methodologies currently provide detailed guidance on SOC monitoring. The most recent and updated VCS methodology is VM0042 on Improved Agricultural Land Management.</p>
64	<p>We find the revised text helpful to ALM Projects and supports the use of emerging techniques using biogeochemical models. This will assist in creating more ALM Projects in the future, as the monitoring requirements are streamlined and keeping up with new technologies. In addition, less required lab tests with the same or more accurate results, will support projects with limited access to funds.</p>	<p>Please note that current ALM methodologies, in particular VM0042, allow using biogeochemical models to estimate SOC stock changes. The corresponding module VMD0053 provides very detailed guidance on how to apply SOC models.</p>

65	<p>It is unclear if the updates are proposed for ALM activities only or if they are intended to be applied more broadly. We agree that requiring site-specific measurement is optimal approach to estimating SOC most accurately.</p> <p>However, as it may present a significant practical (i.e. timeline / cost) burden on some projects to do so, we recommend Verra continue to allow for the use of conservative stock change factors, the applicability of which to each project should be determined by the VVB.</p>	<p>The change in question is only proposed for ALM projects (see <i>VCS Methodology Requirements</i> Section 3.6.10).</p>
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2.4.2 Do you have any concerns about requiring projects to perform SOC stock calculations on an ESM basis?

Comment #	Issue Raised	Verra Response
66	<p>Will Verra indicate a technical definition of the approach of ESM? Or at least will provide a reference to be consulted?</p>	<p>Further guidance will be provided in the near future.</p>
67	<p>Applying ESM is possibly a debatable point amongst soil scientists, it seems ESM is not widely used.</p>	<p>We are not aware of references where ESM has been criticized. Our understanding is that ESM is not applied widely due to a lack of awareness or capacity to perform the necessary calculations.</p>
68	<p>no, we do not have any concerns</p>	<p>No response required</p>
69	<p>We note that, though there is literature demonstrating the limitations of fixed depth measurements, particularly in cases when bulk density changes, there is not a single standard method for determining equivalent soil mass. Flexibility should be allowed to enable further improvements in methods to be used. Methods and improvements should be comparable to those set out in the following references:</p> <p>§ Ellert & Bettany, 1995 https://cdnscepub.com/doi/pdf/10.4141/cjss95-075</p> <p>§ Wendt & Hauser, 2013 https://onlinelibrary.wiley.com/doi/abs/10.1111/ejss.12002</p> <p>§ Rovira 2015 https://arxiudigital.ctfc.cat/docs/upload/27_492_PereR2015.pdf</p>	<p>We have revised the proposed change to include references to be followed by projects for using the ESM approach, as has already been implemented as part of the proposed VM0042 Version 2.0 revision. In future efforts to standardize SOC methods for GHG crediting programs, standardization of methods to quantify SOC stock changes on an ESM basis could be addressed.</p> <p>We agree on the point that bulk density measurements are not required when following an ESM approach. This is in line with Wendt & Hauser</p>

	<ul style="list-style-type: none"> In addition, projects should not be required to take bulk density samples as there are numerous ways to measure stocks with equivalent soil mass without bulk density. For example, soil organic carbon measurements can be taken at 2 depths, dried out and weighed to arrive a single dry combustion measurement. This measurement can then be tied back to soil mass measurement (Reference: https://onlinelibrary.wiley.com/doi/abs/10.1111/ejss.12002). Furthermore, given that significant portions of the literature on soil carbon was performed with fixed depth designs, clarifying language should be added to ensure that previous knowledge can be used, with appropriate measures of uncertainty, for calibrating and validating biogeochemical models that may be used for quantification of emissions reductions. 	<p>2013, and von Haden, Yang and DeLucia, 2020.</p> <p>We will consider adding clarifications at the methodology level regarding the use of datasets and studies that have not followed the ESM approach.</p>
70	We see no concerns with the inclusion of a requirement to perform SOC stock calculations on an ESM basis.	No response required

2.5 Updates to AFOLU project baseline requirements

Shorten the baseline historical reference period for select projects

2.5.1 General Comments

Comment #	Issue Raised	Verra Response
71	<p>Our principal concerns are that a shorter historical reference periods may increase the uncertainty of estimates without impacting the atmospheric integrity of long-term baseline estimation and creates practical barriers for long-term project and program planning which will likely prohibit the development of otherwise worthy AUDD and APC projects that rely on carbon revenue to be financially viable.</p> <p>These drawbacks will limit the ability of VCS projects employ carbon finance in</p>	<p>The length of the reference period does not directly condition the length of the baseline validity period (i.e., a longer historical reference period does not per se imply a longer baseline reassessment period).</p>

	<p>their development and implementation. Without a minimum degree of long-term stability in project baselines, carbon revenue may be seen more as an ‘add on’ to other philanthropy-funded conservation interventions where convenient, rather than a primary driver of sustainable financing for forest protection at scale.</p> <p>We recommend that Verra reconsider its proposal for a shortened historical reference period for AUDD and APDD projects/programs. We propose an 8-12 year historical period, reassessed every 4-6 years, as a better alternative that has the advantages of a more frequent reassessment to track jurisdictional-level trends, while preserving the ability of project-scale actors to realistically plan and execute interventions to adequately address the long-term drivers of deforestation and degradation.</p>	
72	<p>We do not have particular concerns around the potential unintended consequences of shortening of the historical reference period for developing baselines in AUDD (avoiding unplanned deforestation and forest degradation) and APD (avoiding planned deforestation) projects.</p> <p>Under our NBCS, we plan to invest, on behalf of funds and mandates for which we are investment manager or investment advisor, in NBS projects against the forward volume of carbon credits generated from NBS projects. We plan to deploy an investment structure that provides early stage financing to NBS project developers to cover the project implementation costs. Then, once repaid by carbon credits valued at risk adjusted prices, a payment on delivery mechanism will be in place for any remaining carbon credits generated thereafter for the life of the fund (typically expected to be around 15 years). Our principal concern is that a shorter historical reference period, as being proposed, creates practical barriers for long-term project planning, and will likely prohibit the development of otherwise worthy AUDD and APD projects that rely on carbon revenue to be financially viable. This risk is particularly likely for those projects that conserve and protect ecosystems and solely rely on a steady carbon revenue stream.</p>	<p>While we recognize that project planning may depend, to a certain extent, on the length of the baseline reassessment period, the length of the historical reference period should not affect project planning. The duration of the former does not depend on the duration of the latter. We know of no evidence that a 8-12 year reference period would lead to more accurate deforestation and degradation projections, which is the main concern behind Verra’s proposal to reduce the reference period.</p>

