



International Carbon Registry

ICR process requirements

Summary

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

October 2022

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Introduction

Immediate climate action is required to transition the world to a low-carbon economy. The need grows more urgent by the day, as evidenced in Working Group I's contribution to the Sixth Assessment Report¹ by the Intergovernmental Panel on Climate Change (IPCC) and further emphasized in the April 2022 report by Working Group III's *Climate Change 2022: Mitigation of Climate Change*². To achieve the goals of the Paris Agreement to limit global warming to 1.5 degrees Celsius, the global community needs to reach Net-zero emissions no later than 2050. Although the primary focus of governments and corporations must be on reducing emissions, establishing a credible carbon market mechanism is paramount to support the goals of the Paris Agreement and those of the United Nations for Sustainable Development. The voluntary carbon market has the potential to significantly accelerate efforts to mitigate climate change and achieve the goals of the Paris Agreement.

Carbon credits enable organizations to compensate for emissions by financing the avoidance/reduction of emissions from other sources or removing greenhouse gases from the atmosphere, thus contributing to the transition to global Net-zero. Carbon credits can also support emerging climate technologies by increasing financial gain and allowing for earlier market penetration. This can enable the maturation and deployment of emerging innovative methods, which can position the solution in a more competitive position against carbon-intensive alternatives. Therefore, it is urgent to enable emerging technologies to enter the voluntary carbon market to access finance that will help deploy these solutions. Such global deployment can decrease the rate at which emerging economies utilize fossil-fueled solutions to meet their energy needs. The investments needed to scale emerging low-carbon technologies do not meet today's markets' risk and return expectations. An effective and adaptable carbon market can facilitate capital flows to these technologies through carbon offsetting mechanisms established on the principles that emerged in initiatives such as the Clean Development Mechanism.

ICR is a Greenhouse Gas (GHG) program and an initiative in Iceland to facilitate financing climate projects while safeguarding environmental integrity and contributing to a sustainable and low-carbon economy. The ICR serves as a platform for climate projects of any size where environmental integrity is promoted with credibility, consistency, and transparency of quantification, monitoring, reporting, validation, and verification. ICR recognizes the need to

¹ IPCC, 2021: *Climate Change 2021: The Physical Science Basis. Contribution of Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* [Masson-Delmotte, V., P. Zhai, A. Pirani, S.L. Connors, C. Péan, S. Berger, N. Caud, Y. Chen, L. Goldfarb, M.I. Gomis, M. Huang, K. Leitzell, E. Lonnoy, J.B.R. Matthews, T.K. Maycock, T. Waterfield, O. Yelekçi, R. Yu, and B. Zhou (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA, In press, doi:[10.1017/9781009157896](https://doi.org/10.1017/9781009157896).

² IPCC, 2022: *Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change* [P.R. Shukla, J. Skea, R. Slade, A. Al Khourdajie, R. van Diemen, D. McCollum, M. Pathak, S. Some, P. Vyas, R. Fradera, M. Belkacemi, A. Hasija, G. Lisboa, S. Luz, J. Malley, (eds.)]. Cambridge University Press, Cambridge, UK and New York, NY, USA. doi: [10.1017/9781009157926](https://doi.org/10.1017/9781009157926)

scale and accelerate the decarbonization of the economy, with climate financing for climate projects avoiding or reducing GHG emissions and sequestering or removing GHG from the atmosphere. ICR also recognizes the need to bring prominent technologies and nature-based solutions to light that have yet to establish a methodology according to the CDM or other GHG Programs but need the financial support of the emerging carbon markets to be viable. Therefore, the ICR is based on ISO standards, resulting in a more effective and efficient review of emerging methodologies. ICR welcomes GHG projects from the entire world. However, it places particular emphasis on decarbonizing energy production and utilization and technological development for carbon removal projects and includes sectors that have not participated in this emerging global carbon market.

ICR's mission is to build confidence in the carbon market from investors, project developers, corporations, the environmental community, authorities, and the public. The goal is to facilitate the necessary scaling of the voluntary carbon markets and the underlying climate solutions and utilize the market mechanism for real climate impacts. By that, financing climate projects viable for a fast transition to a low-carbon economy can be accelerated.

Once a project has been validated and registered, the project proponent will receive ICCs through the ICR registry platform. ICR is directly linked to a carbon exchange which facilitates access to the carbon market and builds market liquidity.

Organizations can create an account to hold carbon credits they have acquired, e.g., when investing in prominent climate projects and/or to manage their portfolio of carbon credits to be used for offsetting emissions in the future.

The ICR registry platform also serves as a registry for other environmental certificates, such as Icelandic Forest Carbon Units (FCU).

International Carbon Registry operates in English. All documentation of projects shall be in the English language.

1. General

This document summarizes the ICR processes i.e. for early registering of projects, registering projects, issuing ICR carbon credits (ICCs), activating ICCs, and retiring/canceling ICCs or other environmental certificates according to the ICR requirement document or sectoral requirements. This document is intended for project proponents, general users of ICCs, market participants, and any other entities participating in the carbon market. Still, the focus is on project proponents registering their climate projects. Note that the ICR requirement document and related documents provide rules and requirements for climate projects to be eligible for registration. This document, ICR process requirements, shall be used to complement the ICR requirement document.

Projects may have one or more project proponents. For readability, this document uses project proponent in the singular tense.

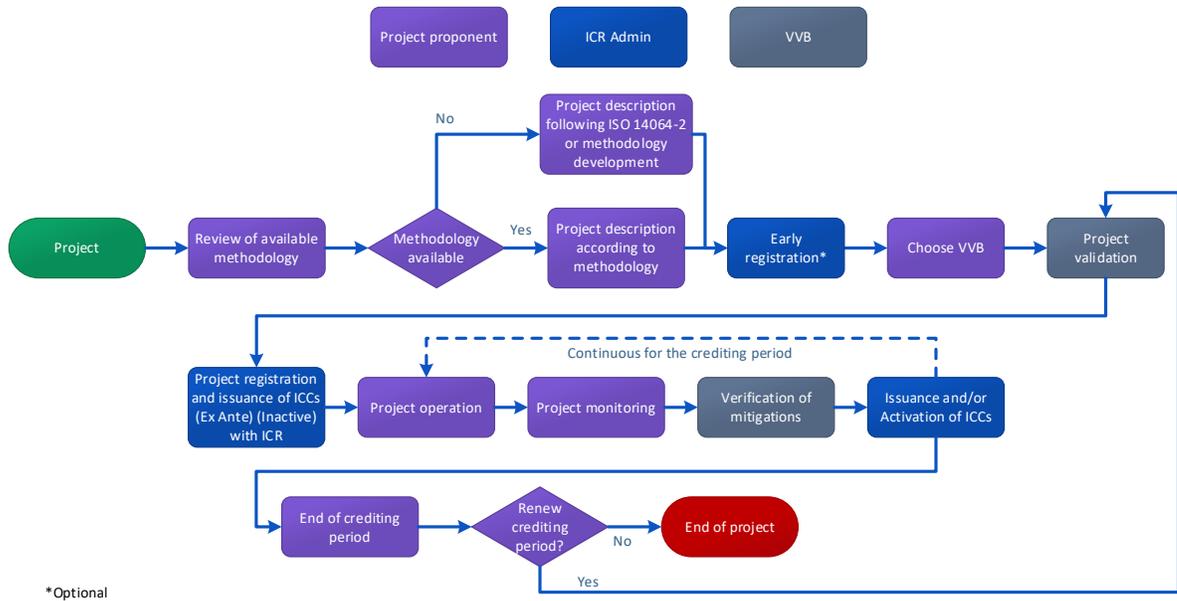
The project proponent interacts with ICR to early register projects in development when undergoing validation, registering projects, during issuance of ICCs post validation, and activation of ICCs post verification of GHG emission mitigation outcomes. All documentation shall be uploaded to the ICR registry by the project proponent or his representative. Validation and verification bodies (VVBs) are responsible for validating climate projects and verifying their mitigation outcomes. ICR is responsible for undertaking document review, administering registration, issuance, activation, the retirement/cancellation of ICCs, and other aspects of the ICR registry and further outlined in the terms and conditions and ICR user guide.

The ICR registry provides a central source for all information and documentation relating to projects under ICR requirements. ICR registry also provides a guarantee for the uniqueness of projects and their mitigations, issuing ICCs with unique serial numbers and tracking retirements and cancellations. ICR makes information and documentation of projects publicly available and internal when public disclosure is not possible due to confidentiality and/or intellectual property rights. ICR is responsible for reviewing project documentation and overseeing VVBs to ensure the integrity of projects and ICCs within the registry platform.

