



**BCR GUIDANCE
METHODOLOGIES
DEVELOPMENT AND
APPROVAL**

BIOCARBON CERT[®]

Version 1.1 | January 30, 2024

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Table of Contents

1	Introduction	4
2	Objectives	4
3	Version	4
4	Scope and Area of application	5
5	Terms and definitions	5
6	Development of methodological documents	7
7	Need for methodological development	9
7.1	BCR Initiative	10
7.2	Third-party developer initiative	11
7.3	Public Consultation	14
7.4	External Review.....	15
7.5	BIOCARBON Evaluation process.....	16
7.6	Methodology approval.....	17
7.7	Summary of process	17
8	Safeguards, No net Harm and special provisions	18
9	Process Timeline	18
10	Methodological review and updates	19

List of Figures

Figure 1.	Methodologies development and review	9
Figure 2.	Methodological document and approval by BCR Initiative	10
Figure 3.	Methodological document and approval by Third-party developer initiative	11

1 Introduction

BIOCARBON CERT (BIOCARBON) sets and manages the GHG Crediting Program, BIOCARBON STANDARD (BCR STANDARD), that involves the certification and registration of GHG projects in the framework of the promotion of climate change mitigation actions, considering quality and integrity criteria. In this sense, BIOCARBON develops its rules and procedures to promote low-carbon growth while ensuring compliance with applicable policies, including technical developments with rigor and transparency.

The development and approval of the methodology includes a review process to assess the consistency of the methodological developments with the BCR STANDARD and the eligible activities of the GHG Program.

This guide provides the elements and procedures for developing or evaluating methodologies, including procedures for reviewing and approving methodological documents and tools that ensure the conditions set by BIOCARBON, take into account best practices, and ensure the scientific and technical basis needed for climate action and the carbon markets.

This document is intended for use by methodology developers, conformity assessment bodies (CABs) and other interested parties. This document may be periodically adjusted. Intended users should ensure that they are using the latest version.

2 Objectives

The objectives of this Guidance are:

- a) To provide information for the development of methodologies according to the conditions and rules established by BIOCARBON;
- b) Establishes the necessary procedures to meet the requirements for quality, integrity, and transparency in the development of methodologies;
- c) Maintain the integrity and efficiency of the procedures related to the BIOCARBON STANDARD.

3 Version

This document constitutes Version 1.1 of January 30, 2024.

This version may be periodically adjusted. Intended users should ensure that they are using the latest version.

4 Scope and Area of application

This document is a guide for developing and approving methodologies for GHG project design and implementation. The document describes the processes and procedures to be followed by BIOCARBON team members and interested parties in the design, development and approval of methodologies and related activities.

The following are the subject of it:

- (a) Development of new methodologies;
- (b) Review and approval of methodologies;
- (c) Development, review and approval of methodological tools.

5 Terms and definitions

Agriculture, Forestry and Other Land Use (“AFOLU”)

The sector comprises of greenhouse gas emission reductions or removals attributable to project activities in the agriculture, forestry, and other land uses sectors.

BioCarbon Standard (BCR Standard)

Document that compiles and describes a set of principles and requirements necessary for the design, development, validation, verification, and certification of GHG projects, and for the issuance of Verified Carbon Credits (VCC).

Clean Development Mechanism (“CDM”)

Article 12 of the Kyoto Protocol defines the clean development mechanism: *"The purpose of the clean development mechanism is to assist Parties not included in Annex I in achieving sustainable development and in contributing to the ultimate objective of the Convention, and to assist Parties included in Annex I in achieving compliance with their quantified emission limitation and reduction commitments under Article 3"*.

Clean Development Mechanism (“CDM”) Projects

They are a type of GHG Project that includes GHG emission reduction or removal activities eligible for the Kyoto Protocol's Clean Development Mechanism (“CDM”).

Conformity Assessment Body

Body that performs conformity assessment activities and that can be the object of accreditation.