	<p>From an investor point of view, a lack of long-term stability in project baseline and the subsequent forward volume of carbon credits, surely will hamper the flow of much needed capital into NBS projects. As you know, much capital is needed to protect and restore global ecosystems, so carbon credits generated from those types of NBS projects are currently a key main driver of sustainable financing for ecosystem conservation and restoration at scale.</p> <p>We kindly requests that Verra reconsider its proposal for a shortened historical reference period for AUDD and APD projects/programs. As an alternative, We propose an 8-12 year historical reference period for such projects, to be reassessed every 8-10 years, as an alternative that has the advantage of (1) a more frequent reassessment to track jurisdictional-level trends, while also (2) creating more stability, to allow investors to invest in NBS projects against the forward volume of carbon credits. We believe this would be more effective in addressing the long-term drivers of deforestation and degradation.</p>	
73	<p>Sounds rare talking about APD (avoided planned deforestation) if you do not know who is the agent of deforestation.</p>	<p>The avoided planned deforestation where the agent of deforestation is unknown a situation one set out in the <i>VCS Standard</i>; it is not relevant to the reference period.</p>
74	<p>We suggest keeping the 10-year period as the historical reference lapse, because the projected deforestation should be more robust based on 10 annual data than just on 4-6 annual data. Also, in a 10-year period and based on the new and innovative technologies in remote sensing, among others, it can be possible to understand inter-annual phenomena (such as climate variability, population migration, policies, and others) and their impact on deforestation.</p>	<p>We do not know of any evidence that a 10-year reference period results in more robust deforestation projections than a 4-6 period. More research is needed to better understand the relationship between the length of the historical period and the accuracy of deforestation projections; Verra has commissioned such research and will hold off on taking any decision with respect to the historical reference period at this time.</p>
75	<p>Regarding the proposed updates to the VCS Program, we would like to provide our feedback to the proposal to shorten the baseline historical reference</p>	<p>We are not aware of any evidence that a 8-12-year reference period results in more robust deforestation</p>

	<p>period and baseline reassessment period for REDD projects. While we support shorter baseline reassessment periods to more quickly incorporate deforestation trends, we are concerned that shorter baseline historical reference periods will result in fewer observations of forest cover transitions and reduce the precision of activity data and risk maps needed to project baseline deforestation. It would also result in higher volatility of project baselines and emission reductions, and thus would reduce the amount of carbon finance that can be invested in activities that reduce deforestation.</p> <p>We recommend that Verra reconsider its proposal for a shortened historical reference period for REDD projects, and supports the proposal of The Wildlife Conservation Society (WCS) to use an 8-12 year historical period, reassessed every 4-6 years, as a better alternative that results in a more frequent reassessment to track jurisdictional-level trends, while preserving the ability of project-scale actors to realistically plan and execute interventions to adequately address the long-term drivers of deforestation and degradation.</p>	<p>projections than a 4-6 period. More research is needed to better understand the relationship between the length of the historical period and the accuracy of deforestation projections; Verra has commissioned such research and will hold off on taking any decision with respect to the historical reference period at this time.</p>
76	<p>In the case of the first point - Shortening the baseline historical reference period for select projects - There was a referral to the proposed 4-6, or fixed 5 year, reference period, in order to bring it more in line with the latest version of JNR.</p> <p>Further to the webinar available as I understand it (and please give more feedback/info if possible), there are two potential reasons for the shortening 1) it provides for more accurate forward projections 2) it's fairer in the absence of a BAU reference level scenario that the average is weighted towards the shorter later set of data points, so it is therefore likely to be less of a divergence.</p> <p>I am slightly dubious about the first point, although am not expert. In the case of the second point (if accurate) I am concerned that the decisions on BAU FRELs which I understand you are still thinking about it for JNR, should be</p>	<p>Your understanding of the rationale for the shorter historical baseline period is essentially correct.</p> <p>The decisions on FRELs for the JNR have already been made and are being translated to standalone project methodologies.</p>

	<p>completed first before any decision is made here.</p> <p>On an adjacent note please can you clarify if and when there will be any consolation on the option of BAU reference levels for JNR?</p>	
77	<p>Verra has approved multiple AUDD Methodologies that are similar but vary in data requirements, image classification and land-use change requirements, monitoring requirements and may in some cases they may be uniquely applied and to specific projects' conditions such as ecosystems, social dynamics, ecology, etc. The application of these methodologies on specific projects has produced different results and levels of conservativeness. Combining these five unique AUD Methodologies into a single baseline is not feasible, but we support improved (standardized) rules to ensure that these methodologies cannot be gamed to maximize rates. We identified that Verra is forcefully pushing Projects into Jurisdictional Programs using the recently adopted JNR rules and requirements which are untested nor proven. Allowing stand-alone AFOLU projects to continue to be developed without requiring them to be forced into the new JNR R&R is absolutely critical, otherwise Verra will stop of the meaningful flow of climate finance finally coming to the sector. Over the past 8 years, we have seen the approach to REDD+ in the international political arena shift to national level/government to government REDD+ programs and the emergence of large risks under national REDD+ programs which include; 1) under performance due to lack a effectiveness in governments channeling funds to the activities required on the ground to address drivers, agents and underlying causes of deforestation and degradation, 2) violating indigenous and community land tenure rights through unwillingness/inability to devolve carbon tenure rights, and 3) inability to attract the required private sector support including, investment, carbon purchases and advantageous supply chain terms. We support nesting projects into jurisdictional programs in certain cases but not to force them to use baselines that are crossed at the jurisdictional now will be deeply damaging to the market.</p>	<p>This comment does not refer to the proposed update.</p> <p>Verra strongly supports standalone (non-nested) REDD+ projects. We would welcome your feedback on an upcoming consultation on the AUD methodology revisions.</p>