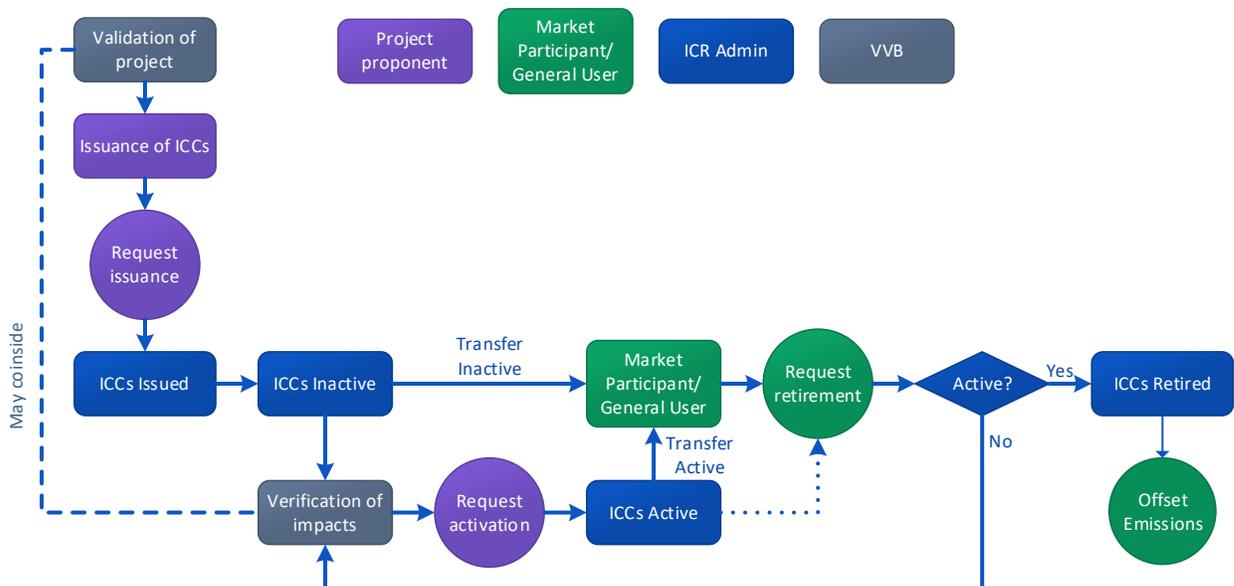
This ICR process requirement is updated periodically, and users shall ensure that they are using the most current version of this document.

2. Project Cycle and the ICR

All projects have a beginning and an ending. Though not always the same applies to all projects, the lifetime of a project may generally be described according to the following diagram.

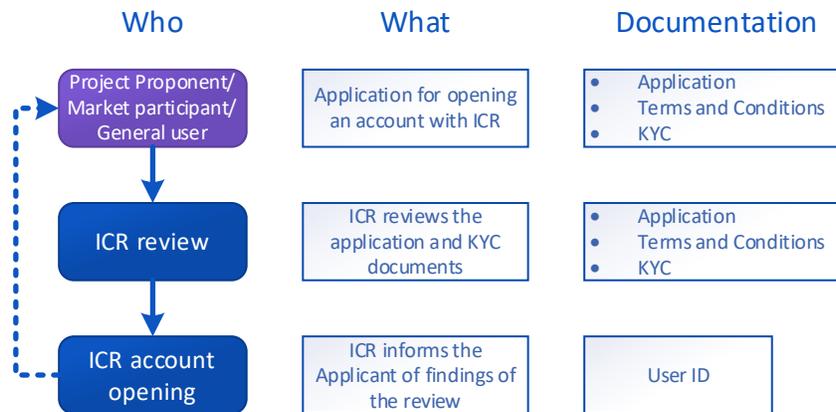


The lifecycle of ICCs can further be described as shown in the diagram below:



2.1 Account Opening

For entities willing to participate in the ICR as a project proponent, market participant, or general user for issuing, transferring, or retiring ICCs, entities need to open a registry account with ICR. A project proponent, a market participant, general user can apply to open a registry account at any time. The account opening is completed online via the ICRs website. Note: Different fees are applicable for different member usage statuses and different functionalities.

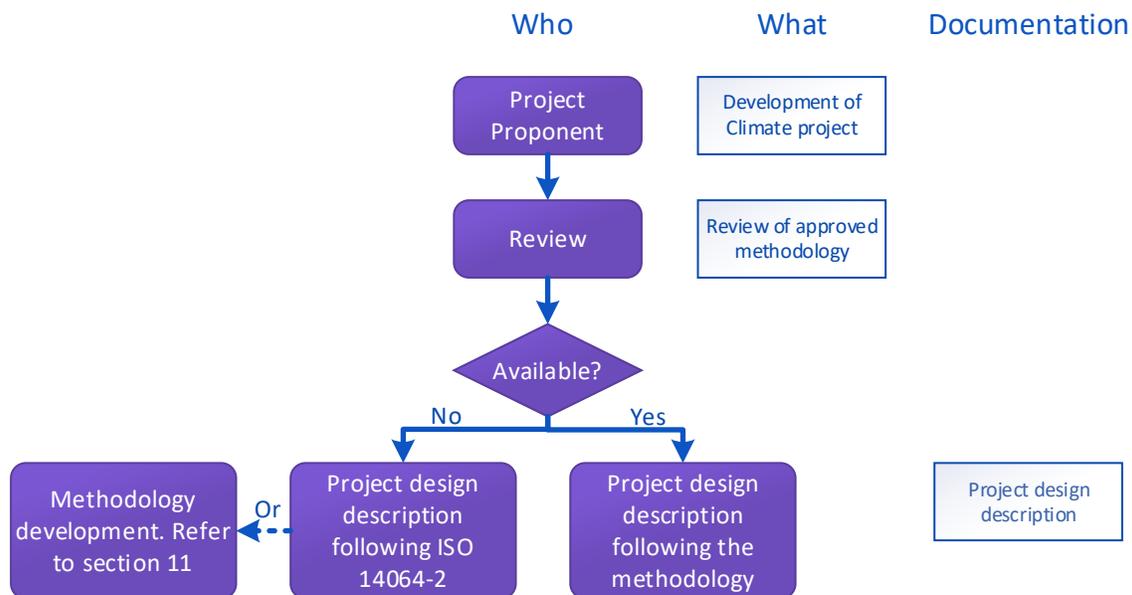


- Project proponents who want to register their climate projects conforming to ICR requirements and issuing ICR carbon credits (ICCs) shall open an account with ICR before any documentation review can proceed. For further information on climate project requirements of ICR, refer to the ICR requirement document, ISO 14064-2, and other applicable documentation.
- Any project proponent intending to submit a project to ICR shall open an account through a form available on the ICR website <http://www.carbonregistry.com> and register as a project proponent.
- Other users open registry accounts as applicable for the purpose of their usage. User permissions are limited to the purpose of use. For validation and verification bodies (VVBs), refer to section 8.
- Market participants who want to act as a custody for carbon credits for users, trade or retire carbon credits on behalf of organizations shall open a market participant account with ICR.
- Users i.e., organizations holding ICCs, shall open an account with ICR if the organization intends to hold carbon credits for use at a later date.
- All applicants for account opening must sign terms and conditions and are subject to Know your customer (KYC) check with ICR.
- ICR will inform the applicant of the review of the KYC and accompanying documentation. If further documentation is needed, ICR will inform the applicant.
- When all applicable fees are paid, the account is opened, and the applicant receives a user login ID for their account and a password.

- Account holders can open user accounts for their account provided they deliver ICR necessary information.

2.2 Review of available methodology

Project proponents who have a climate project in development should review approved methodologies under ICR for their applicability for registration.



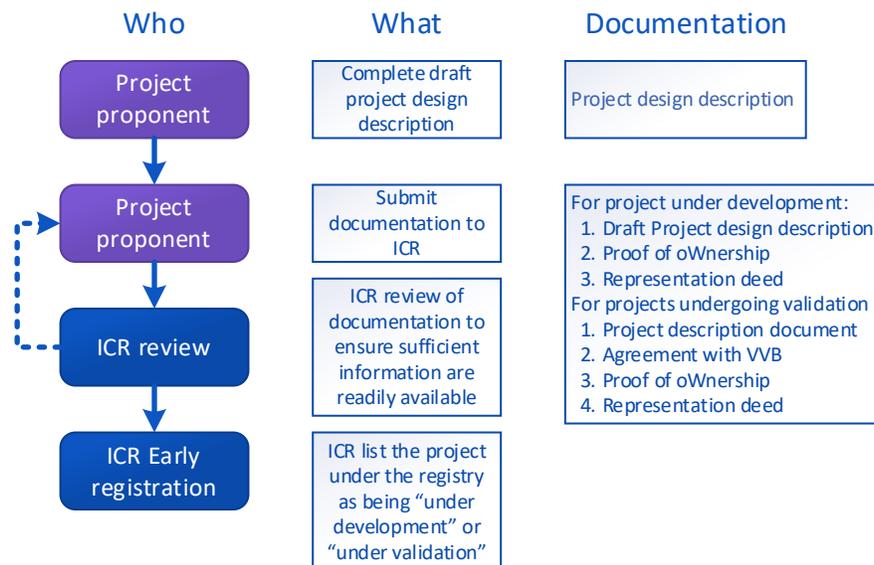
- ICR's pre-approved methodologies are listed the ICR approved methodologies and available on the ICR website.
- If the approved methodologies do not cover the project activities, the project proponent may develop a project following the requirements of ISO 14064-2 and the ICR requirement document.
- If the project proponent intends to develop a new methodology, please refer to section 9.
- All documentation, irrespective of the origin of methodology, criteria, and procedures, shall use available templates on the ICR website and follow any instructions outlined. Note, however, section 6.
- Project proponents shall complete the project design description template according to the ICR requirement document, ISO 14064-2, and when relevant, the applied methodology before any registration process can be initiated.

