

Overview of the Public Consultation

ICR Program Revision - July 2024
July 22 - August 22



CarbonRegistry.com

Agenda

- Background
- ICR Definitions
- ICR Requirement document
- ICR Process requirements
- ICR Methodologies
- ICR Tool on safeguards
- ICR Article 6.2 procedures
- ICR Validation and verification specifications



Introduction

- About ICR
- Kita's Risk Assessment
- Our Speakers



Gudmundur Sigbergsson
CEO & Founder, ICR



Mansi Agrawal
Data Scientist, Kita

Background

The general enhancements across all documents include improved clarity and consistency, with added definitions and terminology to ensure clear understanding and coherence. Detailed procedural steps and criteria for various processes have been included, providing stakeholders with precise guidelines. Additionally, these documents now align more closely with international standards, adopting the latest ISO guidelines and integrating best practices and scientific advancements to ensure methodologies and processes are robust and credible.

These updates are designed to enhance clarity, ensure better alignment with ISO standards structure and content, align with ICAO CORSIA emission unit eligibility criteria and ICROA endorsement review criteria and ICVCM Core Carbon Principles.





	Methodology development	Project development	Validation & verification
Requirements	ICR methodology requirements	ICR requirement document ICR Tool for ESS	ISO 14065 ISO 14064-3 ICR validation and verification specifications
	ISO 14064-2		-
	Terms and conditions		
	-	Terms and conditions - projects	-
Procedures	ICR methodology approval process	ICR process requirements	
		ICR Article 6.2 procedures	
Support	-	ICR approved methodologies	-
	ICR definitions		
Templates	ICR concept note ICR methodology description	ICR project design description ICR monitoring report ICR project design description and monitoring report	ICR methodology validation ICR validation report ICR verification report ICR validation and verification report

ICR Definitions v2.0 → v3.0

- Acronyms
- Added definitions
 - Adapted important definitions from ISO 14064-2, 3, ISO 14068-1 and ISO 14065 and aligned to the ICR program
 - Frequently used terms in the ICR program defined specifically
 - New terms defined
- Revised definitions
- Removed definitions



Added Definitions

From ISO standards

Affected GHG SSR

Baseline scenario

Carbon footprint

Controlled GHG SSR

Criteria

Energy flow

GHG baseline

GHG claim

GHG emission factor

GHG emission reduction

GHG removal enhancement

GHG removal factor

GHG report

GHG statement

GHG storage

Good practice guidance

Host country

Impartiality

Intended user

Interested party

Level of assurance

Limited assurance

Material flow

Material

Material misstatement

Materiality

Methodology

Misstatement

Monitoring

Nonconformity

Offsetting

Reasonable assurance



Added Definitions

From ISO standards

Related GHG SSR

Sector

Team leader

Technical expert

Uncertainty

Validation opinion

Validation/verification team

Verification opinion

ISO 14068-1

ISO 17029



Added Definitions

Frequently used terms

Approved VVB

Article 6.2 ICCs

Authorized representative

Common practice

Compensation

Durability

External risk advisor

ICR escrow account

ICR forums

ICR methodology

Insurance eligibility criteria

Insurance policy

Insurance provider

International transfer

Legal title

Methodology development fund

Non-performance event

Non-performance

Non-performance event report

Non-permanence event

Non-permanence event report

Pre-registration

Project developer

Risk adjusted contribution

Statutory requirements

Sustainable development goals

Transfer



Revised definitions

Adjustment accounts

Adjustment credits

Bundled project

Climate project, GHG project or
Project

Instrument

Reversal

Reversal event report

Scheme controller

Scheme instrument

VVB



Deleted definitions

Cancellation account
VVB review criteria



ICR Requirement document v5.0 → v6.0

- **Structure**

- Introduction
- Scope
- Normative references
- Principles
- Internal structure

- **New requirements**

- Risk management
- Safeguards/consultation

- **Revised requirements**

- Insurance eligibility

- **Clarifications**

- Application of methodologies
- Additionality

- **Removal of irrelevant/duplicated requirements**

- Eligibility
- Ineligible crediting period
- Validation&verification



Structure

- 0. Introduction
 - 1. Scope
 - 2. Normative references
 - 3. Terms and definitions
 - 4. Principles
 - 5. General requirements
 - 6. Project design 5.11 Risk assessment
 - 7. Multiple project activities
 - 8. Validation and/or verification of the GHG project
- Appendix II – Insurance Eligibility Requirements