78	<p>We support the idea of stopping “cherry-picked” areas for reference regions – we believe this also leads to an “inflated baseline,” where projects could claim emission reductions that are likely not representative of what would have happened in the without project scenario. Given that “bad projects” can do this, we do not believe that making a standard across all AUD methodologies for all projects is an adequate solution. Developing a deforestation map and obtaining deforestation data at the jurisdictional level is not appropriate for some stand-alone projects as projects are often community-based projects working to reduce deforestation through community livelihood improvements.</p> <p>Jurisdictions are political boundaries that are not usually reflective of deforestation aspects of a specific project area. Deforestation is dynamic and is caused by a series of factors including social conditions, needs of local communities including land and food scarcity, ecology, land tenure, geography, LUC, etc. An appropriate reference region would take these factors into account to identify area that are culturally, ecologically, geographically, etc., appropriate. AUD AFOLU Methodologies clearly define what these areas are and how they should be selected.</p> <p>Community-based projects are exactly that - meeting the needs of local communities to reduce deforestation through livelihood improvements. Forest-reliant communities are often the poorest-of-the-poor and are not always clearly supported by governments. We are seeing at a national level; jurisdictions may allocate an upward deforestation trend (based on national circumstances) to a specific sub-jurisdiction or region. This could lead to governments cherry picking areas that benefit themselves and may not be beneficial to local communities. If AUD AFOLU projects must select a government selected baseline, this maybe unrepresentative of the deforestation trends and harmful to the project.</p> <p>While risk maps (land-use change models) can be used to take a large jurisdictional area and allocate deforestation and degradation to project levels. But risk maps (including what has been promoted by Verra) are often</p>	<p>This comment does not refer to the proposed update. We would welcome your feedback on an upcoming consultation on the AUD methodology revisions.</p>
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	<p>not that accurate and are often statistic. For projects that are not reflective of the general forest dynamics in a jurisdiction, it would be much more accurate to allow to the creation of a reference region for the baseline which is not defined by an administrative area or even biome.</p> <p>The five different AUD AFOLU Methodologies have very unique ways for measuring uncertainty, leakage, and have unique monitoring requirements based on the reference region and GHG quantification. All AUD AFOLU projects should be addressing activity shifting leakage, to reduce deforestation where it happens, and not shift somewhere else. If appropriate leakage quantification measures are not in place, then projects that do not address activity-shifting leakage are again “free-riding” the system. This proposal does not adequately describe how any of these will be addressed.</p>	
79	<p>Allocating activity data to projects based on a risk map obtained by applying the JNR Risk Mapping Tool, and we can see that significant effort was put into creating the draft JNR Risk Mapping Tool and applying a risk-based tool to spatially allocate larger baselines into smaller areas is in the right direction for JNR. The JNR Risk Mapping tool is still not well developed and should not be used before Verra has made this into a robust tool. We find the exiting tool still unusable and unable to account allocating increased deforestation (due to national circumstances). We have identified similar but, we believe, more robust ways to spatially assess the risk of deforestation and forest degradation using local and more specific spatial data. If the JNR Risk Mapping Tool must be applied, proponents should be able to use their own risk map methods to create a risk map. They should not have to prove that it is “better” than the Verra map but show that it complies with the specific requirements that are set out in the JNR Requirements, v4.0, including the need to demonstrate that the quality/accuracy of the map created using the alternative approach. Leaving this option open for projects to apply their own maps that meet specific requirements allows for more accurate allocation of baselines and drives innovation.</p>	

80	<p>Providing the allocated activity data to project proponents, who shall use that data and project-specific emission factors to estimate the project baseline.</p> <p>If we understand this subject, it appears as if Verra is suggesting that it would provide the activity data to projects (based on Verra’s own systems and models) and that projects would be required to use this activity data rather than baselines that are developed by project developers. This completely goes against the purpose of a standard and removes the rewards for projects who invest in producing accurate data for quantification. Any systems that Verra would consider that could be applied across the world to projects would produce less accurate activity data than that which is derived locally. Instead of investing in a “one size fits all” approach that requires the use of Verra provided activity data, Verra should focus on better and more standardized requirements for calculating activity data that rewards innovation and accuracy.</p>	
81	<p>We have diverse views on the issue of shortening the historical reference period for setting baselines. On the one hand, we appreciate that the proposed shortening of historical reference periods to 4-6 years from 10 years aims to increase accuracy – circumstances can change rapidly and so the 4-6 year period may improve the accuracy and legitimacy of the business as usual scenario. In addition, jurisdictions are likely to ‘rebaseline’ every 5 years, consistent with the requirements to revise and update nationally-determined contributions (NDCs) under the Paris Agreement.</p> <p>On the other hand, there are concerns that limiting the amount of data will hinder projects by not having enough of a reference period and may actually limit the accuracy of the baseline. Shortening the historical reference period may reduce the ability to accurately project future deforestation and degradation. Using historical deforestation and degradation rates for projecting the forward-looking baselines is justified when the past forest dynamics (i.e. the drivers, agents and underlying causes of deforestation and</p>	

	<p>degradation) are expected to persist in the future. For this to be accurate the historical period should reflect the average over different economic, weather and social dynamics. Shortening the historical period to 4 to 6 years may not properly capture these expected long-term dynamics.</p> <p>We encourage Verra to thoroughly examine all of the feedback that is received on this specific area and to ensure that any updates made will increase the operationality and financeability of AFOLU projects.</p>	
82	<p>While it is that rapidly changing emissions contexts can be more accurately represented with a shorter historical reference period, it is also true that a baseline that must be recalculated every 4-6 years according to VCS JNR requirements can present a significant burden on Projects (or Verra) to find land cover data at the required scale and also to perform the necessary calculations, complete with a measure of accuracy, within the required timeframe and at reasonable cost.</p> <p>That said, we do acknowledge the pressure being put on Projects, and by extension Verra, to empirically measure emissions over as short a time period as possible. We therefore can support a 4-6 year historical reference period</p>	<p>Support for the 4-6 year historical reference period noted; however, more research is needed on this and Verra will hold off on taking any decision with respect to the historical reference period at this time.</p>

2.5.2 Are there any potential unintended consequences of shortening the baseline historical reference period for all avoiding unplanned and avoiding planned (where the agent of deforestation/degradation is unknown) deforestation and/or degradation project types?