Note 1 to entry: Whenever the term “conformity assessment body” is used in the text, it applies to both the applicant and accredited conformity assessment bodies, unless otherwise specified.

[SOURCE: ISO/IEC 17000:2004, 2.5, modified — The words “and that can be the object of accreditation” have been added to the definition and the Note to entry has been added; [ISO/IEC 17011:2017(en), 3.4]

GHG project (Greenhouse gas project)

Activity(ies) that change the conditions of a GHG baseline and that reduce GHG emissions or improve GHG removals.

GHG statement

Formal written statement addressed to the intended user, ensuring compliance with the requirements of the BCR PROGRAM, observing the criteria contained in ISO 14064-2, and evaluation in accordance with ISO 14065 and ISO 14064-3.

Intended User

Individual or organization identified by those reporting GHG-related information as being the one who relies on that information to make decisions.

Note 1 to entry: The intended user can be the client, the responsible party, GHG program administrators, regulators, the financial community or other affected interested parties, such as local communities, government departments or non-governmental organizations.

[SOURCE: ISO 14064-2:2019(en), 3.3.1].

Methodology or Methodological Document

Document that summarizes, systematizes, and defines the techniques, methods, and procedures to be used for quantifying removals or reductions of greenhouse gases depending on the nature and particular characteristics of each project.

Project documents

The documents required to register the Project and/or issue VCC.

Project holder

The person or organization responsible for the design, validation, monitoring, verification and registration of a GHG project.

The project holder has the agreements to represent all project participants to the BioCarbon registration.

NOTE: The project holder is acting as the Responsible Party..

Stakeholder (Interested Party)

person or organization that can affect, be affected by, or perceive itself to be affected by a decision or activity.

Note 1 to entry: To “perceive itself to be affected” means the perception has been made known to the organization.

Note 2 to entry: The terms “interested party” and “stakeholder” are used interchangeably.

[SOURCE: ISO 14001:2015, 3.1.6, modified — The admitted term “stakeholder” and Note 2 to entry have been added; ISO 14006:2020(en), 3.1.7.].

Third-party certification

certification provided by a person or body that is recognized as being independent of the parties involved the certification.

See ISO 17000.

SOURCE: ISO 12576-2:2008(en), 3.9

6 Development of methodological documents

Methodological document development includes systematic procedures and processes required for methodology development. These may be developed by a project holder or by a third-party developer. In any case, the process begins with the submission of a Methodology Development Intention (MDI), which is reviewed by the BIOCARBON Technical Committee against approval criteria, such as scope of activity within the BIOCARBON -eligible sectors, and compatibility with the conditions defined by BIOCARBON , among others, as described in this document.

After that, BIOCARBON has the option to accept, or not accept the provided methodological document with proposals. In the first case, the developer should submit a new version that responds to the findings made by BIOCARBON. If the BIOCARBON review is positive, the methodology developer drafts the full methodology and submits to the BIOCARBON Technical Committee for evaluation and approval. Once draft methodology is approved by the Direction and a delegate of the technical committee, it is publicly consulted on the BIOCARBON website for 30 days.

In order to technically enrich the process and ensure the highest quality of the results of the development process, a step for external review and approval of the BIOCARBON was included in the process. The Executive Board will receive the methodology at the end of the public consultation period (30 days calendar time). Any comments received will be processed by the developer, approved by the external reviewer and the technical committee, and duly posted on the website before the final version 1.0 of the methodological document is published.

The information in the updated version of this document will be available to the public on the BIOCARBON website (www.biocarbonstandard.com).

The BCR STANDARD includes methodological documents for quantifying GHG emission reductions or removals, at the project level. The methodological documents shall provide the applicability criteria and detailed steps for quantifying and monitoring results with respect to the design and implementation of GHG projects of a particular project type.

