Methodology Approval Process

Summary

ICR serves as a framework for climate projects of any sizes where environmental integrity is promoted with credibility, consistency and transparency of quantification, monitoring, reporting, validation, and verification.

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1. Introduction

The ICR Methodology Approval Process offers Project proponents a pathway for developing new methodologies when no existing methodology addresses their needs or can be applied to their climate solutions or they need minor revisions. The Methodology Approval Process includes that proposed methodologies validated by a validation/verification body accredited for ISO 14065 are reviewed by ICR, assessed by the Program Advisory and Methodology Approval Panel (PAMAP), and approved by the ICR Board.
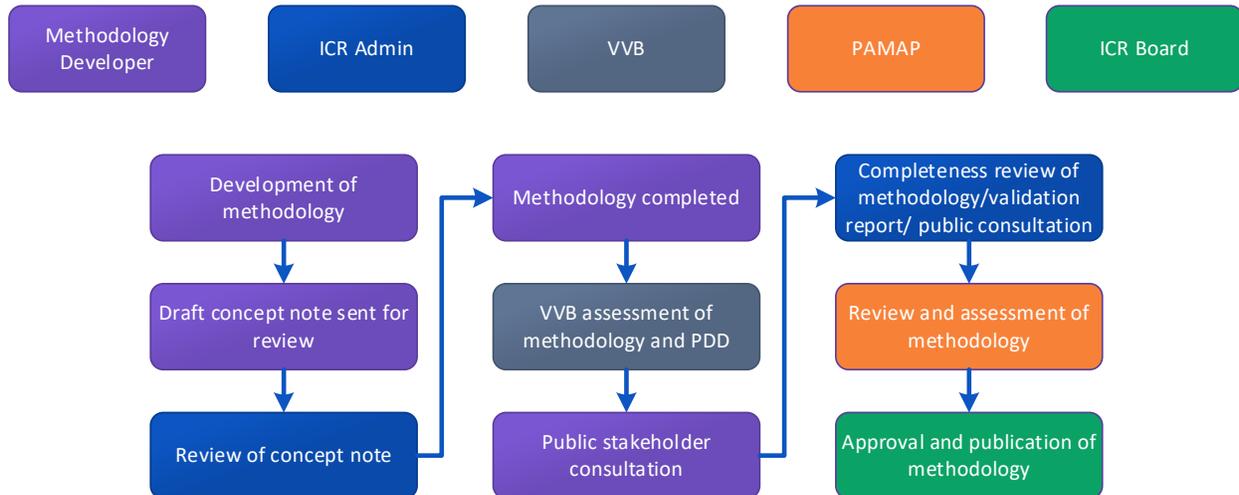
This ICR Methodology Approval Process describes the framework, criteria, and process that methodologies must meet in order to be approved by ICR. The ICR Methodology Approval Process is the process by which proposed methodologies are approved for use under the ICR Program. New methodologies are subject to validation by a VVB and are submitted for review by the ICR and the PAMAP. Once a methodology has been approved, climate projects applying the methodology may be registered and receive credits for their mitigation outcome, subject to validation and verification of projects and their impacts.

2. Definitions

For the purpose of this document, the terms and definitions given in ICR Requirement Document, ICR Process Requirements, and ICR Methodology Requirement Document apply.

3. Methodology Approval Process

New methodologies proposals and methodology revisions are approved through the process set out in this ICR Methodology Approval Process, consisting of a review by ICR, a public stakeholder consultation, an independent assessment by a validation/verification body, an assessment by the PAMAP, and approval by the ICR Board.

Methodologies include requirements towards a specific type of climate project that, with their application, are to conform to the requirements of ISO 14064-2, ICR Requirements, and other normative requirements. They set out requirements and guidelines for establishing the baseline scenario, quantification, monitoring, and confirmation requirements that ensure consistency in their application and resulting impacts in mitigation outcomes specific climate projects. If ICR or other GHG programs have not already approved a methodology applicable to the climate solution, the project proponent needs to develop and propose a new methodology for approval by the ICR.

The Methodology developer shall follow the requirements in the ICR Methodology Requirements, use the Methodology Description template for the development and strive to safeguard structural integrity, consistency, and readability. The methodology shall follow all instructions in the Methodology Description template and justify all deviations.

The new methodology proposal shall be submitted to ICR electronically via email to admin@carbonregistry.com. The name of the methodology shall be written in the subject of the document, accompanied with an explanation indicating that the submitted documents represent a proposal for a new methodology. All supporting documentation shall be delivered to the ICR.

The costs of the methodology approval process consist of costs associated with the PAMAP assessment and fees associated with the validation of the proposed new methodology charged by the VVB. Costs associated with the independent assessment by the PAMAP will be charged by ICR, and the cost of contracting a validation/verification body (VVB) for validation of the methodology will be charged by the VVB. The applicant of the proposed methodology carries all costs, if no other arrangement has been aggreed upon.