New & revised requirements

5.5 Adjustment

5.5.1 Non-performance

5.5.2 Non-permanence -> 6.8.2 Non-permanence

5.5.3 Non-corresponding adjustment -> 5.10 International transfers

6.2.1 Safeguards

5.11 Risk assessment

Appendix II Insurance Eligibility Requirements



New & revised requirements

5.5 Adjustment

5.5.1 Non-performance

- Deposit to adjustment account determined by ICR risk assessment
- Insurance criteria defined

5.5.2 Non-permanence -> 6.8.2 Non-permanence

- Deposit to adjustment account determined by ICR risk assessment
- Insurance criteria defined

5.5.3 Non-corresponding adjustment -> 5.10 International transfers

- Deposit to adjustment account determined by ICR risk assessment
- Insurance criteria defined

Risk factors identified specifically



New & revised requirements

6.2.1 Safeguards

- Application of ICR Tool for assessment of Environmental and Socio-economic Safeguards.

6.2.1.1 Local stakeholder consultation

- Minimum considerations provided

5.11 Risk assessment

- Risk assessment on mandatory for identified risk factors

Appendix II Insurance Eligibility Requirements

- Eligibility criteria defined for insurance company, policy, claim payment



Clarifications

Methodologies

0.3 Methodologies and tools

“ICR approves the application of all relevant CDM methodologies and tools as CDM is a mechanism with strong foundation under the Kyoto Protocol and continues to be recognized under the Paris Agreement. Methodologies and tools developed under the CDM are widely accepted and used in various carbon markets and mechanisms worldwide, providing a benchmark for best practices.” See ICR approved methodologies

Further 5.3.1

All criteria and procedures applied shall be based on best practices, on the basis of the best available scientific knowledge, and technical advancements and are scientifically proven and/or peer-reviewed.



Clarifications

6.4.1 Additionality

“Irrespective if an applied methodology stipulates automatic additionality, applies activity or performance method or refers to positive lists, projects shall demonstrate additionality, unless an ICR approved methodology has demonstrated additionality according to this section within the methodology documentation.”

Other

Some other minor clarifications and/or references to relevant sections and stipulations in ISO 14064-2



Removal of irrelevant/duplicated requirements

3.4 Start date and crediting

The eligibility criteria have been updated to exclude projects starting before January 1, 2020. Clarity provided on the meaning of start date is provided to prevent confusion from previous version.

4.8.2 Non-permanence

Requirement for proponent assessing the risk of non-permanence revoked, now conducted by ICR.

Sections 6 and 7 revised

Information relating to VVBs, validation and verification was duplicated. Now all information relating to VVBs, validation and verification is now in ICR validation and verification specifications. Some requirements remain still.



ICR Process requirements v5.0 → v6.0

- **Structure**

- Introduction
- Scope
- Normative references
- Definitions
- Principles
- Internal structure

- **Revised procedures**
- **Improved readability**
 - **Clarifications**
- **Removal of outdated, irrelevant/duplicated procedures**



Structure

0. Introduction
1. **Scope**
2. **Normative references**
3. **Terms and definitions**
4. Principles
5. General
6. Registry
7. ICR project cycle
8. Issuance
9. Transfers, retirements and cancellations
10. Transfer from other GHG programs
11. Withdrawal
12. Validation and verification bodies
13. Assessment of conformity
14. Miscellaneous



Revised procedures

7 ICR project cycle

7.5 ICR review and registration

8.4 ICR review and issuance

8.5 Adjustments

8.5.1 Non-performance

8.5.2 Non-permanence

8.5.3 Non-corresponding adjustment

8.6 Adjustment account management

13. Assessment of conformity

13.1 Routine assessment

13.2 Integrity assessment

13.3 Further actions

14.5 Exemptions



Improved readability

- Use of acronyms
- Program structure
- Internal references and avoiding double counting of requirements (pun intended)



