

Methodology Approval Process  
(Previous Version)

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PREVIOUS VERSION

# 1 | Introduction

The methodology approval process is the process by which new methodologies, methodology revisions, modules and tools (referred to in this document as “methodologies”) are approved under the VCS Program. The process consists of two main steps. First, the methodology developer submits a methodology concept note for evaluation and acceptance by the VCSA. Second, following VCSA acceptance of the methodological concept (“concept”), the methodology developer drafts the full methodology and submits it for assessment and approval. Such methodologies are subject to a public stakeholder consultation hosted on the VCS website and independent assessments by two validation/verification bodies, before final approval by the VCSA.

The methodology approval process is outlined at a high level in the *VCS Program Guide* and the purpose of this document is to provide detailed requirements and practical guidance on the process. The document lays out the steps involved in the methodology approval process and then provides further requirements and guidance for specific elements that are subject to the process. The document is intended for use by methodology developers (“developers”), project proponents, validation/verification bodies and any other parties who use the methodology approval process.

This document will be updated from time-to-time and readers shall ensure that they are using the most current version of the document.

## 2 | Scope and Cost of the Methodology Approval Process

### 2.1 SCOPE OF THE METHODOLOGY APPROVAL PROCESS

The following are subject to the methodology approval process:

- 1) New methodologies.
- 2) Methodology revisions.
- 3) New modules and tools.
- 4) Module and tool revisions.

## 2.2 METHODOLOGY APPROVAL PROCESSES

New methodologies and substantive methodology revisions are approved through the process set out in Section 4 below, which consists of an independent assessment by two validation/verifications bodies and final review and approval by the VCSA.

Minor methodology revisions and certain new modules and tools may be approved through a streamlined process, whereby only one validation/verification body assesses the methodology, with the requirement for a second assessment waived. VCSA determines on a case-by-case basis whether the streamlined approval process is appropriate, based on whether a second assessment would add material value.

The VCSA may also pilot alternative processes for approving methodologies where it is deemed that an alternative approach may be more efficient, and equally robust. In such instances, the VCSA will define and transparently document the alternative process.

Note - The validation/verification body contracted to undertake an assessment under a streamlined or alternative approval process shall meet the eligibility requirements for both validation/verification bodies set out in Section 5.1.1 below, including use of any methodology experts.

## 2.3 COST OF THE METHODOLOGY APPROVAL PROCESS

The cost of the methodology approval process consists of two separate administration fees and the cost of contracting two validation/verification bodies to undertake assessment of the methodology. All costs are borne by the developer.

Specifically, an application fee is payable upon submission of a methodology concept note, as set out in Section 3.3.1. Following VCSA acceptance of the concept, a processing fee is payable upon submission of the full methodology, as set out in Section 4.3.1. The administration fee rates are set out in VCS document *Program Fee Schedule*.

In addition, validation/verification bodies charge for undertaking assessment of the methodology. Their rates are primarily dependent on the scope and complexity of the methodology. Developers are encouraged to contact several validation/verification bodies to determine their cost and service options.

Financial compensation is available to developers of new methodologies, the details and conditions of which are set out in the *VCS Program Guide*.

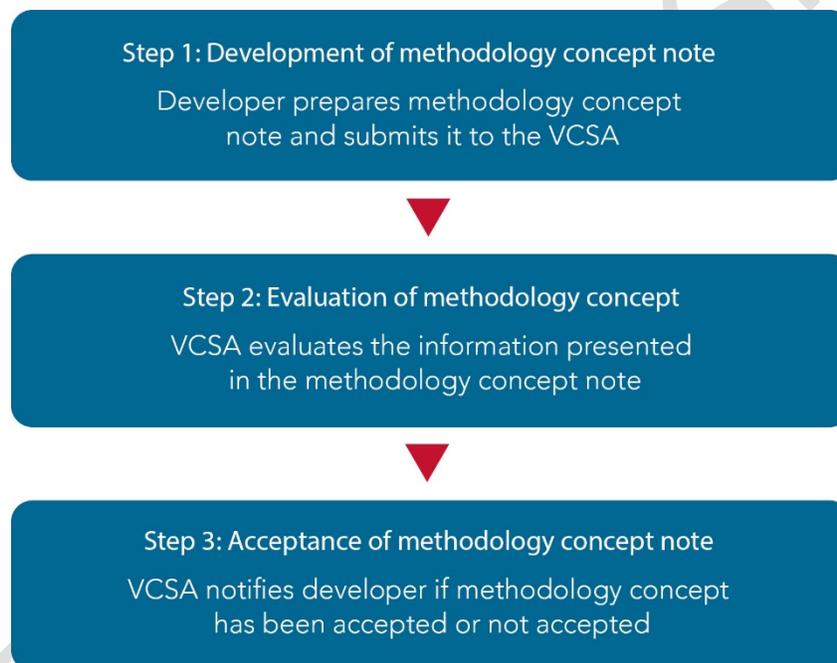
The time taken to complete the methodology approval process is largely dependent upon the initial quality of the methodology and the length of time taken by each validation/verification body to complete its assessment.

# 3 | Methodology Concept Acceptance

## 3.1 OVERVIEW

Diagram 1 summarizes the methodology concept acceptance process, which is further described in the sections that follow.

**Diagram 1:** Steps in the Methodology Concept Acceptance Process



## 3.2 STEP 1: DEVELOPMENT OF METHODOLOGY CONCEPT NOTE

**3.2.1** The developer prepares the methodology concept note that will be subject to evaluation by the VCSA. The methodology concept note shall be prepared using the *VCS Methodology Concept Note Template* and written in a clear and concise manner. All instructions in the template shall be followed.

**3.2.2** A methodology concept note shall be developed and submitted for new methodologies, modules and tools, as well as substantive methodology revisions. Minor methodology revisions shall be handled according to the procedure set out in Section 7.

### 3.3 STEP 2: EVALUATION OF METHODOLOGY CONCEPT

- 3.3.1** The developer shall submit the methodology concept note to the VCSA electronically at [secretariat@v-c-s.org](mailto:secretariat@v-c-s.org). Upon submission, the VCSA invoices the developer for the methodology concept note application fee, the fee rate of which is set out in VCS document *Program Fee Schedule*. The methodology concept note application fee shall be paid by the developer before the VCSA begins evaluation of the concept.

Note – Where a concept includes a group of methodology elements (e.g., a new methodology with associated modules), the concept will be handled as a single unit of work.

- 3.3.2** The VCSA evaluates the concept to determine whether:
- 1) The project activities covered by the concept are not covered by an existing methodology.
  - 2) The concept is broadly applicable (i.e., not for a specific technology or process).
  - 3) An overview of key methodological approaches is provided, and in particular the method for emission reduction quantification has been well thought through.
  - 4) The methodology will be developed by an appropriately experienced team, and sufficient funding is in place to ensure that the methodology approval process can be completed.

Preference will be given to methodology concepts that include one or more of the following:

- 1) An innovative approach to demonstrating additionality or quantifying emission reductions (e.g., the methodology concept uses a standardized method, modeling and/or approaches that simplify monitoring).
- 2) Demonstration that the concept has the potential for significant environmental impact (e.g., projects applying the methodology could generate more than 1m tonnes of GHG emission reductions and/or removals during a 10-year period).
- 3) Demonstration that the concept is applicable to a sector or region that is underrepresented in the carbon markets.
- 4) Demonstration that proposed projects are awaiting the development and approval of the methodology.