Comment #	Issue Raised	Verra Response
83	<p>Yes, there are significant unintended consequences of shortening the baseline historical reference period and limited advantages. We have organized our response around three themes: Technical, Project Management, Project Financing. See document for data.</p>	<p>The length of the reference period does not directly condition the length of the baseline validity period (i.e., a longer reference period does not per se imply a longer baseline reassessment period).</p>

		<p>Nonetheless, we acknowledge the need for more research on this issue and Verra will hold off on taking any decision with respect to the historical reference period at this time.</p>
84	<p>Yes, some of the unintended consequences may include:</p> <p>i. Hamper the flow of capital to NBS projects. With a 5-year historical reference period, it will be a challenge to ascertain the baseline allocation for years 6-10 in the future, for which under earlier versions of the VCS there would have been a guaranteed baseline. Project developers commonly rely on carbon credits generated through years 6-10 to repay early stage financing and achieve long-term financial viability through sale of carbon credits. Investors and project developers need security on the expected forward volume of carbon credits and associated carbon revenue stream. Without this certainty, many projects won't be able to be developed. Given the increase in demand for carbon credits, we take the view that supply of carbon credits from NBS projects needs to grow rapidly and having more security in the subsequent baseline after the current projection (i.e. future years 6-10) would be of paramount importance to increase the flow of much needed capital to ecosystem restoration and conservation.</p> <p>ii. We share the view of other market participants, that the length of the historical period should not have any significant net global consequences for issues like inflated baselines or double counting. Shorter historical periods produce higher estimates than longer historical periods in cases where deforestation trends are increasing, and comparatively lower estimates when trends are decreasing. A jurisdiction that goes through both increasing and decreasing trends will generally even out to virtually identical total estimates of historical activity data over several decades when comparing 5- and 10-year historical options.</p>	<p>See response to comment #83.</p>

	<p>iii. We believe that assessing deforestation data over a 10-year period will on average be more precise than assessing over a 5-year period</p>	
<p>85</p>	<p>Remote sensing technology has developed enormously lately and land cover and change maps are easier to be created, however, the cloud cover remains an issue, and the accuracy required by some AUD methodologies make the acceptable land cover and change maps not available on a yearly basis for some areas in the globe. Therefore, shortening the period will have a direct effect on the accuracy of the historical baseline, and might not even have enough data points (land cover maps) to estimate the deforestation rates with statistical robustness.</p> <p>Shortening the baseline might not also produce a realistic picture of the deforestation pattern, but an artifact of some punctual events (e.g., effects of El Nino, political/social conflict, or outbreak of a disease). Longer historical baselines would smooth those potential 1-2 years for “outliers”.</p> <p>Shortened historic baselines will result in shortened baseline projections which will make it more difficult to achieve long-term goals due to increased uncertainty of long-term project performance and, therefore, project crediting and related finance arrangements. AUDD interventions require substantial investments in infrastructure and staffing. The proposed changes may have a similar outcome as with projects traditionally dependent on short-term public finance grants, that of highly variable levels finance availability in short cycles. Abrupt decreases in available funding (financial cliffs) have severe impacts on project continuity and the long-term success of vital forest protection programs. A baseline renewal period of 4 to 6 years increases perceived project risk, reduces the scope and scale of intervention planning, and would likely result in reduced effectiveness of</p>	<p>The issue of cloud cover can be solved through current technologies (LIDAR, Sentinel images since 2015, etc.). The emissions due to punctual and rarely recurrent events, particularly natural disasters, are covered by the JNR Requirements, which would serve as the basis for estimating jurisdictional activity data for standalone projects according to Verra’s proposals to revise standalone project methodologies. Shorter historical reference periods do not have to mean shorter baseline reassessment periods.</p> <p>We acknowledge the financial considerations that must be considered in establishing AFOLU projects. We would suggest that the possibility of greater risk being associated with longer baseline reassessment periods, given investor concern about the potential for inflated baselines. We share your hopes about the impact of carbo finance.</p>

	conservation activities. We all hope to see carbon finance allow for stable, sustainable, and highly impactful interventions.	
86	A historic reference period of 4-6 years is too short and there is no conclusive data or studies that show that a shorter historic reference period will produce more accurate projections of future deforestation and degradation. Many AFOLU projects require multiple classified images to determine deforestation and degradation rates. Having more points in time will generally produce more accurate change maps as it allows for filters to be applied to reduce misclassification in areas that are difficult to classify due to phenology and/or clouds. By allowing a longer period you not only in produce time series with less variability, but you can also look at the trends in rates to determine whether they are increasing or decreasing which may be most useful in projecting future rates.	<p>We are not aware of any evidence that a 10-year reference period results in more robust deforestation projections than a 4-6 period. More research is needed to better understand the relationship between the length of the historical period and the accuracy of deforestation projections; Verra will hold off on taking any decision with respect to the historical reference period at this time.</p> <p>The issue of cloud cover can be solved through current technologies (LIDAR, Sentinel images since 2015, etc.).</p>
87	Yes, reducing the period, increases the volatility of projects and increases the reliance on the pooled buffer, as we argue in the overarching comments sections. Examples of unintended consequences are also elaborated in more detailed in Appendix 1.	It is not clear how the reduction of the reference period may increase the reliance on the pooled buffer.