3.1 Concept Note

Using the Concept Note template, the methodology developer may prepare a description of how the proposed climate solution and the climate project mitigates climate change. The concept note shall include:

- a summary description of the methodology,
- other similar methodologies, and distinction to other methodologies,
- activities associated with the implementation and
- applicability of its application,
- assessment of the additionality,
- quantification of mitigations, and
- how monitoring is to be conducted,
- identification of planned projects and are awaiting approval of a methodology for application, and
- a summary of and description of the development team and their competence to implement the project.

Further, a description of funding sources for the development of the methodology and implementation of identified projects. Concept notes shall be submitted to ICR electronically via email to admin@carbonregistry.com with the methodology name in the subject and indication it is a concept note.

ICR conducts a completeness review of the concept note and confirms the following:

- Any existing methodologies do not cover the project activities covered by the concept.
- Approaches towards its application are provided in a detailed manner.
- that the development team is appropriately competent and
- that sufficient funding is in place to ensure that the methodology approval process can be completed.

ICR will evaluate the concept note when enough information has been provided. When the evaluation has been completed, ICR will inform the Methodology developer if the concept note:

1. has been accepted, confirming that the methodology developer can continue the process and submit the methodology for the methodology approval process.
2. needs revisions before it can be accepted, where ICR specifies unmet criteria and provide guidance on corrective actions.
3. has not been accepted and needs major revisions before it can be resubmitted.

3.2 Methodology Development

Methodologies contain the eligibility rules, quantification methods, and confirmation requirements that ensure consistency in design and accounting for climate project mitigation outcomes. New methodologies are subject to Validation according to the requirements of ISO 14064-2 on a methodology level (not project level mutatis mutandis), public stakeholder consultation, and assessment by the PAMAP according to the requirements of the ICR Methodology Requirements.

The Methodology developer shall develop the Methodology according to requirements described in the ICR Methodology Requirements, ISO 14064-2, and use the Methodology Description template provided by ICR to be eligible for new methodology approval under ICR.

3.3 Validation

The proposed new methodology is subject to validation. The Methodology developer shall contract a VVB for conducting the validation of the methodology and a project design description. The VVB shall meet the requirements set out in the ICR Methodology Requirements.

The VVB shall produce a validation report in accordance with the requirements of ISO 14065 and conduct the validation according to ISO 14064-3. The validation report shall be separate for the proposed methodology from the validation report of the project applying the new methodology. The validation report(s) shall be submitted to the ICR in conjunction with the submission of the proposal for the new methodology. For methodology revisions,

according to section 4, the VVB shall determine if the methodology shall undergo a complete validation or only for the elements that have been modified.

3.4 Public Stakeholder Consultation

ICR publishes the proposed new methodology documentation on the ICR website for a period of 28 days for the purpose of consultation with stakeholders and the public on the proposed new methodology. In collaboration with ICR, the Methodology developer may host a presentation of the proposed new methodology. Comments shall be submitted to admin@carbonregistry.com, and respondents shall provide their name, organization, country, and email address.

When the public consultation has ended, ICR provides comments received to the Methodology developer. The Methodology developer shall respond to all comments either by updating the methodology or demonstrating the insignificance or irrelevance of the comment. All adjustments shall be resubmitted to the VVB for assessment of revision of validation.

3.5 Completeness Review by ICR

When the Methodology developer has submitted the proposal for the new methodology to the ICR along with the validation report and all other relevant documentation, i.e., project design description, validation report for the project, reference documentation, modules, tools, etc., ICR conducts a completeness review. Completeness review consists of a review of the methodology documentation to ensure that the methodology is of sufficient quality and that the methodology documentation has been completed according to ICR Methodology Requirements, and to facilitate an effective assessment of the PAMAP. The completeness review focuses on the methodology's structure, consistency, and clarity.

If ICR identifies issues or missing documentation in the submitted proposal for the new methodology, ICR communicates the issues to the Methodology developer. The Methodology developer shall provide clarifications or submit further documentation to address the identified issues to the ICR within 28 days of receiving the request.

When the completeness review has been completed, ICR prepares all relevant documentation and the Methodology Proposal Submission form and delivers it to the PAMAP for assessment.

If the completeness review reveals that the methodology does not meet ICR standards, ICR reserves the right to not proceed to the methodology approval process.

3.6 PAMAP Assessment

ICR prepares all relevant documentation on the proposed new methodology to the PAMAP for which ICR has completed completeness review and approved, taking into account the comments received from stakeholder consultation, using the ICR New Methodology Proposal form.