### 3.4 STEP 3: ACCEPTANCE OF METHODOLOGY CONCEPT

- 3.4.1** The VCSA will complete its evaluation of the concept within 25 business days of submission, and will notify the developer of one of the following outcomes:
- 1) The concept has been accepted.
  - 2) Revisions are required to the concept before it can be accepted.
  - 3) The concept has not been accepted.

- 3.4.2** Where the concept is accepted, the developer drafts the full methodology and may submit it for

approval following the procedure set out in Section 4.

- 3.4.3** Where revisions are required to the concept, the VCSA will specify the criteria that have not been met. The developer may then revise and resubmit the concept note for the VCSA to continue its evaluation.
- 3.4.4** Where the methodology concept is not accepted, the concept note may be resubmitted if substantial revisions are undertaken. Resubmission of such concept notes shall be treated as original submissions and require payment of an application fee.

## 4 | Methodology Approval Process

### 4.1 OVERVIEW

Diagram 2 summarizes the methodology approval process, which is further described in the sections that follow.

**Diagram 2:** Steps in the Methodology Approval Process



## 4.2 STEP 1: DEVELOPMENT OF METHODOLOGY

- 4.2.1** The developer prepares the methodology documentation that will be subject to a public stakeholder consultation and independent assessment by two validation/verification bodies.
- 4.2.2** The methodology documentation shall be prepared in accordance with all the applicable VCS rules. Methodology documentation shall be written in a clear, logical, concise and precise manner, to aid readability and ensure that criteria and procedures set out in the methodology can be applied consistently by intended users. In addition, the methodology documentation should apply the guidance on language and terminology set out in the *Validation and Verification Manual*.

Methodologies and methodology revisions shall be prepared using the *VCS Methodology Template* and modules and tools shall be prepared using the *VCS Module Template*. All instructions in the templates must be followed. The methodology documentation shall state clearly the date on which it was issued and its version number.

Note - The entity acting as developer may change during the course of taking a methodology through the methodology approval process, provided that any necessary authorization is secured from the original developer, the VCSA is notified and the new entity submits to the VCSA a signed methodology approval process submission form (see Section 4.3.1).

## 4.3 STEP 2: PUBLIC STAKEHOLDER CONSULTATION

- 4.3.1** The developer shall submit to the VCSA a signed methodology approval process submission form (available on the VCS website) and the methodology documentation. Upon submission, the VCSA invoices the developer for the methodology processing fee, the fee rate of which is set out in VCS document *Program Fee Schedule*. The methodology processing fee shall be paid by the developer before the VCSA conducts a preliminary review of the methodology documentation.
- 4.3.2** Prior to posting the methodology documentation for public stakeholder consultation, the VCSA conducts a preliminary review of the methodology documentation to ensure that the methodology is of sufficient quality to enable its assessment under the VCS methodology approval process, and to ensure that the methodology documentation has been completed in accordance with VCS rules. The preliminary review also includes an assessment of the clarity of language and structure of the methodology. Where it is deemed necessary, the developer shall revise the methodology documentation before it is accepted into the methodology approval process.
- 4.3.3** Where the preliminary review of the methodology reveals that it is not yet of the requisite standard or would sanction politically or ethically contentious project activities, or may otherwise impact the integrity of the VCS Program or the functioning of the broader carbon market, the VCSA reserves the right not to accept the methodology into the methodology approval process.
- 4.3.4** The VCSA posts the methodology documentation on the VCS website for a period of 30 days, for

the purpose of inviting public comment. As part of the consultation process, the VCSA also hosts a presentation of the methodology. Methodologies are posted according to a monthly schedule, as set out on the VCS website. Any comments shall be submitted to the VCSA at [secretariat@v-c-s.org](mailto:secretariat@v-c-s.org) and respondents shall provide their name, organization, country and email address.

- 4.3.5** At the end of the public comment period, the VCSA provides all and any comments received to the developer. The developer shall take due account of such comments, which means it will need to either update the methodology or demonstrate the insignificance or irrelevance of the comment. It shall demonstrate to each of the validation/verification bodies what action it has taken, as set out in Section 4.4.2.
- 4.3.6** All and any comments received are posted by the VCSA on the VCS website, alongside the methodology information.

#### 4.4 STEP 3: FIRST ASSESSMENT OF METHODOLOGY

- 4.4.1** The developer shall contract the first validation/verification body to undertake an assessment of the methodology documentation. See Section 5 for eligibility requirements for validation/verification bodies. Such contracting of the first validation/verification body may occur before, after or during Step 2 above. However, to ensure that the first assessment report includes an explanation of how any comments received during the public stakeholder consultation have been accounted for in the methodology, the validation/verification body shall issue the assessment report only after the public stakeholder consultation period has ended.
- 4.4.2** The developer shall respond to all and any of the first validation/verification body's findings. As a result of any such findings, the developer may need to amend the methodology documentation.
- 4.4.3** The first validation/verification body shall produce an assessment report in accordance with the VCS rules and best practice. The assessment report shall be prepared using the VCS *Methodology Assessment Report Template*. The assessment report shall address the scope of assessment applicable to the methodology (see Sections 6.1, 7.2 and 8.1 for methodologies, methodology revisions and modules/tools respectively). In addition, the assessment report shall contain the following:
- 1) An explanation of whether and how the developer has taken due account of all comments received during the public stakeholder consultation (see Step 2 above).
  - 2) A summary of all methods, criteria and processes used to determine whether and how the methodology adheres to VCS rules and requirements. For example, the assessment process may include background research, document reviews, interviews and site visits.
  - 3) A list of the members on the assessment team, including their role and a summary description of the qualifications of each member of the team indicating their expertise and experience in the sectoral scope(s) relevant to the methodology. Where applicable, the name of the VCS-approved expert and his/her role in the assessment shall also be stated.

- 4) A description of all and any of the validation/verification body's findings and the developer's response to them.
  - 5) An assessment statement prepared in accordance with the requirements for validation statements set out in the *VCS Standard*, mutatis mutandis. Such statement shall also state the version number of the methodology documentation upon which the statement is based.
  - 6) Where required, and as set out in Section 5, evidence of fulfillment of eligibility requirements for validation/verification bodies.
- 4.4.4** The developer shall provide the VCSA with the most recent methodology documentation and the assessment report produced by the first validation/verification body.
- 4.4.5** The VCSA reviews the most recent methodology documentation and the assessment report produced by the first validation/verification body, to ensure the methodology has been assessed in accordance with VCS rules. Where the review finds that the methodology has not been assessed in accordance with VCS rules, the validation/verification body shall revise the assessment report which may require concomitant revisions to the methodology. The VCSA may withhold the acceptance of the assessment report until all findings from the VCSA review have been satisfactorily addressed.
- 4.4.6** The VCSA posts the (revised) methodology documentation and the assessment report on the VCS website to provide transparency in the development process and provide such documentation to the second validation/verification body.