2.5.3 Should the historical reference period always be flexible (e.g., allowing project proponents to choose anywhere between 4-6 years of data on which to construct their baseline), or should it be fixed (e.g., at five years)?

Comment #	Issue Raised	Verra Response
88	Yes, the reference period should be flexible to accommodate differences in data availability. In addition, if the proposed updates to the development of project baselines are approved and adopted (e.g. the effort to develop a Consolidated UPDD methodology), the reference level for a given jurisdiction will be developed for specific time frames which may or may not coincide with project start dates. For projects with start dates following the start of	<p>Your support for a flexible historical reference period is noted.</p> <p>The baseline assessment period does not need to match that of the jurisdictional reference level validity period except for projects nested in jurisdictions where</p>

	<p>the Jurisdictional reference level validity period, it will be impossible for the Project to have a baseline that extends beyond the validity period of the Jurisdiction's reference level. Thus, projects must be allowed to have varying baseline lengths, at least until the next update to the Jurisdictional Reference Level.</p>	<p>the reference level is registered with Verra's Jurisdictional and Nested REDD+ framework.</p>
89	<p>We believe that the reference period should be flexible to accommodate differences in data availability. We propose that this could be an 8-12 year historical period.</p>	<p>We are not aware of any evidence that a 8-12-year reference period results in more robust deforestation projections than a 4-6 period. More research is needed to better understand the relationship between the length of the historical period and the accuracy of deforestation projections; Verra has commissioned such research and will hold off on taking any decision with respect to the historical reference period at this time.</p>
90	<p>Regarding the proposal of item 6.3, which brings updates to AFOLU projects baseline requirements, we understand that flexibility, both in the baseline historical reference period and in the baseline reassessment period, is positive. Ideally, we identify the positivity of the proponent having the flexibility to choose the most appropriate period for baseline reassessment (between 4 and 6 years), such choice should be justified and based on evidence during the audit process.</p> <p>However, it is not clear what is the time frame for AFOLU projects that are already validated, and have not yet completed 10 years of the first fixed period (current rule) to review their baselines.</p> <p>In the same perspective, based on this new rule, it is also not clear whether existing projects, which have already completed at least 4 years of the first fixed period, may choose to propose the reassessment of their baselines. Following this approach, could existing projects include vintages from previous years, and not yet verified, in the reassessment of their baselines?</p>	<p>The rules on how the revised methodologies will be applied, including effective dates, are being developed. There will be a public consultation to get feedback on these specific issues.</p>

	<p>In this view, it is extremely relevant that such clarifications be better elucidated, in order to avoid erroneous and mistaken interpretations.</p> <p>In addition, it would be important that Verra clarify if all methodologies that establish baseline reassessment would be also automatically being updated.</p>	
91	<p>We prefer a fixed number (10 years, as mentioned above). If it needs to be flexible because of any reason, an exemption should be requested to VERRA.</p>	<p>See response to comment #86</p>
92	<p>It should be flexible not only within the 4-6 years. It would be useful in some country context to have the possibility to use the 10 years if the pattern can be proved that is better than use until 6 years. Case of Peru VCS JNR, they are using 10 years of the historical reference period. The historical reference period should be always flexible, and as per reasons above it should be longer than 6 years. Additionally, Verra demonstrated the interest in aligning this requirement with the JNR rules, in that sense, information from national REDD+ forest reference emission levels could be used and therefore the 4-6 years might not be possible to meet. If baseline flexibility allows a range from 4 to 10 years, Justification of the selected baseline period should be clearly articulated and evaluated for conservativeness during validation.</p>	<p>The way in which the historical reference periods of non-JNR registered FRELs may be reflected in the revised methodologies is being assessed. In any case, the JNR Requirements would take precedent over a nationally determined period unless it has been approved as part of a registered JNR program.</p>
93	<p>It should be flexible around 10 years</p>	<p>See response to comment #86</p>

2.5.4 Under current rules, the timeframe used to quantify recent historical practice under avoiding planned conversion (APC) projects where the agent of conversion is not the landowner and cannot be specifically identified needs to be justified by the project proponent as being of long enough in duration to average a duration that exceeds typical market fluctuations. Should Verra consider shortening this period to 4-6 years since conversion projects will likely be subject to rapidly changing BAU emissions? Are there other factors Verra should be considering for APC projects?

Comment #	Issue Raised	Verra Response
94	<p>Using a similarly short period could easily under-represent the complex set of steps that ultimately leads to deforestation (permitting, financing, site and</p>	<p>There seems to be a confusion here. Regardless of the length of the historical reference period, the steps</p>

	equipment preparation, conversion rates over time, etc.), especially if selecting specific sites to conduct the reference analysis vs. a broader jurisdictional approach. In doing so, this would under-represent deforestation risk and lead to an increasing number of projects being deemed unfeasible and abandoned thus opening these areas up to alternative land-uses and conversion. In addition, if baseline estimation is expected to be based on a similar approach being proposed in the Consolidated UPDD methodology, the comment above also applies here.	mentioned (permitting, financing, etc.) are not considered when estimating the baseline rate of deforestation. Consequently, the possibility of under-representing the deforestation risk is not real. The same applies to all the alleged consequences on the feasibility of projects.
95	We believe that using a shorter timeframe could under-represent the complexities of such projects, especially if selecting specific sites to conduct the reference analysis vs. a broader jurisdictional approach. If the timeframe is shortened, the deforestation risk could be under-represented and lead to an increasing number of projects being deemed unfeasible.	See response to comment #94
96	These current rules make sense. No. It should be flexible around 10 years. In general the methodologies would benefit from being updated to incorporate the recent advances in remote sensing and high resolution carbon mapping.	We will consider your preference as part of the assessment we will be carrying out in the coming months.