2.3 Project Design Description and Early Registration

Project proponents applying for early registration of a climate project in the ICR registry can do so at any time before or during implementation of the actual project and its operations. Early registration may be to show projects in implementation for potential off-takers.

When validating or verifying, the VVB shall check the project's status in the ICR registry. If the project has not been early registered with the ICR, the VVB shall advise the project proponent to do so.

When the project has been listed on the ICR registry marks the beginning of public comment period. Relevant documentation is made public on the ICR registry platform for comments. Comments received on the project activities shall be submitted to admin@carbonregistry.com with information, e.g., name, organization, address, and email address of the disclosing party, along with the identification of the early registered project. When comments are received, the project proponent shall address received comments.



1. The project proponent appoints an individual or an entity responsible for communication with ICR throughout the crediting period of the project activities depicted in the project design description in a representation deed and/or the project agreement.
2. If not already holding a user ID, the account holder provides the individual authorization for establishing a user ID with admin rights for the account.
3. Projects are early registered in the registry as either "under development" or "under validation." The difference represents the status of implementation and the contractual relationship with the VVB. Those under validation are projects that have completed the project design description and contracted a VVB for validation (and verification), while projects "under development" have not.
4. Projects eligible for early registration shall submit the following documentation:
 - i. Proof of ownership
 - ii. Representation deed

- iii. A draft project design description³
5. To register project as "Under validation," the following documentation shall be submitted:
 - i. Proof of ownership
 - ii. Representation deed
 - iii. Completed project design description.
 - iv. Signed contract with a VVB.
6. The project status is updated from "Under development" to "Under validation," subject to review of updated documentation.
7. A project agreement must be completed for the project to be eligible for registration and/or early registration, see 2.1.
8. If more than one proponent represents a project, all proponents must be included in the project agreement and open a registry account.
9. All documents regarding the project must be submitted in electronic format.
10. The project proponent pays all relevant outstanding fees.
11. ICR reviews submitted documents for completion according to 4 - 9.
12. If the submitted documentation is insufficient, the project proponent is informed of corrections/improvements.
13. Relevant documentation is uploaded to the ICR registry for early registration of the project and for public disclosure. The project is registered as appropriate as "under development" or "Under validation."
14. All submitted documents and records are kept for a minimum of 7 years after the last retirement of credits issued and activated resulting from the project activities. If the project fails to complete registration, see section 2.4, and no ICCs are issued, documents and records are kept for at least seven years.
15. When projects complete validation, project proponents may issue ICCs subject to completion of the Registration and Issuance Process
16. If a project is early registered and does not complete validation within 12 months from initial early registration, the project status is updated to "Inactive." Subject to objective evidence of ongoing implementation, the status is updated or reverted. Projects early registered must complete validation and registration within 24 months from initial early registration. If projects do not complete validation and registration within 24 months, they're delisted from the ICR registry.
17. If ICR suspects that information and documentation submitted by the project proponent are false or misleading, ICR reserves all rights to delist the project and disclose the occasion.

³ Note that the draft rationale does not have to include evidence of conformity at this stage and does not need to be publicly available.

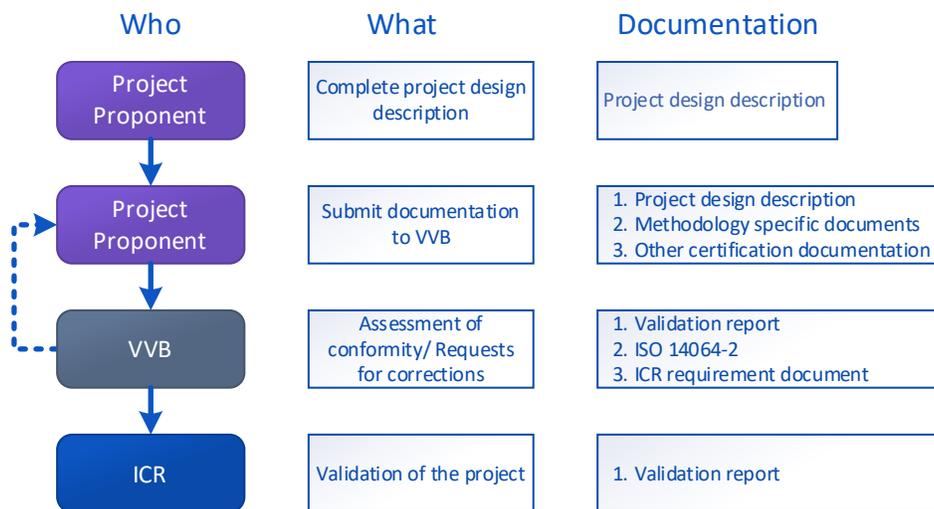
2.4 Registration and Issuance Process

The ICR registry displays the status of each project and ICCs issued under the ICR requirements. ICCs have a different status that describes their characteristic i.e., issued, inactive, active, retired, or canceled. In order to complete the registration of projects and issue ICCs under ICR requirements, projects shall follow these steps as outlined in the subsequent sections:

- 2.4.1 Project Design Description for Validation
- 2.4.2 Validation of projects
- 2.4.3 Registration and issuance request
- 2.4.4 Project review
- 2.4.5 Issuance of ICRs

2.4.1 Project Design Description for Validation

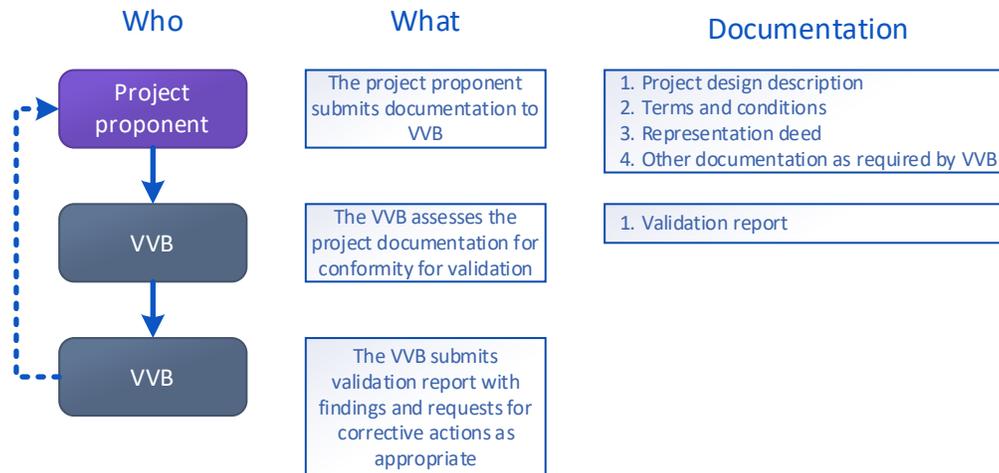
When projects have been early registered and/or when the project design description is completed, projects can undergo validation.



1. Before completing the project design description, it should be submitted to ICR for early registration, as discussed under 2.3.
2. The project proponent shall use all available templates from ICR for the documentation and follow all outlined instructions.
3. If the project includes other environmental or social benefits certifications, the VVB shall be informed, and necessary documentation made available for the VVB for validation.
4. A description of other certifications shall be provided in the project design description.
5. For validation to be completed, the project design description must conform to all requirements of ISO 14064-2, the ICR requirement document, and the applied methodology.
6. The project proponent shall adhere to and demonstrate conformity to all requirements.
7. All documents regarding the project must be submitted to the VVB in electronic format.