Mainly, the development of methodological documents shall include the description of requirements related with project activities eligibility, project boundaries, applicability conditions, baseline, additionality, leakages, quantification of the emissions reduction or removals, project boundaries (geographical and temporal). Furthermore, the methodological documents may include provisions for monitoring and verification of the implemented project activities and emission reductions and/or removals.

The methodological documents shall establish specific criteria and guidelines that project developers shall adhere to in order to maintain accuracy and reliability. By setting out this requirements, the methodological documents shall prevent any potential over-estimation of the effectiveness of mitigation activities. This ensures that the declared results are realistic and credible, providing a solid basis for assessing the mitigation impact of the project activities.

The methodological documents shall also specify the requirements that each methodology approved under the BCR Standard shall meet, including requirements to ensure that methodologies do not overestimate the mitigation results of activities.

In this sense, the requirements for approved methodologies under the BCR Standard, the methodological documents also shall ensure that the estimated mitigation results of activities are not overestimated.

Overall, the methodological documents serve as a framework for ensuring the integrity and effectiveness of methodologies approved under the BCR Standard, ultimately contributing to the accurate assessment and reporting of mitigation results.

7 Need for methodological development

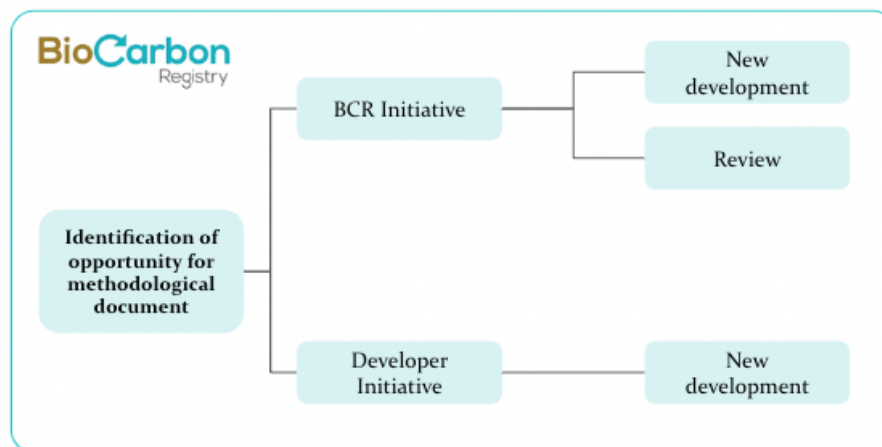
The need to develop a new methodology can only arise when:

- (a) A GHG project that has potential additionality characteristics is not among the types of activities and sectors that are eligible for existing BIOCARBON methodologies, and;
- (b) Under the CDM, there is no methodology applicable to the type of activity.

The development of methodological documents in BIOCARBON is overseen by the technical committee. It is reviewed and approved by the Direction and a delegate by the Technical Committee before public consultation and final publication on the BIOCARBON website (www.biocarbonstandard.com).

The process of developing and reviewing a methodological document depends on the party identifying the opportunity to develop a methodology as shown in the following diagram, and the subsequent descriptions.

Figure 1. Methodologies development and review



Source: BioCarbon Registry, 2023

In order for the Technical Committee and the Direction to approve the development of a new methodology, the following requirements shall be met:

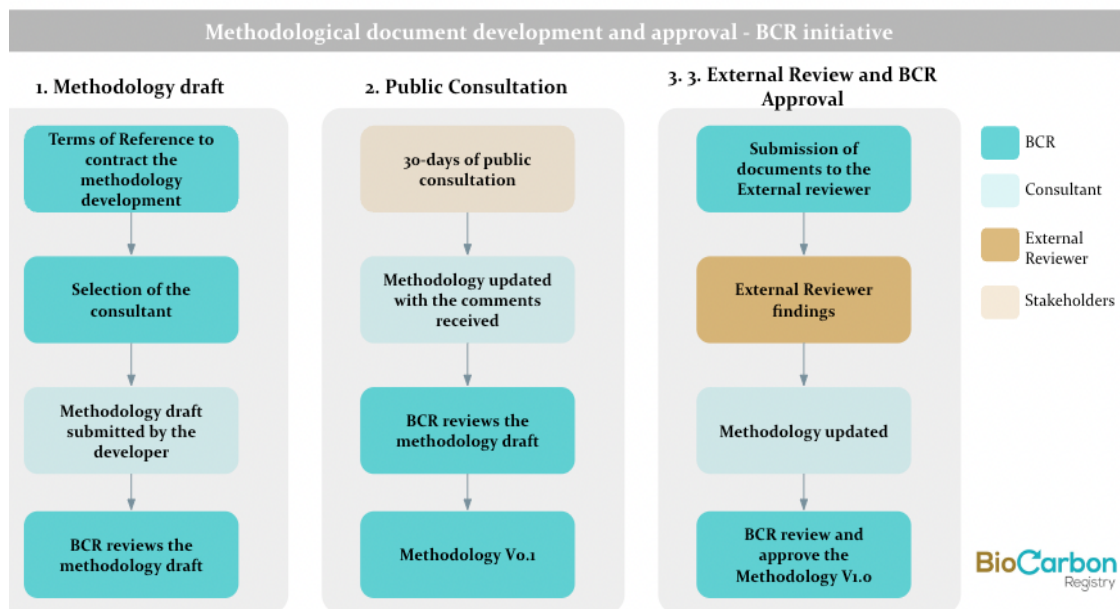
- (a) At the least one member of the Technical Committee has knowledge and proven experience of 5 years in the field of application for which the methodological development is required.

- (b) If the methodology is developed in collaboration with another organization or natural person, this organization or person shall demonstrate to have solid scientific bases, knowledge and demonstrable experience of 8 years in the field of application for which the methodological development is required.
- (c) If the methodology is developed in collaboration with another organization or individual, this organization or individual must undergo periodic technical review processes to be carried out by the Technical Committee.

7.1 BCR Initiative

The Technical Committee is responsible for identifying opportunities for new methodologies and overseeing the development of methodologies for quantifying GHG reductions or removals in sectors and for project types eligible for the BCR PROGRAM. The Technical Committee draws on internal subject matter expertise¹, and when processes are required, the area engage subject matter experts.