Outdated or irrelevant information

Validation and verification information



ICR Process requirements v5.0 → v6.0

ICR Methodology requirements v2.0 → v3.0

- **Structure**

- Introduction
- Scope
- Normative references
- Definitions
- Principles
- Internal structure

- **Clarifications**

- Methodologies shall ensure conservativeness, entail scientific integrity, technical advancements and are scientifically proven and supported with peer-reviewed literature and research
- Improved references to ISO 14064-2

- **Removal of irrelevant/duplicated requirements**

- Validation&verification



Structure

0. Introduction
1. **Scope**
2. **Normative references**
3. **Definitions**
4. Principles
5. General requirements
6. Methodology components
7. Implementation of a project
8. Validation
9. Methodology revision



ICR Methodology Approval process v2.0 → v3.0

- **Structure**

- Introduction
- Scope
- Normative references
- Definitions
- Principles
- Internal structure

- **Revision of procedures**

- Public consultation and consideration
- Timelines
- Review



Structure

- 0. Introduction
 - 1. Scope
 - 2. Normative references
 - 3. Definitions
 - 4. Methodology approval process
 - 5. Methodology revision and review
- 5.3 Periodical review of approved methodologies
 - 5.3.1 Review
 - 5.3.2 Review procedure
 - 5.3.3 Outcome
 - 5.4. Suspension and withdrawn methodologies
- Appendix II - Timelines



ICR Tool for Assessment of Environmental and Socio-Economic Safeguards

The proponent shall identify the project's potential environmental and socio-economic impacts arising from the project activities. The proponent shall minimize or prevent any identified negative impacts.



ICR ESS Tool

Based on the CDM Sustainable Development Co-benefits Tool (SD tool)
Tool to assist in assessing Environmental and Socio-Economic Safeguards

- Consistency
- Pre-determined indicators



ICR ESS Tool

Environmental	Social	Economic
Air	Jobs	Growth
Land	Health & safety	Energy
Water	Education	Technology transfer
Natural resources	Welfare	Balance of payment



ICR Validation & verification specifications v1.0 → v2.0

- **New requirements and clarifications**

- Rotation of verification team and independent reviewer
- Consideration of registry platform information
- Scientific integrity of methodologies applied
- Ownership of GHG emission mitigations considerations and double counting
- Consideration of public comments
- Type of opinions
- Methodology validation considerations
- Oversight and training
- Adaption of double counted requirements (pun intended again)