2.4.2 Validation of Projects

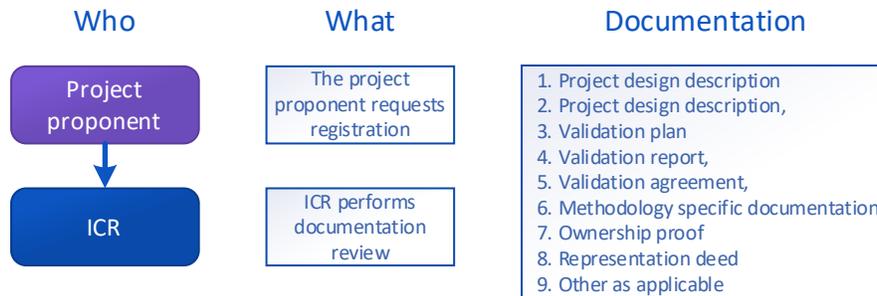
The validation process shall be completed for projects to be eligible for registration and issuance ICCs. When project proponents issue ICCs after validation of projects, they are inactive and, as such, cannot be used (retired) for the purpose of offsetting for organizations holding them. ICCs can, however, be transferred when inactive. ICCs are activated subject to verification of GHG emission mitigation outcomes by the VVB. Note that issuance does not guarantee the activation of ICCs as discussed under 2.5 Verification and Activation of ICCs.



1. Requirements for validation, including requirements for VVB, are set out in the ICR requirement document. Projects must complete validation prior to requesting registration and issuance of ICCs. The process for requesting issuance and activation of ICCs is discussed later.
2. Project proponents submit documentation to the VVB according to a request by the VVB.
3. The VVB assesses the documentation and accompanying evidence of conformity to requirements of ISO 14064-2, the ICR requirement document, and, where applicable, the applied methodology.
4. The VVB submits a validation report to the project proponent with findings and requests for corrective actions as applicable.
5. If applicable, the project proponent responds to the requests for corrective actions, and the VVB assesses the measures taken.
6. The project proponent submits the validation report to the ICR registry along with the completed project design description and other applicable documentation during the registration process.
7. ICR reviews the validation report for completeness and its findings.
8. If the validation report or supporting and required documents are insufficient, ICR advises the VVB and/or the project proponent respectively.

2.4.3 Registration and Issuance Request

For registration and issuance of ICCs, the project proponent initiates the process in the ICR registry.



1. The project proponent applies for registration and may request partial or full issuance of ICCs in the registry. Partial issuance is applicable for projects where mitigations have not been verified. Partial issuance allows for the issuance of 50% of estimated GHG emission mitigation outcomes for the crediting period or monitoring period, notwithstanding ICCs demarcated for the adjustment account. If GHG emission mitigation outcomes have been verified for a monitoring period, full issuance is possible for the monitoring period.
2. Registration is possible when the project has been validated, and all non-conformities have been resolved.
3. The project review fee shall be paid before ICR completes the project review and the project is registered in the registry.
4. When a project is registered without the issuance of ICCs, relevant documents that shall be provided to ICR are as follows:
 - a. Project design description,
 - b. Validation plan,
 - c. Validation report,
 - d. Validation agreement,
 - e. Methodology specific documentation,
 - f. Documentation relating to other certifications.
 - g. Ownership proof.
 - h. Representation deed.
5. When a project is registered and ICCs Issued partially, relevant documents that shall be provided to ICR are as follows:
 - a. Project design description,
 - b. Validation plan,
 - c. Validation report,
 - d. Validation agreement,
 - e. Methodology specific documentation,
 - f. Documentation relating to other certifications,

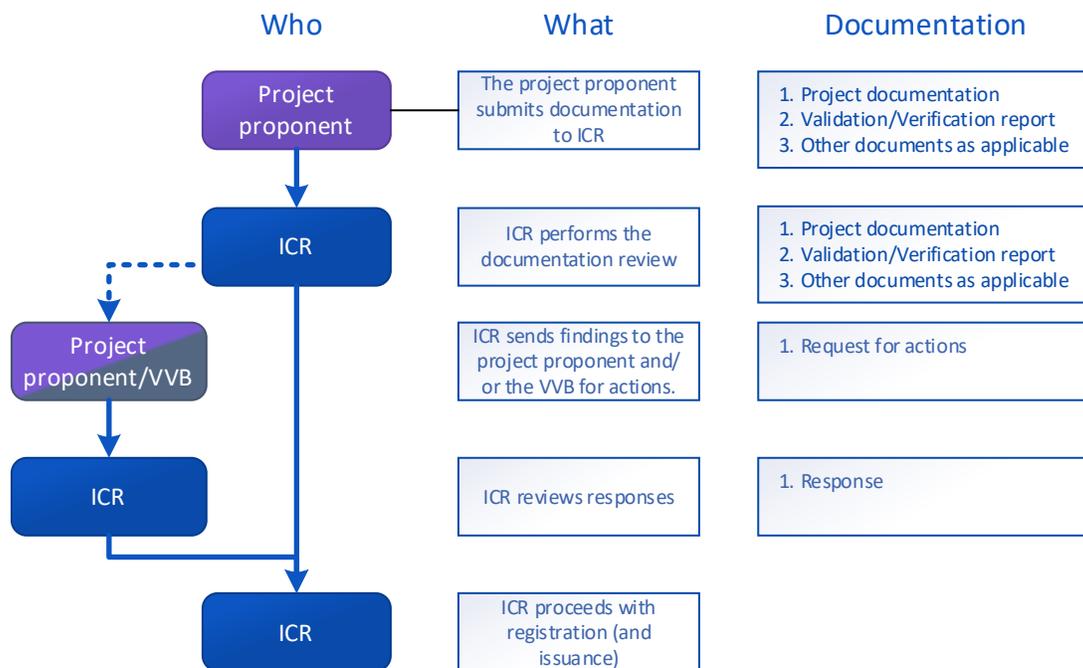
- g. Documentation regarding cancellation of GHG credits under another GHG program if applicable.
 - h. Ownership proof.
 - i. Representation deed.
 6. When a project is registered, and ICCs issued in full for a monitoring period, relevant documents that shall be provided to ICR are as follows:
 - a. Project design description,
 - b. Validation plan,
 - c. Validation report,
 - d. Validation agreement,
 - e. Monitoring report,
 - f. Verification plan,
 - g. Verification report⁴,
 - h. Verification agreement,
 - i. Methodology specific documentation,
 - j. Documentation relating to other certifications,
 - k. Documentation regarding cancellation of GHG credits under another GHG program if applicable.
 - l. Ownership proof.
 - m. Representation deed.
 7. If a deviation of the project design description has been applied and a revised project design description issued, the new version of the project design description shall be provided to ICR, accompanied by a new validation report.
 8. If the project crediting period has been renewed, a revised project design description and new validation report and validation agreement shall be provided to ICR.
 9. Publicly available documents are:
 - a. Project design description,
 - b. Validation report,
 - c. Monitoring report,
 - d. Verification report (when ICCs have been activated),
 - e. Documentation relating to other certifications,
 - f. Any methodology specific documentation.and the following documents as private documents
 - g. Validation plan,
 - h. Verification plan,
 - i. Validation/verification agreement.
 - j. Documentation regarding cancellation of GHG credits under another GHG program if applicable.

⁴ Validation and verification can be reported in a combined report.

- k. Ownership proof.
 - l. Representation deed.
- 10. Project proponents shall advise ICR before disclosure if any documentation is subject to non-disclosure or confidentiality.
- 11. Vintages are displayed for ICCs based on estimates in the project design description for Ex-ante issuance of ICCs.⁵
- 12. ICR allows projects following methodologies approved under other GHG programs to register with ICR. Documentation required is the same for those projects as for ICR projects but note:
 - a. All templates used shall be ICR templates.
 - b. If registered under the other GHG program registering is also permitted under ICR. See section 6 for details.
- 13. ICR allows for additional labeling of other certifications, such as the UN Global Goals. Project proponents should advise ICR on different labels and required documentation.
- 14. All documentation shall be submitted to ICR via electronic means.
- 15. Registration of projects is subject to a successful project review, as discussed below.

2.4.4 Project Review

The project review process is initiated when relevant documentation for registration, issuance, or renewal of the project crediting period is submitted to ICR. The project review process consists of a documentation review.