## 4.5 STEP 4: SECOND ASSESSMENT OF METHODOLOGY

- 4.5.1** The developer shall provide the VCSA with one or more work proposals from potential second validation/verification bodies and shall indicate any preferred choice where more than one work proposal is provided. See Section 5 for eligibility requirements for validation/verification bodies. The VCSA retains the right to choose another validation/verification body if it is not satisfied with the option(s) provided. The developer can provide such work proposals to the VCSA at any stage in the methodology approval process and providing them earlier in the process may help ensure minimal time delay in contracting the second validation/verification body.
- 4.5.2** The VCSA contracts the second validation/verification body, using its standard agreement, to undertake a second assessment of the methodology documentation (as may have been amended during the course of the first assessment). The developer pays the second validation/verification body directly, as provided for in the contract between the VCSA and the second validation/verification body and the methodology approval process submission form.
- 4.5.3** The second validation/verification body shall begin the assessment of the methodology documentation after the VCSA has provided it with the first assessment report and the most recent version of the methodology documentation. However, where the first validation/verification body's findings cannot be resolved in a timely manner, the second validation/verification body

may begin its assessment before the completion of the first assessment. The unresolved findings shall be noted in a draft first assessment report which shall be provided to the second validation/verification body by the VCSA (and the final first assessment report and second assessment report shall include an explanation of whether the findings have been satisfactorily addressed by the developer).

- 4.5.4** The developer shall respond to all and any of the second validation/verification body's findings. As a result of any such findings, the developer may need to amend the methodology documentation. The second validation/verification body shall produce, and provide to the VCSA, an assessment report and the most recent methodology documentation. The assessment report shall be prepared in accordance with Section 4.4.3.
- 4.5.5** The VCSA reviews the most recent methodology documentation and the assessment report produced by the second validation/verification body to ensure that the methodology has been assessed in accordance with VCS rules. Where the review finds that the methodology has not been assessed in accordance with VCS rules, the validation/verification body shall revise the assessment report which may require concomitant revisions to the methodology. The VCSA may withhold the acceptance of the assessment report until all findings from the VCSA review have been satisfactorily addressed.

## 4.6 STEP 5: FINAL REVIEW AND APPROVAL

- 4.6.1** Where the first and second validation/verification body approve the methodology, the developer shall engage both validation/verification bodies to ensure that each of their assessment statements is based upon the same final version of the methodology documentation. This means that the first validation/verification body shall be required to update its assessment statement to take account of any revisions made to the methodology documentation as a result of the second assessment.
- 4.6.2** The developer shall provide to the VCSA the most recent version of the methodology documentation, the final versions of the two assessment reports and a signed *Methodology Element Approval Request Form*. The VCSA reviews the methodology documentation and the two assessment reports to ensure that the methodology has been assessed in accordance with VCS rules. Where the VCSA determines that the VCS rules have not been followed, it will require the developer to revise the methodology documentation, involving the first and second validation/verification bodies, as required. The VCSA may also make revisions to the methodology where it deems it necessary.
- 4.6.3** Where the VCSA approves the methodology, it notifies the developer and the first and second validation/verification bodies of same. The approved methodology is assigned a reference number and posted with the two assessment reports on the VCS website. The methodology can then be used by project proponents to develop projects.

- 4.6.4** Where one of the assessment reports does not approve the methodology and attempts to resolve the situation in accordance with Section 4.7.2 have been unsuccessful, or where both the assessment reports do not approve the methodology, it is not approved by the VCSA. The VCSA may also withhold approval where it is not satisfied with the quality of the methodology documentation, the first assessment report or the second assessment report, or where it deems that the methodology does not comply with the VCS rules or would sanction politically or ethically contentious project activities, or may otherwise impact the integrity of the VCS Program or the functioning of the broader carbon market.

Note – The two validation/verification bodies shall be responsible for reviewing any minor modifications, edits or clarifications that need to be made to the methodology within two years of its approval. The process for such updates is set out in Section 9.

## 4.7 PROCEDURE FOR CLARIFICATION AND FACILITATION BY THE VCSA

- 4.7.1** The developer and/or the validation/verification bodies may request that the VCSA provides clarification with respect to unresolved findings or the VCS rules. The VCSA consults all necessary parties before providing any clarification and notifies the developer as well as both validation/verification bodies when such clarification is provided.
- 4.7.2** Where the developer is not able to gain the consensus of both validation/verification bodies with respect to the resolution of all findings and finalization of the methodology documentation, it may request that the VCSA facilitates discussions between all parties to attempt to resolve the situation.

## 4.8 INACTIVE METHODOLOGIES

- 4.8.1** Where a methodology under the methodology approval process does not progress to the subsequent step of the process within 12 months or where the developer chooses to withdraw the methodology from consideration under the methodology approval process, the VCSA updates the status of the methodology on the VCS website to inactive. However, recognizing that certain complex methodologies under the methodology approval process may require more time for assessment, the VCSA will not update the status of a methodology to inactive where a methodology is under ongoing assessment or where the developer notifies the VCSA that it is still pursuing the methodology under the approval process.

The developer may reactivate the methodology at any time by notifying the VCSA.

# 5 | Eligibility Requirements for Validation/Verification Bodies

## 5.1 ELIGIBILITY REQUIREMENTS

**5.1.1** The eligibility requirements for validation/verification bodies are set out in Table 1 below. Recognizing that the approval of methodologies has implications for more than a single project, the eligibility requirements ensure that the appropriate level of expertise and experience is applied in the methodology approval process. Table 1 also states (third column) for which of the applicable eligibility requirements the validation/verification body shall submit evidence of its fulfillment of same. The specific requirements regarding evidence of fulfillment of applicable eligibility requirements are outlined in Section 5.2.

Note - The eligibility requirements for validation/verification bodies set out in Table 1 are in addition to the requirements for competence set out in the *VCS Standard*.

**Table 1:** Eligibility Requirements for Validation/Verification Bodies

Methodology	Eligibility Requirements	Evidence Required?
Non-AFOLU methodologies	1) Both validation/verification bodies shall be eligible under the VCS Program to perform validation for the applicable sectoral scope(s). Where there is more than one sectoral scope applicable to the methodology, validation/verification bodies shall be eligible for all relevant sectoral scopes for validation; AND	N
	2) At least one of the validation/verification bodies shall have completed at least ten project validations or methodology assessments under the methodology approval process in the sectoral scope group applicable to the methodology. <sup>1</sup> Project validations can be under the VCS Program or an approved GHG program and projects shall be registered under the applicable program. A validation of a single project under more than one program (e.g., VCS and CDM) counts as one project validation. Methodology assessments shall be for methodologies that have been approved by the VCSA.	Y
AFOLU methodologies	1) Both validation/verification bodies shall be eligible under the VCS Program to	N

<sup>1</sup> The sectoral scope groups shall be determined in accordance with the ANSI project level groups to which the VCS sectoral scopes are mapped. The mapping of ANSI project level groups to VCS sectoral scopes is available on the VCS website. Where the methodology has more than one applicable sectoral scope and such scopes fall under more than one sectoral scope group, the validation/verification body must have validated at least ten projects or methodologies in each of the relevant sectoral scope groups.

Methodology	Eligibility Requirements	Evidence Required?
	perform validation for sectoral scope 14 <sup>2</sup> (AFOLU); AND 2) For non-ARR methodologies, at least one of the validation/verification bodies shall use an AFOLU expert (see Section 10) in the assessment; AND 3) At least one of the validation/verification bodies shall have completed at least ten project validations in any sectoral scope. Project validations can be under the VCS Program or an approved GHG program and projects shall be registered under the applicable program. A validation of a single project under more than one program (e.g., VCS and CDM) counts as one project validation. The validation/ verification body that meets this eligibility requirement may be the same validation/verification body that uses an AFOLU expert.	Y  Y
Methodologies using a standardized method	In addition to the above, at least one of the validation/verification bodies shall use a standardized methods expert (see Section 10) in the assessment.	Y

**5.1.2** In the unlikely event of there being no validation/verification bodies that meet the eligibility requirements set out in Table 1, the developer shall contact the VCSA, who will work with the developer to choose an appropriately qualified validation/verification body.