2.5.5 Should IFM, RWE and APWD have a shortened (i.e., 4-6 year) historical reference period?

Comment #	Issue Raised	Verra Response
97	This will be dependent on whether a jurisdiction/reference region wide approach to baseline development will be adopted at some point. For standalone projects, a longer historical period will likely provide a more realistic estimate of baseline activity data for these project types.	It is not clear why there would be a different impact using different approaches to baseline setting. In principle, the new approach is the same as the previous one, with the difference that the reference region is the jurisdiction and the risk mapping tool is standard.
98	No, the historical reference period for IFM, RWE and APWD should not be shortened, as per the reasons above explained.	We will consider your preference as part of the assessment we will be carrying out in the coming months.

Shorten or instate a baseline reassessment period

General Comments

Comment #	Issue Raised	Verra Response
99	<p>Could you clarify what must be revised during baseline reevaluation? Would a re-evaluation of carbon numbers have needed as well? Some methods allow to keep that the same numbers, especially SOC.</p>	<p>Per the <i>VCS Standard</i>, section 3.2.7: (...) The following shall apply with respect to the baseline reassessment:</p> <ol style="list-style-type: none"> 1) The reassessment will capture changes in the drivers and/or behavior of agents that cause the change in land use, hydrology, sediment supply and/or land or water management practices and changes in carbon stocks, all of which shall then be incorporated into revised estimates of the rates and patterns of land-use change and estimates of baseline emissions. 2) The latest approved version of the methodology or its replacement shall be applied at the time of baseline reassessment. 3) The project description shall be updated at the time of baseline reassessment following the requirements set out in Section 3.8.9(2)(d). 4) Ex-ante baseline projections beyond a 10-year period are not required.
100	<p>In the case of the second point - Shorten or instate a baseline reassessment period - I really don't understand what the benefit is (JNR or VCS REDD+ AUDD/APDD) practically. Whilst I of course appreciate increasingly regular and more accurate data for MRV purposes should always be targeted. Also, that improvements to previous reference levels in terms of their accuracy is also good. But how does it make sense to reassess a baseline to include the results of activities that a REDD+ project or program has deployed, after a short period of the program/project lifetime, thereby reducing the reward and finance available to the</p>	<p>The proposal to shorten the baseline reassessment period aims to ensure that the baselines reflect the recent changes in deforestation in the jurisdiction and the project context. The assumption that the project's performance in the previous baseline period will become its subsequent baseline is not accurate, as the deforestation risk in the project area will depend mostly on the deforestation threats outside of it. Moreover, while the financial concerns expressed are valid, they</p>

	<p>project/program, for the larger remainder of the project lifetime. There are also indirect issues which need to be considered for nested JNR projects that enter a program midway through a reference period, exacerbating the issue further. A 7-10 year reassessment deadline would make most practical sense in my view, otherwise there'll be counterproductive results for a workable cash flow of the project/program and also investment interest (whether VCS/project or JNR).</p>	<p>must be balanced by concerns about accuracy and credibility of the project baselines.</p>
101	<p>Similar to a shorter the historical reference period, we agree that more frequent re-measurement of a project baseline could more accurately predict a Projects' BAU scenario. We also note that a shorter re-assessment period may present a significant financial and timeline burden for Projects. In particular, we are certain that VVBs will charge more for those verifications that include a baseline re-assessment. Given our extensive experience in baseline calculation, we also suggest that a not insignificant, and possibly impractical amount of time will need to be spent on re-calculating baselines far more often than previously required. Whether this burden is placed on the project developer or Verra, the practical issues such an update may present should be assessed. As you noted, a shorter baseline validity period can also make it difficult for projects to indicate longer-term financial stability required by most investors, particularly at the start of a Project. Wildlife Works can therefore support the proposed update if the proposed process and implementation options are implemented.</p>	<p>We don't foresee that the costs of verifications that include a baseline reassessment will increase significantly. Moreover, under the approach that Verra is proposing, activity data generation would be carried out by Verra, which would make baseline reassessments less costly for project proponents.</p>

2.5.6 Should the baseline reassessment period always be flexible (e.g., allowing project proponents to choose to reassess their baseline anywhere between 4-6 years), or should it be fixed (e.g., at five-year intervals)?

Comment #	Issue Raised	Verra Response
102	<p>For projects employing the updated Consolidated UPDD methodology or projects using other approaches that result in a baselined allocated from a</p>	<p>This comment seems to confuse standalone and nested projects. Standalone projects can only occur in</p>

	jurisdiction-wide assessment, the baseline reassessment period will need to be flexible as project start dates will vary in comparison to jurisdictional reference level validity periods, see above comment.	jurisdictions where no JNR FREs or programs have been registered. Additionally, the procedure for the implementation of the revised AUDD methodologies is still being developed.
103	To create certainty in the forward volume of carbon credits and enhance the flow of capital, the baseline renewal period should be fixed.	Baseline setting and financial concerns are both significant considerations that we've considered in fixing the baseline reassessment period at six years.
104	<p>It should be flexible. Shortening the baseline reassessment period reduced the uncertainty of predicting GHG emissions in the future and increases the level of assurance on credits generation.</p> <p>It is important to maintain the flexibility to accommodate the verification events. Due to several reasons a project cannot or may choose to verify at longer intervals but up to 5 years as per current VCS requirement, being flexible it will allow the project to accommodate the verification events with the assessment of the baselines.</p> <p>It is understood that the proposed requirement modification refers to the revision of the baseline and would not trigger necessarily the validation of an entire new PDD. Therefore, the validation of the baseline would occur with the next verification, along with any other PDD deviations.</p>	<p>Your support for shortening the baseline reassessment period is noted.</p> <p>The six-year baseline reassessment period that we're implementing will accommodate any verification interval.</p>
105	This baseline reassessment period is too short. Baseline Reassessments are not an easy task, and in fact, there has not been an approved Baseline Assessment for an AFOLU project under the VCS. Verra has made clear exceptions to this rule for specific projects, appearing to let selected projects forgo the standard's requirement for baseline assessment well beyond the required time period. We appreciate that Verra tries to be flexible in providing exceptions to help projects deal with the realities on the ground. But we have a significant concern that this creates an unlevel playing field	<p>We are working to improve the transparency on the registry when exemptions are granted.</p> <p>Verra will provide much of the data needed for a baseline reassessment to hopefully make this necessary activity easier for project proponents.</p>