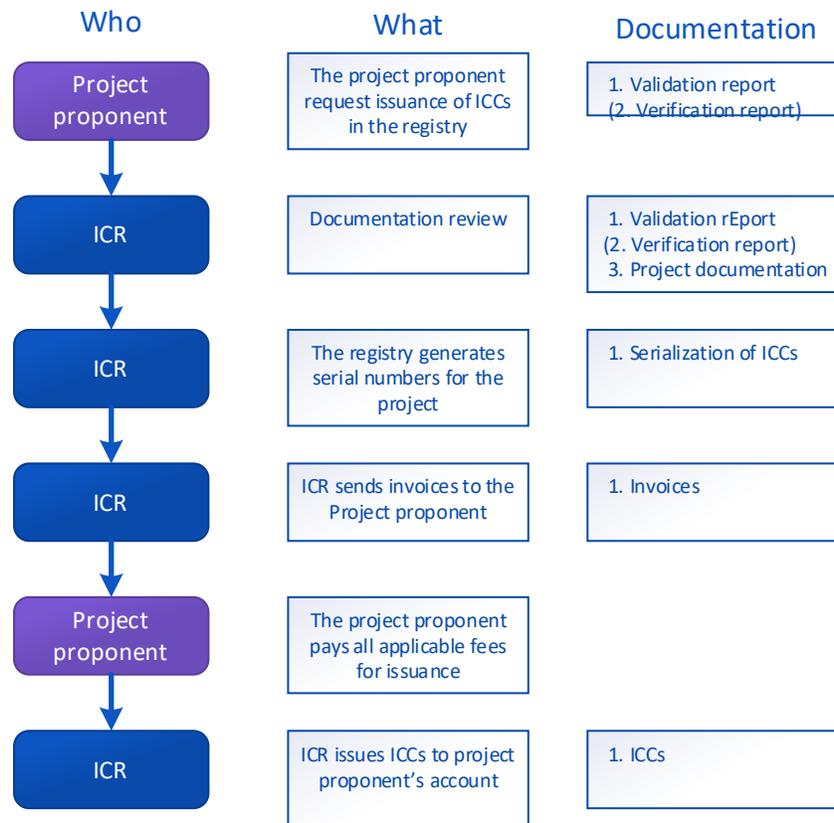
⁵ Additional credits can be added to each vintage based on findings in monitoring reports and verification by VVB.

The process initiates no sooner than when all necessary documentation has been submitted to ICR and confirmed by the project proponent.

1. The purpose of documentation review is to ensure that all applicable documents are complete and signed where necessary, the validation, and when an eligible VVB has completed applicable verification, GHG emission mitigation outcomes have not been issued under another GHG program (or been canceled as appropriate), appropriate information has been used to complete all project documents. The VVB holds necessary accreditation, and the competence of the audit team is appropriate.
2. If information is missing or incorrect, ICR will request that project documentation be updated. Any findings raised as a result of the documentation review shall be addressed before the registration or issuance request can be completed.
3. The registry stores all project documents in its record-keeping system for a minimum of 7 years from the retirement date of the last ICC to which the project documents relate.
4. If the project fails to conform to requirements, ICR informs the VVB and/or the project proponent that the project has failed to demonstrate conformity to the requirements and is ineligible for registration or issuance. Upon request by the project proponent, ICR returns the project documents to the project proponent and deletes them from its record-keeping system.
5. Note that documentation review is also applicable for all activations of ICCs.

2.4.5 Issuance of ICCs

When the documentation review has been completed, the issuance of ICCs can continue or be initiated.



1. ICR acknowledges the importance of funding projects to minimize associated costs, access to funding, and the possibility to scale climate methodologies/projects quickly. Therefore, project proponents are allowed to issue ICCs after projects have been validated and before GHG emission mitigation outcomes have been verified, subject to limitations as discussed in the ICR requirement document. This may ease funding, facilitate climate actions, scale climate actions, and provide market visibility and credibility to climate projects. Note that ICCs are issued based on estimated GHG emissions mitigation outcomes and cannot be retired until they have been verified and activated.
2. Project proponents shall deposit 2% of issued ICRs to an adjustment account when issuance is done prior to verification. The adjustment account is for the purpose of rectifying issued ICCs that fail to result in real mitigations or reversal events.⁶
3. Pre-verification issuance (Ex-ante) allows for the issuance of 50% of estimated GHG emission mitigation outcomes for the crediting period, notwithstanding ICCs demarcated for adjustment account. Issuance without verification of GHG emission mitigation

⁶ Deposits to adjustment accounts are always from the issuance of ICCs, e.g. if a project proponent issues 50% of estimated mitigation outcomes he must deposit 2% of the issuance, i.e. $2\% \times 50\% = 0,1\%$ of the total estimated mitigation outcomes.

outcomes can never be more than 50% of the total estimated volume in the project design description.

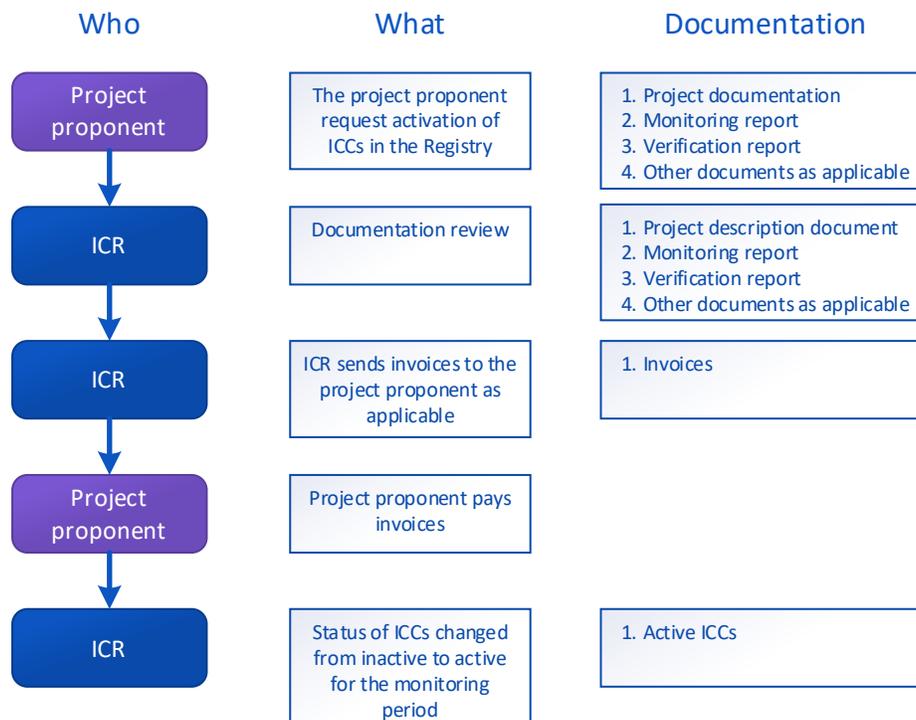
4. All ICCs that have not been verified for real GHG emission mitigation outcomes are inactive and, as such, cannot be retired and used to offset emissions. When GHG emission mitigation outcomes have been verified by an approved VVB, ICCs can be activated and used to offset emissions (see section 2.5).
5. When ICCs are issued and GHG emission mitigation outcomes have been verified for a monitoring period, issuance is permitted for 100% of verified GHG emissions mitigation outcomes according to monitoring and verification reports. ICCs are activated parallel to issuance. Where GHG emission mitigation outcomes have been verified, ICCs can be issued for 100% of total verified GHG emission mitigation outcomes subject to applicable adjustment account deposit.
6. When the project is registered, and ICCs issued after verification, the following documents shall be uploaded to the ICR registry as public documents:
 - a. Project design description,
 - b. Validation report,
 - c. Monitoring report,
 - d. Verification report,
 - e. Documentation relating to other certifications,
 - f. any methodology specific documentation.
 - g. Ownership proof.
 - h. Representation deed.and the following documents as private documents⁷
 - a. Validation plan
 - b. Verification plan.
 - c. Validation agreement
 - d. Verification agreement
 - e. Documentation regarding cancellation of GHG credits under another GHG program if applicable.
 - f. Any agreements with third parties due to the implementation and operation of the project.
 - g. Ownership proof.
 - h. Representation deed.
7. When registration and issuance coincide, the documentation review is completed in parallel.
8. If a deviation has been made to the project design description, a revised project design description shall be issued and uploaded to the registry as a public document.

⁷ not publicly available

9. If the crediting period has been renewed, the following documents shall be uploaded to the registry as public documents
 - a. Revised project design description
 - b. Methodology specific documentation
 - c. New validation reportand the following documents as private documents
 - a. Validation agreement
 - b. Validation plan
 - c. Ownership proof.
 - d. Representation deed.
10. ICCs may be issued incrementally based on sufficient validation and/or Verification reports (i.e., when the project proponent requests ICC issuance, he may request the issuance of part of the full estimated GHG emission mitigation outcomes and request issuance of the remaining volume at a later date). The following shall apply. Incremental issuance can never exceed 50% of the estimated total volume in the project design description. Incremental issuances where results of GHG emission mitigation outcomes have been verified can be 100% of total verified GHG emission mitigation outcomes subject to applicable adjustment account deposit.
 - a. The project proponent requesting issuance shall instruct ICR that it requests issuance for only part of the total volume and shall specify the volume for which issuance is requested.
 - b. The issuance fees are payable on the volume of ICCs issued, not the total volume.
 - c. No specific thresholds or timeframes are on incremental issuances. ICR reserves the right to apply such thresholds and timeframes if necessary.
 - d. The registry displays the total estimated GHG emission mitigation outcomes, total inactive ICCs, the volume of ICCs issued to date, the volume activated to date, and the history of ICCs issuances and activations with respect to the verification report.
 - e. The issuance fee shall be paid before ICCs are deposited into the project proponent's account.
11. Where the project proponent has canceled credits issued under another GHG program and issuing ICCs instead, the project's reference number in the other GHG program shall be noted in the ICR registry with relevant documentation confirming the cancellation.
12. ICCs are activated when a VVB has verified that the project's impacts are real. If the VVB verifies that more ICCs may be issued and/or activated, the project proponent can apply for further issuances (and activation) of ICCs for the monitoring period. See further sections 2.4.5 and 2.5.