## 5.2 EVIDENCE OF FULFILMENT OF REQUIREMENTS

**5.2.1** Each validation/verification body shall submit evidence of its fulfillment of eligibility requirements where indicated in the third column of Table 1. Such evidence shall be provided in the validation/verification body's assessment report of the methodology and shall be as follows:

- 1) Where the validation/verification body is required to have undertaken a certain number of project validations or methodology assessments, a summary of such work shall include the following:
  - a) For project validations, the name of the project, the date that the validation report was issued, the date that the project was registered and the name of the GHG program under which the project was registered.
  - b) For methodology assessments, the name of the methodology and the date that the assessment report was issued.
- 2) Where the validation/verification body is required to use an AFOLU expert or a standardized methods expert, the assessment report shall state the name of the expert and their role in the assessment.

<sup>2</sup> Or the approved GHG program equivalent to VCS Program sectoral scope 14, where the validation/verification body is accredited under an approved GHG program and the sectoral scopes under the approved GHG Program are not directly equivalent to the VCS Program numbering system for sectoral scopes.

# 6 | New Methodologies

## 6.1 SCOPE OF ASSESSMENT

- 6.1.1** The validation/verification body shall determine whether the proposed methodology complies with the requirements set out in the *VCS Standard* (and its ancillary documents such as the *AFOLU Requirements* and *ODS Requirements* documents, where applicable) and any other applicable requirements set out under the VCS Program.
- 6.1.2** Validation/verification bodies shall adhere to the instructional text in the *Methodology Element Assessment Report* Template and refer to the guidance in the *Validation and Verification Manual* when completing the methodology assessment report.
- 6.1.3** The scope of assessment shall include (at a minimum) the following, and the assessment report shall provide an explanation of whether and how the methodology addresses these:
- 1) Relationship to approved or pending methodologies: Assessment of whether any existing methodology could reasonably be revised to meet the objective of the proposed methodology, determined in accordance with Section 6.2.
  - 2) Stakeholder consultation: Assessment of whether the developer has taken due account of all stakeholder comments.
  - 3) Structure and clarity of methodology: Assessment of whether the methodology is written in a clear, logical, concise and precise manner.
  - 4) Definitions: Assessment of whether the key terms in the methodology are defined clearly and appropriately, and are consistently used in the methodology.
  - 5) Applicability conditions: Assessment of whether the proposed methodology's applicability conditions are appropriate, adequate and in compliance with the VCS rules.
  - 6) Project boundary: Assessment of whether an appropriate and adequate approach is provided for the definition of the project's physical boundary and sources and types of GHGs included.
  - 7) Baseline scenario: Assessment of whether the approach for determining the baseline scenario is appropriate, adequate and in compliance with the VCS rules.
  - 8) Additionality: Assessment of whether the approach/tools for determining whether the project is additional are appropriate, adequate and in compliance with the VCS rules.
  - 9) Baseline emissions: Assessment of whether the approach for calculating baseline emissions is appropriate, adequate and in compliance with the VCS rules.
  - 10) Project emissions: Assessment of whether the approach for calculating project emissions is appropriate, adequate and in compliance with the VCS rules.

- 11) Leakage: Assessment of whether the approach for calculating leakage is appropriate, adequate and in compliance with the VCS rules.
- 12) Net GHG emission reductions and/or removals: Assessment of whether the approach for calculating the net GHG benefit of the project is appropriate, adequate and in compliance with the VCS rules.
- 13) Monitoring: Assessment of whether the monitoring approach is appropriate, adequate and in compliance with the VCS rules.
- 14) Data and parameters: Assessment of whether the specification for data and parameters (available at validation, and monitored) is appropriate, adequate and in compliance with the VCS rules.

**6.1.4** Where the proposed methodology references tools or modules approved under the VCS or an approved GHG program, the validation/verification body shall determine whether the tool or module is used appropriately within the methodology. Reassessment of the actual tool or module is not required.

## 6.2 RELATIONSHIP TO APPROVED OR PENDING METHODOLOGIES

**6.2.1** In order to safeguard against the unnecessary proliferation of methodologies, methodology developers are required to demonstrate that no approved or pending methodology under the VCS Program or an approved GHG program could reasonably be revised to meet the objective of the proposed methodology. Methodology revisions are appropriate where a proposed activity or measure is broadly similar to an activity or measure covered by an existing approved methodology such that the proposed activity or measure can be included through reasonable changes to that methodology. The procedure for demonstration and assessment that no existing methodology could reasonably be revised to meet the objective of the proposed methodology is as follows:

- 1) The methodology developer shall list the approved or pending methodologies, under the VCS or an approved GHG program, that fall under the same sectoral scope or same AFOLU project category<sup>3</sup> or combination of sectoral scopes or AFOLU project categories, as applicable. The list shall include, at a minimum, all such methodologies that are available sixty days before the proposed methodology is submitted to the VCSA. Such list of methodologies (“listed methodologies”) shall contain the methodology name and reference number, and the GHG program under which it is approved or pending.
- 2) The methodology developer shall state whether, and explain how, the proposed methodology uses, includes, refers to or relies upon all or part of any of the listed methodologies. Where it does, the methodology developer shall demonstrate that none of the identified methodologies (“similar methodologies”) could have been reasonably revised (i.e., developed as a methodology revision) to meet the objective of the proposed methodology. The onus is upon

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<sup>3</sup> The current AFOLU project categories are ARR, ALM, IFM, ACoGS, WRC and REDD.

the methodology developer to demonstrate that a methodology revision would not have been more appropriate, failing which the proposed methodology shall not receive a positive assessment from the validation/verification body. Examples that sufficiently demonstrate the requirement for a new methodology include, but are not limited to, the following:

- a) The proposed methodology uses an approach to setting the baseline and assessing additionality that is different to any of the similar methodologies (e.g., the similar methodologies use a project method for additionality, whereas the proposed methodology uses a performance method).
- b) The proposed methodology uses, includes, refers to or relies upon all or part of a number of the similar methodologies, such that it would have been problematic to revise any particular one of the similar methodologies.
- c) The proposed methodology uses a modular approach to provide a more flexible methodology with wider applicability than any of the similar methodologies.
- d) The proposed methodology draws upon the similar methodologies to provide a simplified methodology for micro-scale projects.
- e) None of the similar methodologies could be revised without substantial changes to the sections on project boundary or procedure for determining the baseline scenario.
- f) None of the similar methodologies could be revised without the addition of new procedures or scenarios to more than half of its sections.

**6.2.2** The methodology developer shall document the above in the relevant section of the methodology document, such document being subject to public consultation and independent assessment by two validation/verification bodies. Where either of the validation/verification bodies is unable to conclude that any approved or pending methodology under the VCS Program or an approved program could not have been reasonably revised to meet the objective of the proposed methodology, in accordance with the procedure set out above, it shall not grant the methodology a positive assessment.