	<p>and lacks transparency since these exceptions are not clearly posted on the registry. We expressed concern about the exceptions made for CCB's field visit requirement during COVID. This was not done transparently and not recorded on an easy to find transparent manner, and again when we looked for examples of projects that should have reassessed their baselines, and we instead found that they all had been granted exceptions. We believe all Verra granted exceptions should be fully reported and easy to find on the registry. The baseline reassessment period should remain as it is now set to 10 years, and Verra keeps up their requirement and their standard. In addition, the guidance for reassessing baselines should be much clearer and provide specific requirements on how it can be demonstrated that drivers, agents and underlying causes deforestation and degradation are still present at a similar rate areas that are reflective of the project area.</p>	
<p>106</p>	<p>We strongly caution Verra against implementing this change without reviewing peer reviewed evidence. Therefore, we recommend that the baseline reassessment period should be flexible around 10 years. The baseline re-assessment in shorter period will dramatically increase the costs, time and efforts for project developers and could prevent project developers to pursue more projects.</p>	<p>To our knowledge, no peer-reviewed evidence for or against baseline reassessment periods exists.</p> <p>Verra will provide much of the data needed for a baseline reassessment to hopefully make this necessary activity easier for project proponents.</p>
<p>107</p>	<p>We would prefer a fixed number (5 years). If it is not possible because of any reason, an exemption should be requested to VERRA.</p> <p>However, we believe selecting an inadequate model for projecting deforestation can have a bigger impact on the avoided emissions or removals than the duration for the baseline reassessment. What are the statistical and, mainly, biological criteria for choosing any model among others?</p> <p>Should VERRA define some predetermined models to be evaluated by the</p>	<p>Your support of a fixed period is noted and Verra will be adopting a six-year fixed period.</p> <p>Verra's Risk Mapping Tool, which we will use for allocating activity data to avoiding unplanned deforestation and degradation projects, will soon be accessible on the Verra website.</p>

project owner or developer and compared with the results obtained from the proposed models by him?

2.5.7 Are there any potential unintended consequences of requiring baseline reassessment for ALM projects? Is ten years an appropriate period for baseline reassessment, or should it be shorter or longer?

Comment #	Issue Raised	Verra Response
108	No position	No response required
109	We support a 10 year baseline reassessment period.	Your support of the ten-year period is noted.
110	<p>The requirement of the baseline reassessment in 4-6 or 10 years will lead to the additional risks for the development of ILM projects. It is quite difficult e.g. to forecast at the stage of the project development and validation how the regulatory framework, economic development etc will impact the baseline and common practice of the project on medium 4-6 years or long term of 10 years. In the worst case scenario, various political and/or economic factors beyond the project developers control during the 10 year period could lead to a change of the ILM project. Cover Crops Activity Example: Based on Agoro Carbon's experience working with growers, if a practice has positive results for the land's health as cover crops does, the project activity may be widely adopted and lead to a change of penetration rate at large scale and therefore impact the common practice. If a reassessment in 4-10 years is required, this could potentially lead to the situation where additionality of the project could be difficult to prove during the reassessment of the baseline. As a result, the project might be unable to continue its operation as a carbon project.</p> <p>At the same time ILM projects focused on carbon removals are long-term projects, where increases in SOC stock and generation of carbon credits take place over several years after project practices are introduced. The risk</p>	<p>This comment confuses demonstration of additionality and baseline reassessment. The proposed change will require a baseline reassessment after ten years and not a new demonstration of additionality for the project instances already included in the project at the verification event. Project instances will not be at risk of exclusion from the project due to the baseline reassessment. Instead, the practices modeled in the baseline scenario may shift to reflect current common practice.</p> <p>Verra agrees that IALM projects can contribute to increasing activity penetration rate, in addition to broader shifts in management practices in a given region, resulting in a more climate-friendly common practice. This enforces our case for requiring a baseline reassessment with the rationale of urging projects to strive for continuous improvement of their implemented management practices by adding or stacking new practices that are less common. In our view, the</p>

	<p>of change in the baseline as result of its reassessment poses unmanageable risks for the project developer, but also for the farmers looking to adopt the sustainable agricultural practices and receive the monetary reward for their activities in the long term. The uncertainty related to the reassessment of the baseline for ALM projects may also lead to the increase in risks of partial reversals and permanence of the carbon removals.</p> <p>As a result, we believe that the introduction of the baseline reassessment requirement for ILM projects will make the project development process much more difficult and uncertain. We are strongly against the introduction of such requirements in the updated VCS Standard as being not practical and inappropriate.</p>	<p>baseline reassessment requirement will be a crucial element of continued justification of the financial incentive through carbon credits.</p> <p>In addition, because SOC stock increase follows a negative exponential function, the expected generation of credits from SOC stock increase will inevitably decline over time, independent of baseline reassessment. In other words, after ten years it's possible in many cases that fields will be close to reaching SOC stock equilibrium values mitigating any reductions in crediting opportunity due to a change in the baseline scenario.</p>
111	<p>We believe the proposed updates are needed for forestry Avoided Unplanned Deforestation projects with static baselines, such as those using VM0015.</p> <ul style="list-style-type: none"> • The proposed change may have a profound effect on projects using VM0042, as these projects use a dynamic baseline for quantification that includes historic management practices as inputs to biogeochemical models. These projects also assess additionality separately (via a common practice threshold at each verification) which should be security to ensure project additionality, so that this update is not needed. • The proposed change (1 below) would make what were historic management practices in the baseline in the 10 years prior, the new baseline. This would happen in cases where the historical baseline is compared to published data on current common practice in the project region, and there is a significant difference between the historical baseline and current common practice (this is already required in VM0042 to establish additionality), so this requirement is redundant. 	<p>This comment confuses demonstration of additionality and baseline reassessment. This proposed change will require a baseline reassessment after ten years and not a new demonstration of additionality (common practice) for the project instances already included in the project at the verification event. Instead, the practices modeled in the baseline scenario may shift to reflect current common practice.</p> <p>The proposed change does not only impact VM0042, but all existing and future ALM methodologies. The requirement of a baseline reassessment after ten years follows the rationale of urging projects to strive for continuous improvement of their implemented management practices by adding or stacking new practices that are less common. In our view, the baseline reassessment requirement will be a crucial</p>