2.5 Verification and Activation of ICCs

ICCs are activated when impacts are real, and a VVB has verified GHG emission mitigation outcomes.



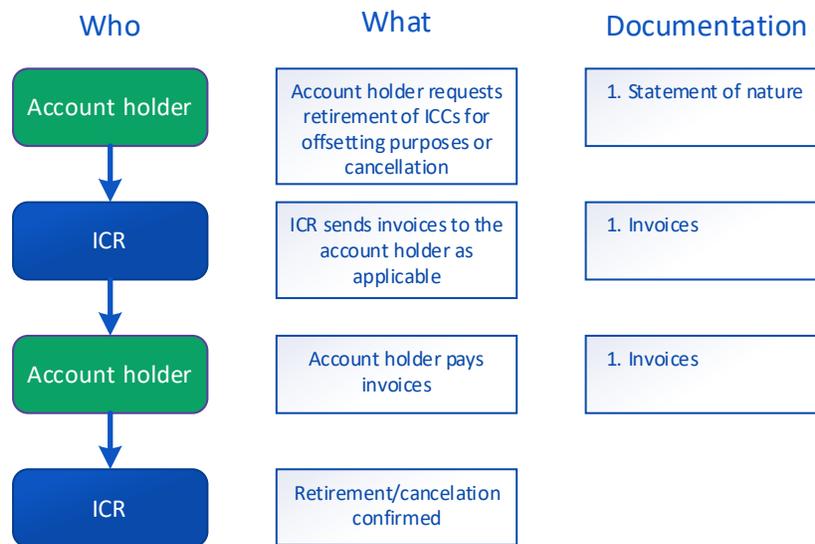
1. When GHG emission mitigation outcomes have been monitored according to the monitoring plan and verified by the VVB, ICCs may be activated. The project proponent shall activate ICCs according to monitoring findings and stated in the monitoring report and the verification report. At a minimum, the project proponent shall activate ICCs corresponding to ICCs that have been transferred to other accounts within the ICR registry and ICCs sitting on adjustment accounts. The following documents shall be uploaded to the ICR registry as public documents when ICCs are activated:
 - a. updated project design description (if applicable),
 - b. new validation report (if applicable),
 - c. Monitoring report,
 - d. Verification report,
 and the following documents as private documents
 - e. Validation plan
 - f. Verification plan
 - g. Verification agreement.
2. ICR reviews the request for activation to ensure that all documents are complete and signed where necessary. An eligible VVB has completed the validation and verification, GHG emission mitigation outcomes have not been issued under another GHG program (or been canceled as appropriate), and appropriate information has been used to complete all project documents. The VVB holds necessary accreditation, and the competence of the audit team is appropriate.

3. If VVB has verified that GHG emission mitigation outcomes are as said estimation of GHG emission mitigation outcomes in the project design description, the project proponent may issue the remaining ICCs that were not eligible for issuance at registration, see section 2.4.5. Further, if monitoring confirms less/more mitigations than estimated in the project design description and verified by VVB, additional issuance shall be accordingly for the monitoring period.
4. If monitoring and verification confirm less than 50% of estimated mitigations, the project proponent is responsible for compensating for excess issuance, the following applies:
 - a. The project proponent shall deposit ICCs on an adjustment account within the registry. ICCs shall be owned by the project proponent. Excess ICCs shall remain in the project proponent's registry account and demonstrate that they have not been used for offsetting purposes. Such ICCs shall be canceled to compensate for excess issuance of ICCs.
 - b. Replacement of ICCs through immediate cancellation from subsequent Issuances of ICCs to the project. If the project proponent has no holding on the account, deductions shall transfer to the subsequent activation of ICCs.
 - c. Purchase by the project proponent of an equivalent number of replacement ICCs and cancel the same amount within 60 business days of receiving formal notification from ICR of such required action.
 - d. Where the project proponent fails to compensate for excess issuance, ICR may act against the project proponent, including applying sanctions with respect to its registry account activities until the excess issuance has been compensated.

2.6 Retirements and Cancellations

Retirements and cancellations have specific meanings. Retirement means a permanent removal of an ICC from circulation in the registry system, representing an offset of one metric tonne of CO₂ equivalent (CO₂-e) and has been used to offset emissions of a third party. Cancellation means a permanent removal of an ICC from circulation in the registry system for purposes other than retirement (e.g., converting ICCs into another form of GHG credit, compensating for excess ICC issuance, expiry, etc.).

The process of retiring and canceling ICCs in the registry is set out below.



1. A registry account holder initiates a retirement or cancellation.
2. The account holder may execute a retirement through its ICR registry account. The registry system records details of all retirements.
3. ICCs are retired incrementally from the registry account holder's ICC holdings (i.e., when the holder requests ICC retirement of a part of its holdings).
4. Retirement can be requested for a part of the holdings and the remaining holdings later. In such cases, the following shall apply:
 - a. The account holder shall designate the specific set of ICCs for retirement through his registry account (e.g. a vintage and/or specific project).
 - b. Any fees charged by the registry are payable on the volume of ICCs which are retired, not the total ICC holdings volume.
 - c. ICR does not specify thresholds or timeframes on incremental retirement (e.g., the total number of incremental ICC retirements that can be made from a registry account holder's holding and the elapsed time between the first and last retirement from those holdings). ICR may apply such thresholds and timeframes as deemed necessary.
5. A cancellation of ICCs is initiated by the registry account holder, the other GHG program in which the registry account holder may participate, or ICR. Note that the initiator and recipient of an ICC cancellation request depend on specific circumstances of cancellations (e.g., are ICCs being converted into another form of GHG credit, the cancellation request may be submitted to ICR by the other GHG program in which the registry account holder is participating or collaboration).
6. The registry account holder may be asked to confirm the details of the request for ICC cancellation.
7. When the cancellation is executed through the ICR registry account, the registry system records the details of all cancellations.

8. If ICCs have not been retired ten years after activation, they are canceled by the registry admin.

3. Assessment of Conformity

The project registration, issuance, activation, or project crediting period renewal request process may be subject to an assessment of conformity by ICR.

1. ICR may, at its discretion, undertake an assessment of the registration, issuance, activation, or project crediting period renewal request to safeguard fulfillment of the principles and requirements of ICR.
2. If ICR undertakes such an assessment, ICR informs the project proponent and the VVB. Any issues raised because of the assessment shall be addressed before further actions are completed in relation to the assessment.
3. If no issues are raised during the assessment, ICR informs the project proponent thereof, and the initiating process of the assessment can proceed.
4. If non-conformities are identified during the assessment, the VVB shall respond to the non-conformities by ICR. All communications shall be in writing by electronic means.
5. Where significant non-conformities are identified during the assessment, ICR informs the VVB and requests corrective action and/or clarification.
 - a. The VVB shall provide a written response to each non-conformity, undertake, or ensure that the project proponent undertakes, as appropriate, improvements to the documentation or other measures if necessary, and submit all revised documents to ICR.
 - b. If findings are significant and not corrected to the satisfaction of ICR. In that case, ICR may conclude that the project has failed to demonstrate conformity to the principles, requirements, and/or applied methodology, and further registration, issuances, or activations are postponed until further notice or entirely withdrawn. ICR notifies the project proponent and the VVB.
 - c. If the VVB fails to address findings within 60 business days, ICR reserves the right to assume that the project proponent does not intend to pursue further actions. If ICR has determined this to be the case, requests are not accepted, and ICR notifies the project proponent and the VVB.
6. ICR may, at its discretion, review registered projects, issued ICCs, and activated ICCs, if ICR has concerns about conformity of the project to the principles, requirements, and/or the applied methodology. Any of the following may initiate a review:
 - a. VVB identifies an error or quality issue in a previous validation or verification.
 - b. A project proponent identifies an error or quality issue after registration, issuance, or activation.
 - c. Interested party has concerns about a registered project.
 - d. ICR identifies error(s) or quality issues as part of routine operations or internal auditing.