### 6.3 PROPOSALS FOR METHODOLOGIES CURRENTLY EXCLUDED UNDER THE SCOPE OF THE VCS PROGRAM

**6.3.1** The scope of the VCS Program is extended from time to time, such as with the inclusion of AFOLU into the program in November 2008 and ozone-depleting substances in January 2010. As part of the process of extending the scope of the VCS Program, it is useful for the VCSA to have a view of possible methodologies and projects that might be eligible under such extensions. Where developers would like to prepare methodologies that currently fall outside of the scope of the VCS Program and have them assessed by a validation/verification body, they are encouraged

to contact the VCSA and to follow the requirements in this document if continuing with such methodology development and assessment.

## 7 | Methodology Revisions

Methodology revisions shall be prepared using the *VCS Methodology Template*. The VCS Program distinguishes between three types of revisions based on the extent of the revisions and between revisions to VCS methodologies and revisions to approved GHG program methodologies. The requirements for each are set out in the sections below.

### 7.1 TYPES OF METHODOLOGY REVISIONS

- 7.1.1** Where the methodology requires substantive revision, the methodology shall be revised and approved via the methodology approval process set out in Sections 3 and 4 above.
- 7.1.2** For minor revisions, the methodology may be revised and approved via a streamlined methodology approval process. Under such process, only one validation/verification body assesses the methodology, with the requirement for a second assessment waived. For minor revisions the following applies:
- 1) A description shall be developed and submitted using the *VCS Minor Methodology Revision Description Template*. All instructions in the template shall be followed. Upon submission, the VCSA invoices the developer for the methodology application fee, the rate of which is set out in VCS document *Program Fee Schedule*.
  - 2) The VCSA will evaluate the description to determine whether the proposed revision meets the conditions for minor revisions.
  - 3) Where the VCSA determines that the revision is minor and therefore the streamlined process is appropriate, the methodology shall be approved following the process described in Section 2.2, *mutatis mutandis*.
  - 4) Where the VCSA determines that the proposed revision is substantive, the developer may submit a methodology concept note following the procedure set out in Section 3 and is subject to the appropriate application fee (in addition to the application fee paid upon the original submission).
- 7.1.3** For limited modifications, edits or clarifications to the methodology, the methodology may be updated via a process whereby the VCSA makes the required changes or coordinates with the developer to make the changes, and issues a revision (i.e., new version) of the methodology.

### 7.2 SCOPE OF ASSESSMENT

The scope of assessment for methodology revisions shall be the same as for new methodologies (see Section 6.1), though excluding assessment of relationship to approved or pending methodologies.

### 7.3 REVISIONS TO VCS METHODOLOGIES

A revision to a VCS methodology is handled as an update to the prevailing version of the methodology and the following applies:

- 1) The methodology revision shall not narrow the methodology's applicability or in any other way exclude project activities that are eligible under the prevailing version of the methodology, unless such narrowing or exclusion is authorized by the VCSA.
- 2) The methodology document of the prevailing version of the methodology shall be edited to incorporate the methodology revision. The Word version of the prevailing methodology document may be requested from the VCSA. Where the prevailing version of the methodology does not use the *VCS Methodology Template*, the methodology shall be transferred into the template.
- 3) Where the methodology revision is approved by the VCSA, the prevailing version of the methodology is withdrawn and the revised methodology replaces it. The previous version of the methodology may be used for up to six months from the date it was withdrawn.

### 7.4 REVISIONS TO APPROVED GHG PROGRAM METHODOLOGIES

A revision to an approved GHG program methodology creates a parallel, revised methodology and the following applies:

- 1) The methodology revision shall reference the (underlying) methodology that it is revising, including the methodology name, version number, issue date and approved GHG program. The methodology revision shall require the use of the latest version of such methodology, such that the methodology revision keeps pace with developments that may occur in the underlying methodology.
- 2) The methodology revision shall use the *VCS Methodology Template*. The rationale for developing the methodology revision shall be clearly stated. Where sections of the underlying methodology are not altered, this shall be stated in the relevant section of the methodology revision document.
- 3) Where a methodology revision has been approved by the VCSA and a new version of the underlying methodology is issued such that the integrity of the methodology revision is affected and it no longer meets with VCS requirements, projects will not be able to use the methodology revision (as set out in the validation and verification section of the *VCS Standard*). The methodology revision may be updated and approved via the methodology approval process.

Note - Methodology deviations and monitoring plan deviations do not require the project proponent to prepare new methodology documentation and are not managed via the methodology approval process. Instead, the validation/verification body validates the deviation as part of the project validation or verification process (as applicable) in accordance with the *VCS Standard*.

## 8 | New Modules and Tools

### 8.1 SCOPE OF ASSESSMENT

- 8.1.1 New modules and tools shall be assessed against the aspects of the assessment scope for new methodologies set out in Section 6.1 that are relevant to the specific module or tool.
- 8.1.2 The assessment of a revision to a module does not require the reassessment of all methodology framework documents which reference it, though the assessment shall determine whether the revised module is appropriate for the methodologies and that all methodologies maintain their overall integrity. Likewise, the assessment of a revision to a tool shall ensure that the integrity of methodologies that use the tool is not adversely impacted.

## 9 | Review of Approved VCS Methodologies

On occasion, the VCSA may review methodologies approved under the VCS Program to ensure that they continue to reflect best practice and scientific consensus. This includes ensuring that methodologies approved under the program are consistent with any new requirements issued by the VCSA and that methodologies have appropriate criteria and procedures for addressing all VCS requirements.

As a result of a review, the VCSA may need to put on hold the prevailing versions of methodologies or permanently withdraw methodologies approved under the VCS Program. Relevant stakeholders will be kept informed during the review process. The procedure for reviews is set out in the sections below. Note that these procedures are applicable to all types of methodologies and a module may be put on hold or withdrawn without the parent methodology being put on hold. The statuses of all methodologies are available on the VCS website.

### 9.1 TRIGGER FOR REVIEW

- 9.1.1 A review of a methodology may be triggered as a result of the following:
  - 1) The VCSA periodically issues new requirements that reflect the on-going development of the program, best practice and/or emerging scientific consensus with respect to projects and methodologies. On occasion, methodologies may become materially inconsistent with new requirements subsequently issued (e.g., the inconsistency could lead to a material difference

- in the quantification of GHG emission reductions or removals by projects applying the methodology).
- 2) The VCSA may periodically review methodologies where there are concerns that they do not reflect best practice or scientific consensus, or they are materially inconsistent with VCS requirements. Such reviews may be triggered by general scientific or technical developments in the sector or specific concerns about a methodology that are brought to the VCSA's attention.
  - 3) The VCSA sanctions the consolidation of a number of methodologies into one single methodology (requiring the withdrawal of the original methodologies).

## 9.2 PROCEDURE FOR REVIEW

- 9.2.1 The review of the methodology and any relevant issue that triggered the review is undertaken by the VCSA, with input sought from the developer, the two validation/verification bodies that initially assessed the methodology and appropriately qualified external experts, as required.
- 9.2.2 Where the review is triggered by new requirements being issued by the VCSA, the VCSA undertakes the review of approved VCS methodologies within 60 days of the new requirements being issued.