	It sounds like baseline reassessment may now include management practices that were previously part of the project scenario, and these will now be considered	element of continued justification of the financial incentive through carbon credits.
112	We believe that ALM projects should be subject to the same baseline reassessment requirement as other AFOLU project types completed every 10 years.	Your support of a ten-year period is noted.
113	We provide no specific comments for ALM projects, but our overall position about implementing this change, without sharing the relevant peer reviewed evidence, has been outlined in the “overarching comments” section.	No response required

2.5.8 Should other AFOLU project types (including IFM, APC, RWE, and APWD) change from their 10-year baseline reassessment periods to 4–6-year or other timeframes? Please explain your response.

Comment #	Issue Raised	Verra Response
114	We are supportive of a change of the baseline reassessment period to 4-6 years. By combining a 8-12-year historical period with a 4-6 year reassessment period, baselines can both respond more quickly to changing historical conditions, while also preserving project and nested activity developers’ ability to plan for the critical years 6-10 following the first crediting year.	Your support of this change for quicker response to historical conditions while maintaining planning ability is noted. However, valid concerns were raised about potential burden to projects, so Verra will not change the ten-year baseline reassessment period for IFM, APC, RWE, and APWD projects at this time.
115	We propose a baseline reassessment period of 8-10 years. By combining a 8-12-year historical period with a 8-10 year reassessment period, baselines can both respond more quickly to changing historical conditions, while also preserving project developers’ ability to repay early stage financing.	Your support of a change to eight to ten years for quicker response to historical conditions while maintaining repayment ability is noted. However, valid concerns were raised about potential burden to projects, so Verra will not change the ten-year baseline reassessment period for IFM, APC, RWE, and APWD projects at this time.
116	For methodologies like VM0035 (RIL-C), shortening the period for baseline reassessment could have the unintended consequence of	The potential unintended consequences you suggest for forest managers are noted. Among other concerns,

	<p>forest managers either drawing out the period in which they make actual changes to their practices or generation of VCUs ending after 5 years. There should always be the incentive to better logging practices as quickly as possible, but if a manager already reduces all the impacts possible by year 5, when a baseline reassessment takes place, then they wouldn't be eligible for any carbon credits in years 5-10, and beyond. Having the baseline reassessment after 4-6 years would also make modeling future revenues past that period impossible. In addition, the term baseline includes different activities for different projects, for some methods it could even mean reassessing drivers and agents.</p>	<p>it is for this reason that Verra will not change the ten-year baseline reassessment period for IFM, APC, RWE, and APWD projects at this time.</p>
117	<p>We provide no specific comments for IFM, RWE and APWD projects, but our overall position about implementing this change, without sharing the relevant peer reviewed evidence, has been outlined in the “overarching comments” section.</p>	<p>Your comments are noted.</p>
118	<p>What impact, if any, would the reduction in the baseline reassessment period have on project types other than REDD or ARR?</p> <p>Not applicable. A reduction in the baseline reassessment period on other project types would also negatively affect projects, as this is cumbersome technical work.</p> <p>No, the baselines should not be updated.</p>	<p>Your suggestion that this change should not be made due to it implying cumbersome technical work is noted. This is among the concerns that led to our decision not to change the ten-year baseline period for IFM, APC, RWE, and APWD projects reassessment at this time.</p>

2.5.9 Do the proposed effective dates for historical reference and baseline reassessment periods provide sufficient time for projects currently approaching validation or baseline reassessment to build them into their plans? Which effective date option does this best? Please explain your response.

Comment #	Issue Raised	Verra Response
119	No position	No response required.

120	<p>Considering the financial costs and time required by projects to conduct a baseline revalidation, we suggest: projects that are able to provide evidence of contracting for validation or baseline reassessment within three months of the publication of these new requirements may use the prior rules until their next baseline reassessment.</p>	<p>Your support for this option, and its rationale, are noted. However, implementation upon publication makes sense for environmental integrity reasons.</p>
121	<p>Existing validated projects, and projects currently listed under the validation and verification stage should follow the existing requirements until they reach the next baseline assessment, new projects and existing ones in the pipeline list would adhere to new rules.</p>	<p>The six-year baseline reassessment period will be implemented upon release of these updates, so the situation you describe will be actualized.</p>
122	<p><i>NOTE: These options might be different than what we used in the consultation.</i> We require that In Option 1, be selected: all updates will be effective on the date when the rules are published unless initial validation or baseline reassessment has been contracted before the release date. If Option 2 is selected, then this will have a devastating impact on our existing projects. We are also disappointed that there are not hard dates here, but just the term “before the release date” this is unclear and confusing to developers when hard dates should be clearly defined.</p>	<p>The six-year baseline reassessment period will be implemented upon release of these updates. At the time of consultation, we could not provide a definitive date for when that would be.</p> <p>Your notes about the impacts of option 2 on existing projects were taken into consideration. However, implementation upon publication makes sense for environmental integrity reasons. We reviewed the VCS portfolio and noted that only a limited number of projects would be imminently affected by immediate implementation of the shortened baseline reassessment period.</p>
123	<p>We provide no specific comments for projects currently approaching validation or baseline reassessment, but our overall position about implementing this change, without sharing the relevant peer reviewed evidence, has been outlined in the “overarching comments” section.</p>	<p>Your comments are noted.</p>