The PAMAP shall consider the proposal of the new methodology, accompanied validation report for conformity to ISO 14064-2 and validated PDD if available, and prepare a draft recommendation to the ICR Board. The PAMAP shall assess conformity to the ICR Methodology Requirements and the Principles outlined in section 2 in the ICR Methodology Requirements. The PAMAP shall make every effort to conclude its consideration and finalize the recommendation as soon as practically possible. The recommendation to the Board shall be to:

1. Approve the proposed new methodology; or
2. Reject the proposed new methodology.

If, in preparing the draft recommendation, the PAMAP identifies issues in the proposed new methodology that may be addressed with clarifications or modifications, the PAMAP shall request ICR to communicate the issues to the Methodology developer. The Methodology developer shall provide clarifications or submit a modified proposal to

address the identified issues to the ICR within 28 days of receiving the request. If the Methodology developer does not respond accordingly within the given deadline, the PAMAP submission of a final recommendation to the ICR Board may be delayed. If the Methodology developer does not respond to issues discovered by the PAMAP within 90 days, the proposal submission shall be considered withdrawn.

If the PAMAP draft recommendation to the ICR Board is to approve the proposed new methodology, the ICR communicates the new methodology to the Methodology developer in ICR format. Within the time frame defined by the ICR, the Methodology developer shall ensure that the reformatted new methodology is acceptable or request modifications to it. If the Methodology developer does not respond accordingly by the given deadline, the PAMAP submission of a final recommendation to the ICR Board may be delayed accordingly.

The PAMAP shall finalize its recommendation to the ICR Board, taking into account the Methodology developer responses referred to in the above paragraph, and publish it in its corresponding assessment report. The PAMAP shall document its assessment of the proposed new methodology in writing. The assessment shall address the PAMAPs' opinion on whether the proposed methodology presents an approach to estimate mitigations and real impact results from implementing projects that apply the methodology in question, and that the methodology is in line with GHG principles and reflects the latest scientific understanding of sector-based best practices. Recommendation from the PAMAP shall be on the agenda and discussed at the next ICR Board meeting.

For methodology revisions according to section 4 below, the PAMAP shall determine if the methodology shall undergo a complete assessment or only for the modified elements.

3.7 ICR Board Approval

At the ICR Board meeting, the recommendation to the ICR Board is placed on the agenda. The ICR Board shall take due account to the recommendation from the PAMAP and decide to either:

1. Approve the proposed new methodology (revision) as recommended by the PAMAP;
2. Reject the proposed new methodology (revision);
3. Request the PAMAP to review its recommendation to the Board and provide guidance on issues to be reviewed.

If the ICR Board approves the proposed new methodology (revision), the approved new methodology (revision) is published on the ICR website within seven days of the approval, and the list of ICR Approved Methodologies is updated.

4. Methodology Revisions and Review

4.1 Revisions

Methodology revisions shall be prepared using the ICR Methodology Template. Methodology revisions may represent limited modification as clarification, correction, or more extensive modifications.

The Methodology developer may consult with ICR for determination if a methodology revision represents a limited modification or extensive modification. If the revision is extensive, the revision process shall follow section 3 above.

For limited modifications, the methodology may be updated where ICR makes the required changes in coordination with the Methodology developer and issues a new version of the methodology.

Where revisions have been made to existing methodologies and approved by the ICR Board, the revisions are published on the ICR website and can be applied for project activities.

For revision of methodology under another GHG program, a reference to the underlying methodology being revised shall be included. The revision shall be applied to the current version of the methodology. The revision shall use the ICR Methodology Description template, and the rationale for the revision shall be clearly stated both in summary and in sections that are modified. Sections not modified shall refer to the underlying methodology.

If a new version of the underlying methodology is issued under the relevant GHG program, compromising the revised methodologies integrity and compliance to ICRs program requirements, projects cannot apply the methodology revision until the methodology revision has been updated and approved.

4.2 Review

ICR periodically reviews approved methodologies to ensure continuity regarding methodologies being active and their reflection of best practice and scientific consensus. This is done to ensure consistency with any new amended requirements and foresee that methodologies include appropriate criteria and procedures for addressing all requirements.

A review may be initiated due to:

- New requirements reflecting the development of the ICR program, best practice and/or emerging scientific consensus concerning projects and methodologies.
- Concerns that methodologies do not reflect best practice or scientific consensus, or they are materially inconsistent with ICR requirements.

ICR in consultation with the PAMAP carries out the review and any relevant issues that initiated the review. Input from the Methodology developer, the validation/verification body(s) that initially assessed the methodology and appropriately qualified external experts, is requested as required for the review.

- If the review results in that the methodology requires limited modifications, ICR coordinates with the Methodology developer to update the methodology documentation.
- If the review results in that the methodology requires major revision, the methodology is temporarily suspended. If the Methodology developer or another entity would like to have the methodology reinstated, the methodology shall be revised and approved following section 3 above. If not, the methodology is withdrawn.
- If the review results in that the methodology meets all ICR Program requirements and reflects best practice and scientific consensus, no further action is required.

Methodologies that have been withdrawn are not eligible for application for project activities for registration and issuance of ICCs. However, project activities that have registered can continue the application for the crediting period, but the crediting period cannot be renewed.