## 9.3 OUTCOME OF REVIEW

- 9.3.1 Where the review determines that the methodology meets all VCS requirements and reflects best practice and scientific consensus, no further action is required.
- 9.3.2 Where the review determines that the methodology requires limited modifications, edits or clarifications, the VCSA coordinates with the developer to update the methodology documentation, in accordance with procedure set out in Section 7.1.3. The VCSA may require the two validation/verification bodies that initially assessed the methodology to review and approve the updates via email. Likewise, the VCSA may seek input from appropriately qualified external experts.
- 9.3.3 Where the review determines that the methodology requires substantive revision, the methodology is put on hold. Where the developer or another entity would like to have the methodology reissued, the methodology shall be revised and approved via the methodology approval process set out in Section 4 (though the methodology shall be exempt from the submission of a methodology concept note and corresponding application fee, processing fee and the public stakeholder consultation). The VCSA may seek input from appropriate qualified external experts prior to approving the new version of the methodology.
- 9.3.4 Where the review determines that the methodology is fundamentally flawed, the methodology is withdrawn (or in certain circumstances put on hold pending further investigation). The withdrawal of a methodology is considered permanent.

- 9.3.5** Where the review determines that the methodology needs to be withdrawn due to consolidation of a number of methodologies, the methodology is withdrawn. The withdrawal of the methodology is considered permanent.

## 9.4 GRACE PERIODS

- 9.4.1** Versions of methodologies put on hold or withdrawn may be used for the grace period set out for the methodology on the VCS website, provided the project has been listed on the project pipeline on the VCS project database by the date the methodology is put on hold or withdrawn. Projects shall have their validation reports issued before the end of the grace period. Beyond such date, projects may only use any new approved version of the methodology. Grace periods are determined by the VCSA using the following guidelines:

- 1) Where the methodology only requires limited modifications, edits or clarifications (consistent with Section 9.3.2), the prevailing version of the methodology is considered withdrawn when the updated version of the methodology is issued and the prevailing version of the methodology may be used for up to six months from the date it was withdrawn. Where the continued use of the prevailing version of the methodology is not appropriate (e.g., a typo in an equation could lead to material misstatement in the estimation of GHG emission reductions or removals), no grace period is granted for the use of the prevailing version of the methodology.
- 2) Where the methodology requires substantive revision (consistent with Section 9.3.3), or is withdrawn or put on hold due to fundamental flaws (consistent with Section 9.3.4), the following applies:
  - a) The prevailing version may be used for up to six months after it was put on hold.
  - b) Where the prevailing version of the methodology impacts the integrity of the VCS Program or the functioning of the broader carbon market, no grace period is granted (to any projects), subject to approval from the VCS Board.
- 3) Where the methodology is withdrawn due to consolidation of methodologies in accordance with Section 9.3.5, the withdrawn methodology may be used for up to twelve months after the date of withdrawal.

- 9.4.2** Methodologies being developed under the methodology approval process do not have to comply (immediately) with new requirements where the first assessment report has been submitted to the VCSA in accordance with the VCS rules before the time the VCSA issues such new requirements. However, such methodologies, where finally approved by the VCSA, are valid for six months from the date that the new requirements were issued by the VCSA (i.e., any projects shall have their validation reports issued within such time periods). After such time period, projects cannot use the methodology and it is considered put on hold or withdrawn, as determined by the VCSA.

Notwithstanding the above, methodologies being developed under the methodology approval process shall be required, subject to VCS Board approval, to comply (immediately) with new

requirements where a failure to do so would impact the integrity of the VCS Program or the functioning of the broader carbon market.

# 10 | Use of Experts in the Assessment of Methodologies

## 10.1 PURPOSE OF EXPERT

**10.1.1** Recognizing that there is currently limited experience and expertise within the broader validation/verification body community regarding the assessment of certain methodologies and the precedent that is set by new methodologies approved under the VCS Program, an expert shall be used in the assessment of the following:

- 1) Non-ARR AFOLU methodologies (see Table 1).
- 2) Methodologies that use a standardized method.

**10.1.2** The process for use and designation of experts shall operate as set out in Sections 10.2 and 10.3. The requirement and necessity for validation/verification bodies to use an expert shall be revisited by the VCSA as and when it has been demonstrated that the validation/verification body community has developed sufficient experience and expertise in assessing the relevant types of methodologies.

## 10.2 USE OF EXPERT

**10.2.1** As set out in Section 5, a validation/verification body conducting an assessment of an AFOLU methodology or a methodology that uses a standardized method may need to use an expert in the assessment, and the following applies:

- 1) Experts shall be approved by the VCSA in accordance with the procedure set out in Section 10.3.
- 2) AFOLU experts shall be approved for the AFOLU project category relevant to the methodology.
- 3) Standardized method experts have the authority to assert their expert judgment in relation to the appropriateness of the proposed level(s) of the performance benchmark metric in ensuring environmental integrity and provision of sufficient financial incentive to potential projects, and therefore to require the methodology to use a level it deems appropriate.

**10.2.2** The expert can be part of the validation team or act as technical expert to the validation team. Where the expert is acting as technical expert to the validation team, they shall meet all the requirements of technical experts set out in *ISO 14065:2007* and shall not carry out the assessment alone.

**10.2.3** As set out in Section 5.2 the methodology assessment report shall state the name of the expert and its role in the assessment.

### 10.3 APPLICATION PROCEDURE FOR EXPERTS AND LIST OF EXPERTS

**10.3.1** The procedure for applying to be an expert is as follows:

- 1) The applicant shall complete the expert application form, available on the VCS website, and submit this together with two references, at least one of which shall be a professional non-academic reference, to the VCSA at [secretariat@v-c-s.org](mailto:secretariat@v-c-s.org). The applicant shall also pay the expert application fee, the rate of which is set out in VCS document *Program Fee Schedule*.
- 2) The application is assessed by members of an assessment panel and on a quarterly basis. Further information about the assessment panel, process and schedule is available on the VCS website.
- 3) The assessment criteria for AFOLU experts are as follows:
  - a) AFOLU expertise and experience: The applicant shall possess significant expertise in the project category. The applicant shall have at least three years of relevant work experience or an equivalent combination of education and work experience as follows:
    - i) Have expertise in assessing carbon baselines, modeling, leakage, and measurement and monitoring frameworks, as they relate to AFOLU methodologies;
    - ii) Have experience in developing AFOLU projects or methodologies or assessing projects or methodologies under the VCS Program or an approved GHG program; and,
    - iii) Be well versed in current scientific thinking and best practices associated with AFOLU project design and implementation, and carbon accounting and reporting.

Such experience shall be demonstrated and supported with direct work experience, education/training, peer-reviewed journal articles, publications, publicly available reports, and/or methodologies developed, applied or assessed.

Based on the above requirements, the following expertise and experience are expected for ALM, IFM, REDD, ACoGS and WRC AFOLU expert applicants:

- i) ALM AFOLU expert applicants shall demonstrate the above AFOLU expertise and experience with respect to agricultural and cropland systems. Applicants shall have knowledge and experience related to farming, fertilization and nutrient cycling. Applicants shall have experience in quantifying emissions from agricultural systems and from fertilizer application and have experience modeling, measuring and

monitoring soil carbon stocks and GHG emissions from agricultural activities and crop systems.