7. If a conformity assessment is initiated, ICR informs the project proponent and the VVB of the review, which may postpone further issuance/activation while the assessment is performed.
8. If findings identified during the review are significant, the VVB shall provide a written response to the findings. If not already suspended, ICR suspends further issuance/activation.
9. Follow-up actions of the VVB and/or project proponent shall include:
 - a. VVB shall conduct a root cause analysis.
 - b. If significant performance issues are found, and as appropriate, disciplinary action may be taken against the VVB.
 - c. VVB or project proponent, as appropriate, shall revise project documents.
 - d. Project proponent may need to compensate for excess Issuance.
 - e. ICR cancels suspension on ICCs issuance and/or activations upon acceptance of project document revisions.
 - f. ICR and or the project proponent upload revised project documents to the registry.
10. When severe issues are ongoing and non-conformity to the principles, requirements, and/or applied methodology, ICR may cancel permission for future issuances of ICCs and/or registration of projects.
11. If ICR determines that ICCs have been issued in excess of the correct amount, the following applies:
 - a. The project proponent shall deposit ICCs on an adjustment account within the registry.
 - i. Where the excess ICCs remain in the project proponent's registry account, and it can be demonstrated that they have not been used for offsetting purposes, immediate cancellation of the ICCs.
 - ii. Replacement of ICCs through immediate cancelation from subsequent issuances of ICCs from the project. If the project proponent has no holding on its registry account, deductions shall transfer to the subsequent activation of ICCs.
 - iii. Purchase by the project proponent of an equivalent number of replacement ICCs, and cancellation of the same within 60 business days of receiving formal ICR notification of such required action.
 - b. Where the project proponent fails to compensate for excess Issuance, ICR may act against it, including applying sanctions with respect to its registry account activities until such time as the excess issuance has been compensated.
12. The project proponent pays all costs associated with the assessment of conformity.

4. Buffer and Adjustment Accounts

ICR addresses the risk associated with project activities' non-permanence and non-performance of estimated GHG emission mitigation outcomes by requiring the project proponent to set aside non-tradable adjustment ICC credits. This is completed in order to cover unforeseen losses in carbon stocks and unforeseen obstacles in the operations of projects. The adjustment credits from all CDR projects are held in a single pooled adjustment account administered by ICR. Adjustment ICCs can be drawn upon in the event of a reversal in carbon stocks or if projects fail to produce real GHG emission mitigation outcomes in any individual project where ICCs have been retired or have been transferred in an inactive state.

Deposits to adjustment accounts are completed during the issuance of ICCs.

4.1 Adjustment Account Applicability

Project proponents shall deposit adjustment credits into the adjustment account following this process.

1. The number of credits to be deposited in the adjustment account is 2% of each issuance of ICCs, irrespective of the timing of issuance prior to Verification.
2. Adjustment credits are issued a serial number and are essentially considered ICCs. Adjustment credits are not subject to any issuance fees.
3. At the end of each project crediting period, the project proponent can apply for reimbursement of deposits of adjustment credits. They are reimbursed by ICR's sole discretion and with respect to the status of the adjustment account and cancellations made by the ICR due to non-permanence and/or non-performance.

4.2 Buffer Adjustment Account Applicability

ICCs within the pooled buffer adjustment account from different projects are functionally distinct, although administered in one pooled account in the ICR registry. Therefore, ICCs from the same project types will compensate for reversal events for the same project type. ICR will retire ICCs from the buffer adjustment account to compensate for reversals on a first-in, first-out rule after identifying which ICCs meet the aforementioned criteria for reversal compensation.

5. Maintenance

Project details may be updated on a regular basis by the project proponent and, as necessary, providing further information on causes.

Any changes to the validated project design description shall be documented as soon as they occur. An updated project design description shall be uploaded to the registry, along with an updated validation report as applicable.

1. Project proponents shall respectfully submit monitoring and verification reports per the monitoring plan and verification plan. If the project proponent fails to submit a monitoring and/or verification report to the registry within six months of the monitoring plan and verification plan, the following applies:
 - a. ICR requests evidence from the project proponent showing that the project is still active.
 - b. The project proponent shall submit objective evidence within 60 days of receiving the request.
2. If the project proponent fails to confirm continuing implementation/operation, ICR may act against the project proponent, including applying sanctions regarding its registry account activities until continuing implementation/operation has been confirmed.

6. Transition from other GHG Programs

ICR allows projects registered under an approved GHG program to also register with the ICR. In such cases, the documentation required for the project registration process is the same as required for projects registering under the ICR requirements only, but noting the following:

- Reference to the project in the approved GHG program registry.
- The project design description from the approved GHG program, accompanied by a validation report from the VVB, shall be submitted to the ICR registry.
- The proponent shall further complete the ICR project design description by providing information in the following sections in addition to the cover page.
 - 1.1 Purpose, Objectives, and General Description of the Project
 - 1.2 Project Type and Sectoral Scope
 - 1.3 Location
 - 1.4 Conditions Prior to Initiation
 - 1.7 Roles and Responsibilities
 - 1.9 Eligibility
 - 1.11 Ownership
 - 1.12 Other Certifications
 - 1.13 Participation under Other GHG Programs
 - 1.14 Other Benefits
 - 1.17 Additional Information
 - 2.1 Project Start Date
 - 2.2 Expected Operational Lifetime or Termination Date
 - 2.3 Crediting Period
 - 3.1 Statutory Requirements
- During verification, the VVB shall complete validation on conformity to the ICR requirements provided in these sections in the project design description. For renewal of crediting period, the project design description shall be updated using the ICR project design description template with relevant sections complete, as set out in the ICR requirement document. The criteria for validation shall be ISO 14064-2 and the ICR requirement document. For the renewed crediting period ICR crediting period applies, and the project shall conform to ICR requirements.
- Where GHG emission mitigations outcomes from one monitoring period are to be split up between the ICR program and the approved GHG program, evidence shall be submitted to ICR that any GHG emission mitigation outcomes presented for ICC issuance have not been issued as carbon credits under the approved GHG program or other GHG programs, or if such carbon credits have been issued under the approved GHG program or other GHG programs that they have been canceled. In the latter of these cases, the project proponent shall also sign and submit to ICR a formal letter of conversion to ICCs and provide evidence of cancellation.

- AFOLU and CDR projects are subject to the rules and requirements for non-permanence risk analysis and buffer withholding in Section 4.2 and the ICR requirement document. The buffer withholding percentage determined by a risk assessment shall be applied to the proportion of carbon credits to be issued under the ICR requirements and deposited to the buffer adjustment account.

The ICR program allows projects registered under an approved GHG program to cancel carbon credits issued under the approved GHG program and have them issued as ICCs in the ICR registry. Project activities shall be eligible under the ICR program in order to qualify for such conversion. In such cases, the following applies:

- An official notification or other evidence of cancellation of the carbon credits under the approved GHG program and a signed application for conversion shall be provided to ICR.
- All documentation required for the project registration and credit issuance under the approved GHG program shall be provided to the ICR.
- ICR creates a project record on the ICR registry, noting that such records shall have the status credits transferred from other GHG programs. Such projects are not considered to be registered under the ICR program and are not eligible for registration under the ICR program until validated for conformity to ICR requirements.
- If the project is an AFOLU project, the buffer withholding percentage shall be applied to the number of carbon credits being converted to ICCs and are subject to the rules and requirements for non-permanence risk analysis and buffer withholding set out in Section 4.2 and the ICR requirement document
- If projects have created another form of GHG-related environmental instruments, such as renewable energy certificates, evidence shall be provided to ICR demonstrating that the GHG emission mitigations outcomes presented for ICCs issuance have not also been recognized as another GHG-related environmental instrument or that any such instrument has not been used and have been canceled under the relevant program.
- The ICR allows ICCs to be labeled with additional certifications granted to the project. Project proponents should advise ICR on different labels and required documentation.

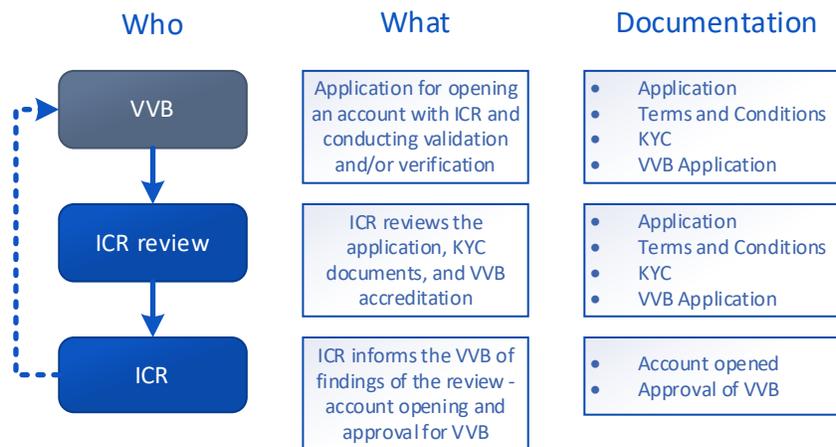
7. Withdrawal

In the case of a Project proponent wishes to withdraw a project from ICR (e.g., in order to transfer the project to another GHG program), the following applies:

1. In a formal letter, the Project proponent shall request that the project be withdrawn. The letter shall, for a minimum, include the following:
 - a. Project name
 - b. Project ID
 - c. Reason for withdrawal
 - d. Signature of the authorized representative of the project.
2. ICR reviews the request and may request further information, e.g. if outstanding ICCs have been transferred and not been activated.
3. If ICCs have been transferred and have not been activated, ICR may reject the request or require the project proponent to compensate for ICCs that have not been activated.
4. Upon approval of the request, the project's status is updated to "Closed" in the ICR registry, and details of the withdrawn project remain publicly available.
5. Any ICCs deposited to adjustment accounts cannot be reimbursed for the withdrawn project.
6. Withdrawn projects may rejoin the ICR conditional to a formal letter requesting participation and updated documentation.
 - a. Project description document
 - b. Validation report
 - c. Verification report
 - d. any methodology specific documentation or other applicable documentation.
7. ICR reviews the documentation according to section 2.4.4. and determines if the project is eligible for participation again. See further section 6.
8. If the project is accepted, the status of the project is updated accordingly.

