

7 June 2011

## Public Consultation on Inclusion of Avoided Conversion of Grasslands and Shrublands (ACoGS) in the AFOLU Requirements, and Proposed Revisions to AFOLU Leakage Requirements

### 1 INTRODUCTION

The Verified Carbon Standard (VCS) Program has been developed to provide a rigorous, trustworthy and innovative global standard and framework for GHG emission reduction and removal projects. As part of its work to further strengthen the program and expand its scope, the VCS Association (VCSA) is conducting a public stakeholder consultation on the proposed inclusion of the new project type of Avoided Conversion of Grasslands and Shrublands (ACoGS) and on proposed revisions to the leakage requirements for AFOLU projects.

This document outlines the proposed updates and changes to the VCS Program. Section 2 provides an overview of the updated sections of the *AFOLU Requirements* document. Section 3 provides a summary of the proposed updates and changes.

The public stakeholder consultation is open for 60 days and all comments should be sent to the VCSA at [secretariat@v-c-s.org](mailto:secretariat@v-c-s.org) by 6pm US Eastern Standard Time on 6 Aug 2011. Comments are invited on the proposed updates and changes only. Stakeholders are encouraged to submit comments in advance of the deadline. Comments will be reviewed on a rolling basis from the time they are received.

Following the consultation period, the VCSA will review all comments and work with relevant stakeholders to develop the final document, which will be submitted to the VCS Board for final approval, ahead of the expected launch in the second half of 2011.

### 2 UPDATED SECTIONS OF THE *AFOLU REQUIREMENTS* DOCUMENT

The ACoGS and leakage updates have been integrated into the *AFOLU Requirements* document. ACoGS requirements appear throughout the document in each of the relevant sections. The updates to the leakage requirements are in Section 4.6. All updated text appears in red for ease of reference. Comments are invited on the updated text only (ie, not the remainder of the AFOLU requirements).

### 3 SUMMARY OF UPDATES AND CHANGES

A number of proposed updates and changes have been incorporated into the *AFOLU Requirements* document, and these are issued as part of the public stakeholder consultation.

The scope of the VCS AFOLU Program includes five project categories; Afforestation, Reforestation and Revegetation (ARR), Agricultural Land Management (ALM), Improved Forest Management (IFM), Reduced Emissions from Deforestation and Degradation (REDD) and Peat Rewetting and Conservation (PRC). Conversion of native grassland and shrubland ecosystems (eg, for agricultural production) cause significant GHG emissions globally. To date, there has been no comprehensive global set of guidelines for the development of GHG emission reduction projects for Avoided Conversion of Grasslands and Shrublands (ACoGS). VCS ALM projects may include improvements

to agricultural land management, including rangeland management, but the avoided conversion of grasslands and shrublands have not previously been eligible activities. Rules and requirements for ACoGS have been developed over the last year by a broad group of experts and have undergone peer review and review by the VCS AFOLU Steering Committee.

The VCSA has undertaken a review and revision of the VCS AFOLU leakage requirements over the last year, taking into account public comments received as part of the VCS Version 3 public comment period as well as revisions developed under a grant from the Blue Moon Fund. Requirements for accounting for leakage in AFOLU projects have been revised and expanded upon in order to facilitate the appropriate estimation of leakage in AFOLU projects. The leakage requirements were drafted by a group of experts and have undergone peer review and review by the VCS AFOLU Steering Committee. Updates to the leakage requirements focus on two key areas:

- 1) Requirements for leakage from migrant activities. Such non-market leakage was not explicitly addressed in the VCS requirements. The proposed changes now include requirements for the quantification of such leakage to facilitate the development of projects and methodologies; and,
- 2) Clarifications to the market leakage requirements, including accounting for market leakage from the displacement of agricultural commodities. Updates and clarifications with respect to such leakage should also streamline the accounting of such leakage for projects and methodologies.

The table below provides an overview of the proposed updates and changes. The table provides a brief summary description of the item, together with the reference to the section of the document containing the update or change. Readers should read the VCS documents for full details and context of the proposed updates and changes.

3) **Table 1:** Revisions to the *AFOLU Requirements*

No.	Item	Description	Reference
1	ACoGS Requirements	Rules and requirements for projects that avoid conversion of grasslands and shrublands, including setting baselines, additionality, baseline and project emissions and reductions and leakage. Requirements are included throughout the <i>AFOLU Requirements</i> .	<i>AFOLU Requirements</i>
2	Leakage Requirements	Requirements with respect to leakage from migrant activities that may be difficult to track and monitor directly have been clarified, and updates and improvements have been made to the requirements for market leakage, including clarifications with respect to the treatment of market leakage from agricultural commodities.	<i>AFOLU Requirements</i> , section 4.6