- ii) IFM AFOLU expert applicants shall demonstrate the above AFOLU expertise and experience with respect to plantations, silviculture, agro-forestry, and timber harvesting. Applicants shall have experience in determining baseline scenarios for managed forests and shall demonstrate an understanding of forest stand dynamics. Applicants shall demonstrate experience in modeling timber harvests or forest rotations and shall have experience quantifying carbon stock. Applicants shall have experience in measuring and monitoring forest carbon. Applicants shall understand the dynamics of market leakage with respect to timber production.
- iii) REDD AFOLU expert applicants shall demonstrate the above AFOLU expertise and experience with respect to forests facing threats of deforestation and degradation. Applicants shall have experience in determining the most plausible baseline scenario in either a planned or unplanned deforestation and/or degradation situations. Applicants shall demonstrate an understanding with regard to drivers of deforestation and/or degradation and approaches to modeling deforestation and/or degradation patterns, and be able to apply that knowledge to leakage. Applicants shall demonstrate an understanding of forest stand dynamics. Applicants shall demonstrate experience in measuring and monitoring changes in land use and carbon stock.
- iv) ACoGS AFOLU expert applicants shall demonstrate the above AFOLU expertise and experience with respect to grasslands and shrublands. Applicants shall have experience in establishing the most plausible baseline scenario in either a planned or unplanned land use conversion of forest or non-forest ecosystems. Applicants shall demonstrate an understanding with regard to drivers of land use conversion and approaches to modeling land use conversion, and be able to apply that knowledge to leakage. Applicants shall demonstrate an understanding of grassland and shrubland ecosystem dynamics. Applicants shall have experience modeling, measuring and monitoring soil carbon stocks.
- v) WRC AFOLU expert applicants are expected to demonstrate the above AFOLU expertise and experience with respect to wetland ecosystems. WRC experts many demonstrate wetlands expertise for peatlands only, wetlands excluding peatlands or wetlands including peatlands. WRC expert applicants for non-peatlands shall have knowledge and experience related to wetlands conservation and restoration activities such as enhancing, creating and/or managing hydrological condition, sediment supply, salinity characteristics and water quality. Applicants shall have experience in quantifying, measuring, modeling and monitoring GHG emissions or gas fluxes from wetland ecosystems. WRC AFOLU experts applicants for peatlands shall have experience establishing the most plausible baseline scenario and quantifying trace gas fluxes from drained and undrained peatland ecosystems. Applicants shall demonstrate experience in measuring and monitoring changes in peat depth and

extent as well as changes in site conditions relevant to GHG fluxes and shall demonstrate expertise in hydrological connectivity as it relates to ecological leakage.

- b) AFOLU project category and regional scope: The applicant shall possess appropriate regional experience in the relevant project category. For example, REDD applicants shall possess relevant developing country and tropical forest experience. This is required because it is expected that most REDD methodologies will be applied within such contexts and because of the unique characteristics that must be considered when establishing robust deforestation and degradation baselines in these regions.
  - c) Organizational affiliation and independence: The applicant shall demonstrate independence and freedom from conflict of interest in relation to the methodology assessment process.
- 4) The assessment criteria for standardized methods experts are as follows:
- a) Standardized methods expertise and experience: The applicant shall possess significant expertise in the development and use of standardized methods. The applicant shall have at least three years of relevant work experience or an equivalent combination of education and work experience as follows:
    - i) Have expertise and experience in developing projects or methodologies or assessing projects or methodologies that use standardized methods; and,
    - ii) Be well versed in current scientific thinking and best practices associated with standardized methods and their implementation.Such experience shall be demonstrated and supported with direct work experience, education/training, peer-reviewed journal articles, publications, publicly available reports, and/or methodologies developed, applied or assessed.
  - b) Organizational affiliation and independence: The applicant shall demonstrate independence and freedom from conflict of interest in relation to the methodology assessment process.
- 5) Applicants will be notified of the outcome of the assessment and, where approved, shall be added to the list of experts. The list shall state the name of the expert, the AFOLU project category(s) for which they are approved (for AFOLU experts), and their contact details. The list of experts is available on the VCS website.
- 6) An expert can request it be removed from the list of experts at any time by contacting the VCSA and requesting same. The VCSA also reserves the right to remove an expert from the list where it determines that the expert no longer meets the required criteria or performance quality for experts.

# 11 | Post-Approval Assessments

Recognizing that market and sector conditions change over time, the procedures set out in this section are provided to ensure that methodologies, once approved, remain appropriate to evolving market and sector conditions. These procedures also provide an important safeguard given the limited experience to date with the development and use of standardized methods under GHG programs. These procedures may be revised as experience with standardized methods is acquired.

## 11.1 POST-APPROVAL ASSESSMENT OF STANDARDIZED METHODS

**11.1.1** For methodologies using a standardized method, an assessment shall be undertaken within five years of the approval of the standardized method and each subsequent five years, as follows:

- 1) The developer (or another entity) shall revise the standardized method to reflect current data, as follows:
  - a) For performance methods, the data and dataset characterizing available technologies, current practices and trends within a sector (which may be documented and contained in the methodology or may be maintained in a separate database referenced by the methodology) shall be updated. The developer does not need to undertake stakeholder consultation with respect to the level of the performance benchmark metric (as is required for the initial development of performance methods).
  - b) For activity methods, additionality shall be redetermined (from scratch using the activity penetration, financial viability or revenue streams options). Where the activity method uses the activity penetration option and the level of activity penetration has risen (since initial approval) to exceed the five-percent threshold level, the activity method may not be revised to use either of the other two options. Such activity methods become invalid and shall be withdrawn.

Note - The *VCS Standard* should be read for further information on use of data within standardized methods and appropriateness of the level of performance benchmarks.

- 2) The revised methodology documentation shall be issued no earlier than four years after the previous approval of the methodology.
- 3) The revised methodology shall be approved via the methodology approval process set out in Section 4. In addition, the following applies:
  - a) The methodology shall be exempt from the submission of a methodology concept note and corresponding application fee, processing fee and the public stakeholder consultation.
  - b) The scope of assessment shall be limited to assessment of the revisions undertaken as set out in Section 11.1.1(1) above.

- c) For performance methods where data is maintained in a central repository (i.e., not documented and contained within the methodology), the validation/verification body shall assess whether there are still clear and robust custody arrangements for the data and defined roles and responsibilities with respect to the central repository.
- 4) For performance methods, the VCSA re-examines the appropriateness of the level(s) of the performance benchmark metric to ensuring environmental integrity and provision of sufficient financial incentive to potential projects, by re-evaluating the original (and any subsequent) analysis undertaken to determine the level of the performance benchmark metric and considering evidence from use of the methodology by projects. The methodology may need to be revised to reflect the outcome of such re-examination and the VCSA will co-ordinate with the developer accordingly.
- 5) The VCSA reviews the revised methodology and the assessment reports submitted by the validation/verification bodies, together with outcome of the re-examination of the appropriateness of the level(s) of the performance benchmark metric, following the procedure set out in Section 4.6, *mutatis mutandis*.
- 6) Where the revised methodology is not approved by the VCSA by the day that is five years after its initial or previous approval, the methodology is put on hold until such time as the revised methodology is approved. Where the methodology remains on hold on the day that is seven years after its previous approval, the methodology will be withdrawn.

Note – Where methodologies are put on hold or withdrawn, grace periods apply (as set out in Section 9) and registered projects may continue to issue VCUs for the remainder of their project crediting periods.