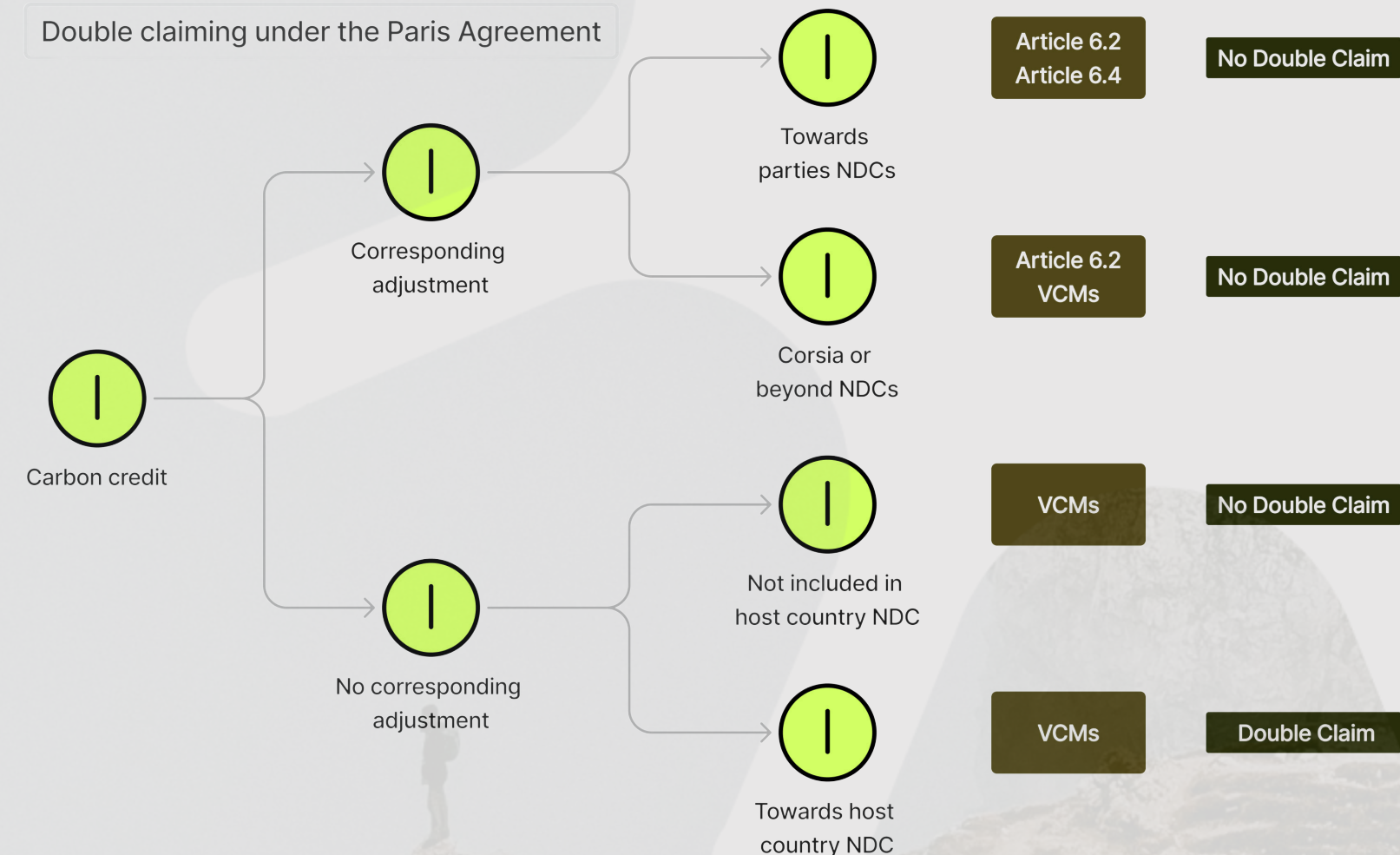


ICR Article 6.2 procedures

ICR is in the process aligning with ICAO CORSIA emission unit eligibility criteria

Avoidance of Double Counting, Issuance and Claiming:

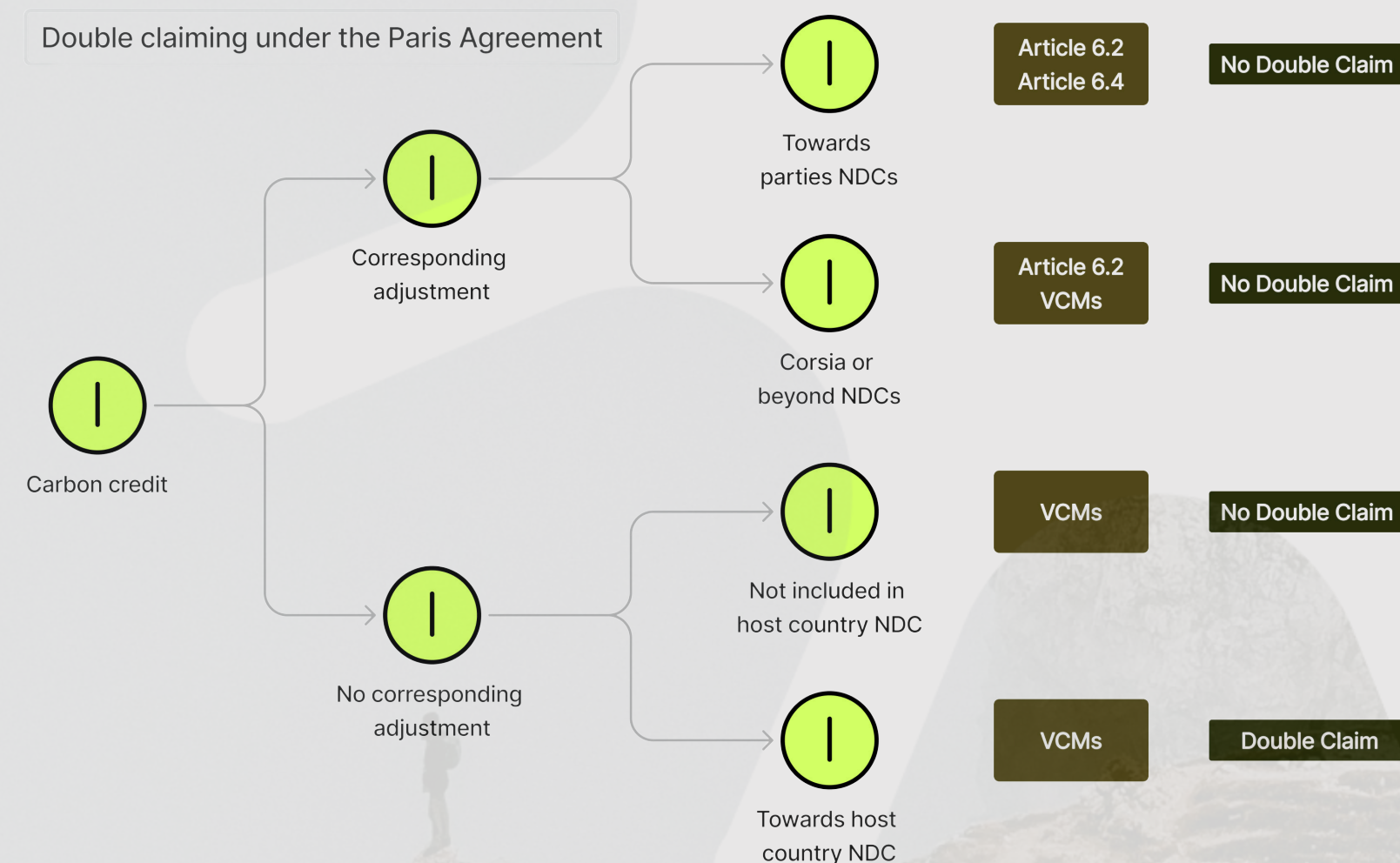
Programs should provide information on how they address double counting, issuance and claiming in the context of evolving national and international regimes for carbon markets and emissions trading.



ICR Article 6.2 procedures

ICR is in the process aligning with ICAO CORSIA emission unit eligibility criteria

These requirements and procedures are intended to ensure alignment with the requirements of decision 2/CMA.3, Guidance on cooperative approaches referred to in Article 6, paragraph 2, of the Paris Agreement (Article 6.2) and CORSIA eligibility criteria and are based on Guidelines on Avoiding Double Counting for the Carbon Offsetting and Reduction Scheme for International Aviation (GADCCORSIA).