Figure 2. Methodological document and approval by BCR Initiative



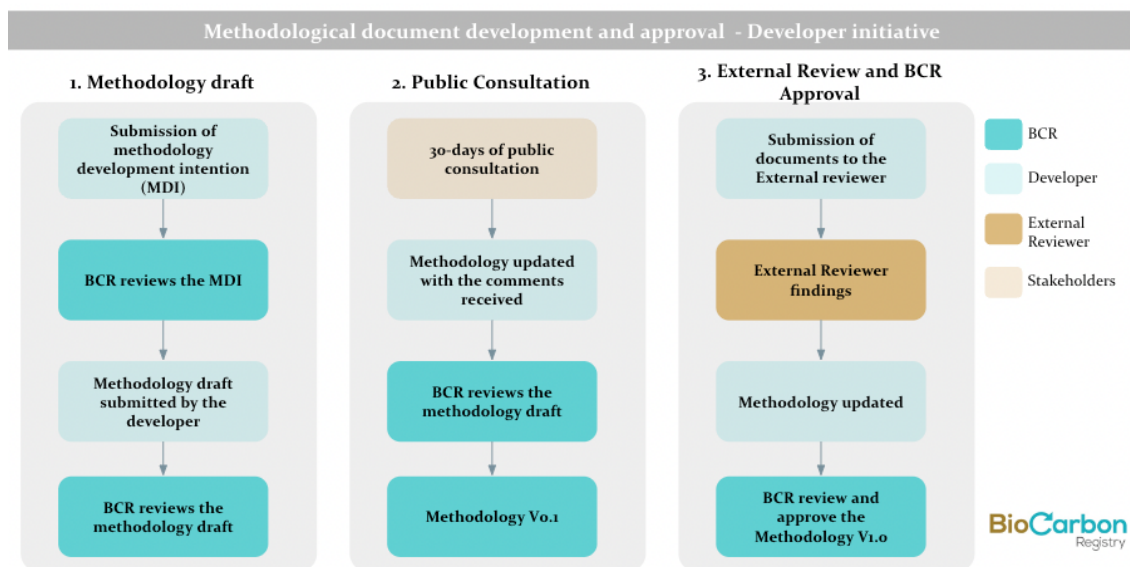
Source: BioCarbon Registry, 2023

¹ At least one member of the technical committee has knowledge and demonstrated experience of 5 years in the application area for which the methodological development is required.

7.2 Third-party developer initiative

The Technical Committee is responsible for reviewing the intent to develop a methodology intention submitted by a third-party developer and defining its relevance. Once the intent to develop a methodology² is approved, the Technical Committee oversees the development of methodologies for quantify GHG reductions or removals in sectors, and for project types eligible for the BCR PROGRAM. The Technical Committee relies on internal subject matter expertise, and also engage subject matter experts when processes require.

Figure 3. Methodological document and approval by Third-party developer initiative



Source: BioCarbon Registry, 2023

The following describes the process from MDI submission up to external review and approval of the methodology by BIOCARBON.

7.2.1 Eligibility criteria

- Proposal within four BIOCARBON eligible sectors (AFOLU, Energy, transportation, waste handling)
- Proposed methodology within the rules and conditions defined by BCR Standard.

² This is described in the graphs and following steps as "Methodology Development Intention (MDI)".

- (c) methodology clearly defines the quantification parameters and provides other relevant definitions for its application
- (d) The MDI demonstrate coherence with sustainable and safeguards principles (SDGs, moreover coherence with the code of ethics of the program and provision in place for integrity).

7.2.2 Submission of Methodology Development Intention (MDI)

The third-party that is to develop a new methodological document should submit an intent to develop a methodology that includes a description of the following elements:

- a) Scope;
- b) Justification;
- c) Proposed methods;
- d) CV of the experts participating in the methodology development.

The MDI shall be submitted electronically to technical.committee@biocarbonstandard.com

7.2.3 BIOCARBON review of the Methodology Development Intention

The Technical Committee reviews MDIs against the following approval criteria:

- (a) Scope of activity within BIOCARBON -eligible sectors;
- (b) Proposed methodology within the rules and conditions of the BCR STANDARD;
- (c) The proposed activity falls within the types of activities and sectors applicable to BIOCARBON;
- (d) There is no methodology under the CDM that would be applicable to the type of activity;
- (e) The proposed methods define the quantification parameters and provide other relevant definitions for their application;
- (f) Evidence that the MDI can potentially assess contributions to at least three (3) Sustainable Development Goals;
- (g) The third-party developer experts involved in the development of the methodology document shall have a scientific basis, knowledge, and 8 years of

demonstrable experience in the application area for which the methodology is to be developed.

The results of the methodology review represent the following three options:

- (a) The MDI is accepted with suggestions to be included in the development of the methodology;
- (b) The MDI is not accepted. The developer should submit a new version with the results submitted by BIOCARBON;
- (c) The MDI is rejected.

7.2.4 BIOCARBON review of the draft methodology

If the MDI is accepted, the third-party developer submits the draft methodological document. The process of evaluating the submitted draft is led by the General Director together with the delegate of the Technical Committee. During the evaluation process, it should be demonstrated that the methodological document:

- (a) contains all the components required by BCR STANDARD;
- (b) applies the principles of BIOCARBON and principles of certification and registration;
- (c) meets applicable regulatory requirements;
- (d) correctly references a method or equation defined by another organization;
- (e) provides clarity and presents the methods as procedures to facilitate their understanding and application;
- (f) clearly defines the quantification parameters and provides other definitions relevant to the application;
- (g) clearly defines the scope of application;
- (h) does not conflict with the requirements specified in the BCR STANDARD;
- (i) is relevant to the development context of the country and is aligned with the national context;
- (j) includes the quantification methods that comprises the relevant parameters for quantifying emission reductions or removals, depending on the type of activity;
- (k) includes the sources or references for the quantification methods that have been validated by a scientific and investigative organization, and that after a pilot quantification test has been conducted, the emission reduction or removals results are verifiable and consistent.