8. Validation and Verification Bodies

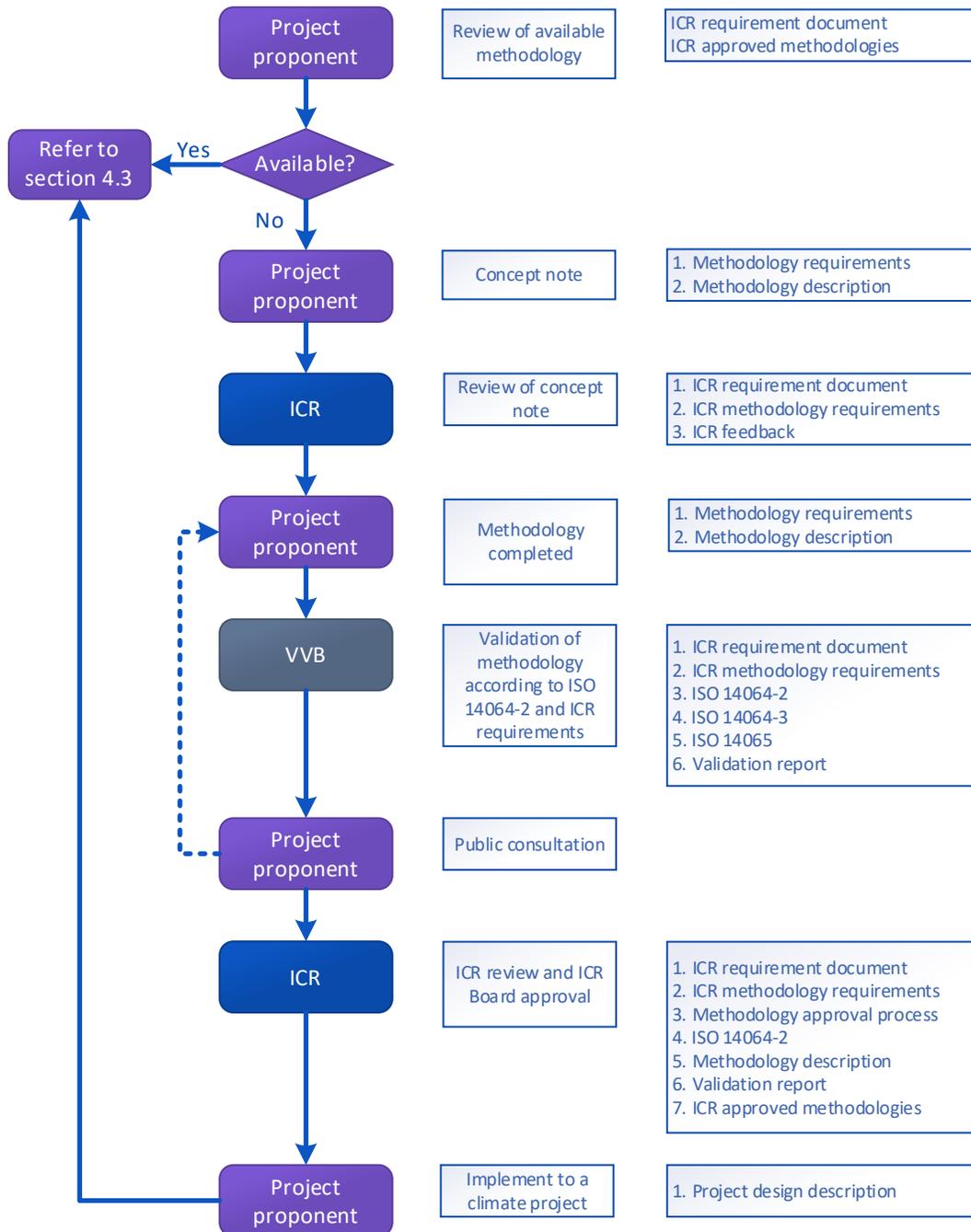
Validation and verification bodies who want to validate methodologies and/or climate projects and verify mitigations of climate projects according to ICR requirements for the purpose of registration and issuance of ICCs shall be approved by ICR as a VVB before any validation measures can proceed. For information on requirements for climate projects, refer to the ICR requirement document, ISO 14064-2, and other applicable documentation. For information regarding requirements for VVBs, refer to the ICR requirement document, ISO 14064-3, ISO 14065, ISO 14066, and other applicable documentation. VVBs shall open a registry account with ICR as a general user.



- Any VVB intending to validate climate projects and/or verify mitigation outcomes shall open an account via the online ICR website <http://www.carbonregistry.com> and register as a VVB following section 2.1.
- All applicants for account opening must sign terms and conditions and complete a Know your client (KYC) with ICR.
- ICR will inform the applicant of the review of KYC and attached documents. If further documents are needed, ICR will notify the applicant.
- VVBs are provided with an application form for VVBs, which can be found on the ICR website and must be filled, signed, and delivered to ICR parallel to the KYC check.
- When completed, the VVB will be provided with a validation and verification Body agreement with ICR for conducting and completing validation and/or verification on climate projects registering with the ICR.
- When the agreement has been signed, the VVB can conduct validation and verification activities.

9. Methodology Development

Methodologies contain the eligibility rules, quantification methods, and confirmation requirements that ensure consistency in design and accounting for climate project mitigation outcomes. If ICR or other GHG programs have not already approved methodology applicable to the climate project activities, the project proponent needs to propose a new methodology to ICR. New methodologies are subject to review by ICR, a public stakeholder consultation, and validation according to the requirements of ISO 14064-2 on a methodology level, not project level *mutatis mutandis*. See further ICR methodology approval process,



1. Using the template form for the concept note, the project proponent may prepare a concept note that outlines how the proposed climate solution mitigates climate change with its application as a climate project and submit it for review by ICR.
2. The project proponent developing a methodology ICR shall develop the methodology following the ICR methodology requirement, ISO 14064-2, following the ICR methodology approval process and using the template provided by ICR to be eligible for approval under ICR.

3. The developer may consult with ICR in the process for guidance.
4. The developer contracts a VVB for validation of the methodology according to the requirements of ISO 14064-2 on a methodology level, not project level mutatis mutandis.
5. The VVB assesses the methodology's conformity to ISO 14064-2 and ICR requirements.
6. The project proponent shall respond to all non-conformities and perform corrective actions as applicable.
7. The project proponent submits the methodology to ICR for review.
8. ICR reviews the methodology to ensure sufficient quality that the methodology documentation has been completed in accordance with ICR requirements.
9. ICR posts the methodology documentation on the ICR website for 28 days for the purpose of receiving feedback from the public. ICR may further invite the public for a presentation of the submitted methodology.
10. All comments received are delivered to the project proponent for processing. The project proponent shall update the methodology or demonstrate the insignificance or irrelevance of comments. Significant changes shall be submitted to the VVB for review.
11. VVB confirms continuing conformity to ISO 14064-2 and ICR requirements, considering amendments to the methodology.
12. ICR Board reviews the methodology documentation, the Validation report produced by the VVB, and comments from public stakeholder consultation to ensure the methodology has been assessed in accordance with ICR requirements. ICR may make structural changes to the proposed methodology where ICR deems it necessary.
13. Where ICR Board approves the proposed methodology and ICR notifies the Project proponent. The approved methodology is assigned a reference number and posted with the validation report and other relevant documentation on the ICRs website.

Appendix – Document History

| Version | Date | Comment |
|---------|------------|---|
| 2.0 | 11.8.2021 | Initial version under version 2.0. |
| 3.0 | 6.1.2022 | Main changes: <ul style="list-style-type: none">• Transition requirements from other GHG programs amended• Definitions amended, consistency referring to defined terms• Flowcharts improved for clarity |
| 4.0 | 14.10.2022 | Alignment with revision of ICR requirements document and ICR methodology requirements in October 2022. |