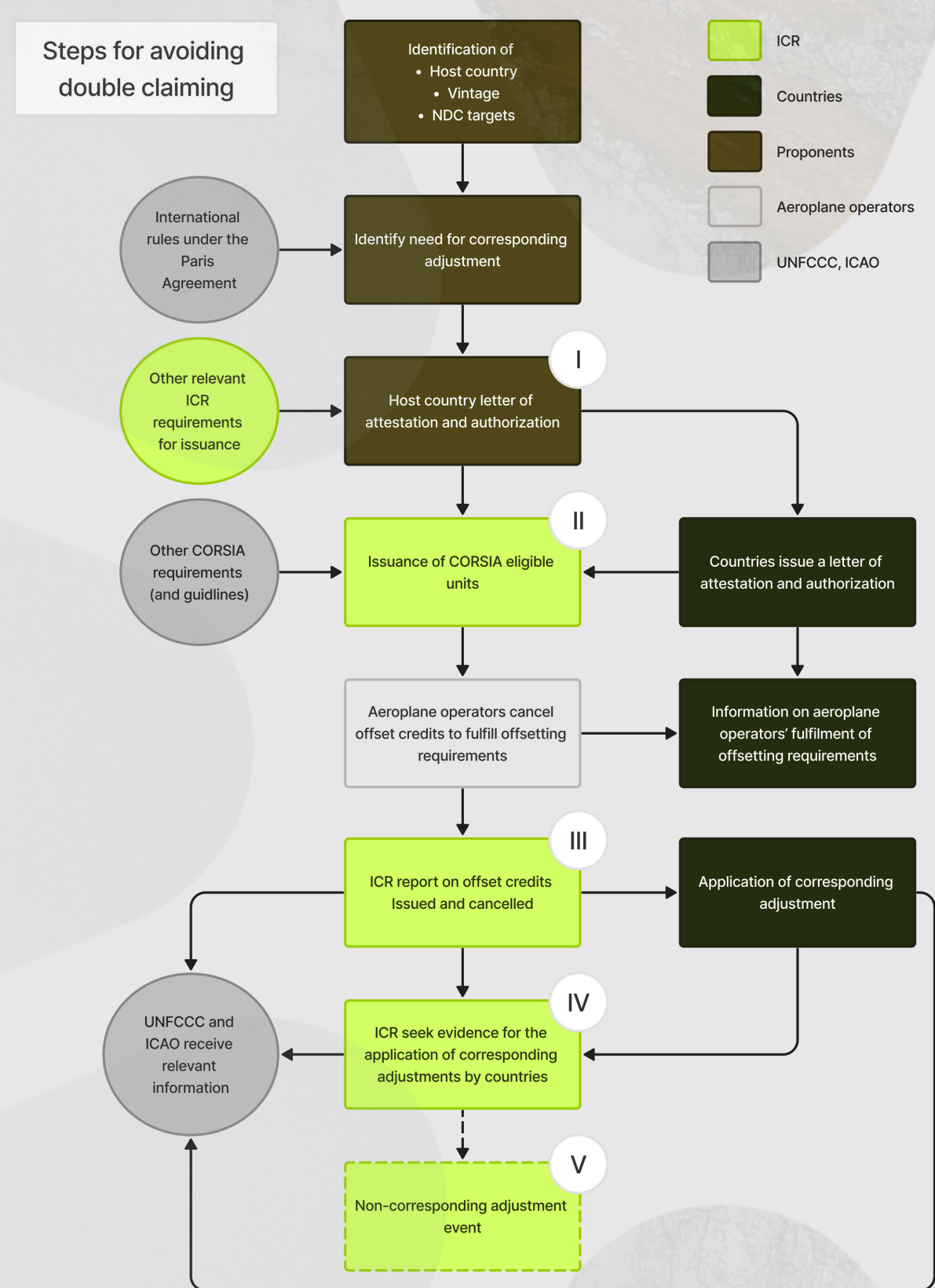


Structure

- 0. Introduction
- 1. Scope
- 2. Normative references
- 3. Definitions
- 4. General
- 5. Prevention of double counting*
- I. Host country letter of attestation and authorization
- II. Issuance and retirements
- III. ICR annual reporting
- IV. Corresponding adjustment confirmation
- V. Non-corresponding adjustment events for Article 6.2 ICCs double claim



*also addressed under section 5.8 in ICR Requirement document



Q & A



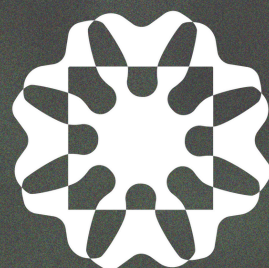
Next steps and timelines

Dates	Activity
22.7.2024	Public consultation opens
Today	Consultation webinar
22.8.2024	Public consultation closes
August/Sept	Review comments and finalize documentation
Mid Sept.	Publish changes and updated documentation

Public consultation documents

- ICR Definitions (Version 2.0 to 3.0)
- ICR Requirement Document (Version 5.0 to 6.0)
- ICR Process Requirements (Version 5.0 to 6.0)
- ICR Methodology Requirements (Version 2.0 to 3.0)
- ICR Methodology Approval Process (Version 2.0 to 3.0)
- ICR Validation and Verification Specifications (Version 1.0 to 2.0)
- ICR Article 6.2 Procedures (New Document)
- ICR Tool for Assessment of Environmental and Socio-Economic Safeguards (New document)

Thank you for your time.



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