## 11.2 INTERIM ASSESSMENT OF ACTIVITY METHODS

**11.2.1** For methodologies or modules using an activity method that uses the activity penetration option for establishing a positive list, an interim assessment shall be undertaken within three years of the initial or previous (where the activity method has already undergone post-approval assessment in accordance with Section 11.1) approval of the activity method, as follows:

- 1) The scope of the assessment shall be to assess whether the activity penetration level for the project activity remains within the permitted threshold.
- 2) The developer or another entity shall submit to the VCSA a report documenting the assessment. A full re-analysis of the activity penetration level is not required and other proxies may be used to confirm that the activity penetration level for the project activity remains within the permitted threshold. Proxies may include the continued existence of barriers to the implementation of the project activity (such as cost of technology, cost of implementation of the project activity or level of awareness of the project activity) and the continuing validity of assumptions made within the activity method.
- 3) The report shall be submitted to the VCSA no sooner than 30 months, and no later than 34 months, after the initial (or previous) approval of the activity method.

- 4) Where the VCSA deems that the report does not adequately justify that the activity penetration level remains within the permitted threshold, and the developer (or other entity) does not provide sufficient further evidence, the methodology will be put on hold. It may be revised and assessed via the methodology approval process.

### 11.3 PERIODIC ASSESSMENT OF DEFAULT FACTORS

**11.3.1** For methodologies that establish (their own) default factors which may become out of date (see the *VCS Standard* for further information on default factors), an assessment shall be undertaken within five years of the approval of the methodology and each subsequent five years, as follows:

- 1) The scope of the assessment shall be to assess whether the value of the default factor remains appropriate to current market, sector or other relevant conditions.
- 2) The developer or another entity shall submit to the VCSA a report documenting the assessment. An assessment of the key parameters used to establish the value of the default factor may be used to ascertain whether the value of the default factor remains appropriate (i.e., a full re-evaluation of the value is not required).
- 3) The report shall be issued no earlier than four years after the previous approval of the methodology.
- 4) Where the VCSA deems that the report does not adequately justify that the value of the default factor remains appropriate, and the developer (or other entity) does not provide sufficient further evidence, the methodology will be put on hold. It may be revised and assessed via the procedure set out in Section 9.3.2 or 9.3.3, as appropriate. The scope of assessment shall be limited to assessment of whether the new value of the default factor is appropriate.

## APPENDIX 1: DOCUMENT HISTORY

Version	Date	Comment
v3.0	8 Mar 2011	Initial version released under <i>VCS Version 3</i> .
v3.1	15 Jul 2011	Provided additional detail with respect to the requirements for AFOLU expert applicants, including the addition of an application fee (effective on issue date).
v3.2	19 Oct 2011	Main updates (all effective on issue date, unless otherwise stated): <ol style="list-style-type: none"> <li>1) Clarification of process for review of approved VCS methodologies.</li> <li>2) Specified that all methodology assessment reports shall be prepared using the <i>VCS Methodology Assessment Report Template</i> (shall be used for all methodology assessment reports issued on or after 19 March 2012, except for first assessment reports where a draft report has been issued before such date).</li> </ol>
v3.3	1 Feb 2012	Main updates (all effective on issue date): <ol style="list-style-type: none"> <li>1) Included requirements for standardized methods (Table 1 and Sections 10, 11).</li> <li>2) Further clarification provided on procedure for review of approved VCS methodologies, including specification of grace periods.</li> <li>3) Addition of criteria for AFOLU ACoGS expert applicants (Section 10.3.1).</li> </ol>
v3.4	4 Oct 2012	Main updates (all effective on issue date): <ol style="list-style-type: none"> <li>1) Clarified that the VCSA will not undertake an initial review and accept into the approval process methodologies that are not of the requisite standard (Section 4.3.2).</li> <li>2) Added that assessment reports shall summarize methods, criteria and processes used to perform the assessment (Section 4.4.3).</li> <li>3) Clarified that VCSA guidance may take precedence over VVB assessment (removed note from Section 4.7.1).</li> <li>4) Clarified that limited modifications, edits or clarifications to methodologies may be proposed (Section 7).</li> <li>5) Clarified that methodologies must be <i>materially</i> inconsistent with VCS rules and requirements for a VCSA review to be triggered (Section 9.1.1).</li> <li>6) Changed the term <i>technological</i> to <i>technical</i> (Section 9.1.1).</li> <li>7) Specified that only projects that have been listed on the project pipeline by the date a methodology is put on hold shall be granted a grace period associated with that methodology (Section 9.4.1).</li> <li>8) Updated the AFOLU Expert expertise for to include WRC experts in addition to the existing PRC expert (Section 10.3.1).</li> <li>9) Added requirements for the periodic assessment of default factors and renamed the section to <i>Post-Approval Assessments</i> (Sections 11 and 11.3).</li> <li>10) Clarified reporting requirements for interim assessment of activity methods (Section 11.2.1).</li> </ol>
v3.5	8 Oct 2013	Main updates (all effective on issue date): <ol style="list-style-type: none"> <li>1) Clarified that readers <i>shall</i> use the most current version of this document (Section 1).</li> <li>2) Clarified the scope of the methodology approval process (Section 2.1).</li> </ol>

		<ol style="list-style-type: none"> <li>3) Clarified required standards for methodology documentation (Section 4.2.2).</li> <li>4) Clarified the scope of the initial review of the methodology (Section 4.2.2).</li> <li>5) Noted that the VCSA hosts a presentation of the methodology (Section 4.3.4).</li> <li>6) Required transparency on qualifications of the validation/verification body's assessment team (4.4.3).</li> <li>7) Clarified the nature of the VCSA's review (Sections 4.4.5 and 4.5.5).</li> <li>8) Clarified the procedure at final review and approval (Section 4.6.1 and 4.6.2).</li> <li>9) Added to the scope of assessment and included a reference to instructions in templates and <i>Validation and Verification Manual</i> (Sections 6.1.2 and 6.1.3).</li> <li>10) Provided minor clarification on methodologies that need to be listed in the new methodology (Section 6.2.1(1)).</li> <li>11) Clarified that there are three types of methodology revisions and included requirements for a streamlined methodology approval process (Section 7.1).</li> <li>12) Clarified the procedure for methodologies requiring limited modifications, clarifications or edits (Section 9.3.2).</li> <li>13) Clarified grace periods for methodologies put on hold or withdrawn (Section 9.4).</li> <li>14) Made minor clarification and edits to text and grammar (throughout).</li> </ol>
v3.6	25 Mar 2015	<p>Main updates (all effective 25 September 2015):</p> <ol style="list-style-type: none"> <li>1) Revised description of methodology approval process to include methodology concept note evaluation process (Section 1).</li> <li>2) Included breakdown of costs associated with the methodology approval process (Section 2.3).</li> <li>3) Added methodological concept evaluation procedure (Section 3).</li> <li>4) Revised procedures to include methodology concept evaluation step (Sections 7.1.2, 9.3.3 and 11.1.1(3)(a)).</li> </ol>
v3.7	21 Jun 2017	<p>Main updates (all effective on issue date, unless otherwise stated):</p> <ol style="list-style-type: none"> <li>1) Broadened the criteria by which VCS determines whether methodologies may be subject to a streamlined approval process and added reference to the potential for VCS to pilot alternative approval processes (Sections 2.2 and 7.1.2)</li> <li>2) Changed the timing of the application and processing fees such that the fees must be paid before VCS begins evaluation of concept notes or methodology documentation (Sections 3.3.1, 4.3.1, 4.3.4)</li> <li>3) Consolidated qualification criteria for VVBs performing methodology assessments (Table 1).</li> </ol>

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