There are two possibilities that arise from the review of the draft methodological document:

- (a) BIOCARBON sends findings to the developer that should be closed before proceeding;
- (b) BIOCARBON approves the draft methodology and continues the process (selection of an external reviewer).

Once the MDI is accepted by the Direction and a delegate from the Technical Committee, it shall undergo to the public consultation procedure accordingly with the processes described on the Standard Operating Procedures -SOP document, section 13.1. Public Consultation.

7.3 Public Consultation

Once the draft methodological document is approved by the Direction and a delegate of the Technical Committee, it will be publicly consulted on the BIOCARBON website for 30 days. The use of the public consultation process is essential to support the interaction between BIOCARBON and all stakeholders, and to comply with the application of the principles of the BCR PROGRAM, essentially responsibility, quality, and integrity. The public consultation document contains the following information:

- (a) Document title;
 - (b) Objectives;
 - (c) Scope and area of application;
 - (d) Release date and version;
 - (e) Mark or note (watermark, for example) indicating that it is a document for public consultation.
1. BIOCARBON publishes on its website the public consultation document, in which at least:
 - (a) The document is in the process of public consultation;
 - (b) Deadline for submission of comments. The minimum deadline date is equal to thirty (30) calendar days, from the date of disclosure;
 - (c) Contact information for the person receiving the comments.

2. BIOCARBON announces through available media that its document is subject to public consultation and publishes the access link and/or shares the document directly with interested parties. Interested parties shall include, at a minimum:
 - (a) Any relevant local and national stakeholders in the carbon market, including a minimum: other certification and registration schemes, verification and validation bodies, associations and consultants, and other national and international associations BIOCARBON is a member, developers of GHG projects;
 - (b) All relevant local and national stakeholders in the sector of the economy for which the document applies;
 - (c) Regulatory governmental entities.
3. During the public consultation period, BIOCARBON collects and documents all comments received in the BIOCARBON **Public Consultation Results** format.
4. At the end of the public consultation period, BIOCARBON responds to each comment in the BIOCARBON **Public Consultation Results** document and makes the appropriate adjustments to the Methodological Document.
5. Once the adjustments are made and approved by the BIOCARBON assigned roles, the final version of Methodological Document and the **Public Consultation Results** document are published on the BIOCARBON website.

The developer of the methodology should update the document taking into account the comments received and provide justification in case the comment is not considered.

Two options during the review of the draft methodology including public comments:

- (a) The new version meets the requirements to continue the process;
- (b) The developer should update the methodology considering the results published by BIOCARBON.

7.4 External Review

BIOCARBON will post the Terms of Reference on the website to select an external reviewer considering the scope of the methodological document. The Technical Committee will review the proposals and select the external reviewer based on the selection criteria included in the Terms of Reference. The cost of the contract and the external review will be borne by BIOCARBON.

The external review and BIOCARBON approval of the methodological document follows a similar process to the validation of a project under BIOCARBON :

- a) The reviewer selected should submit a report that meets the criteria described in the Terms of Reference;
- b) The findings presented in the reviewer's report should be addressed by the methodology developer;
- c) The methodology developer's response will be reviewed by the reviewer;
- d) Once all findings are resolved, the reviewer submits the final report to BIOCARBON ;

7.5 BIOCARBON Evaluation process

The process of evaluation is led by the Program Director together with the Delegate of the Technical committee. During the evaluation process, External experts are invited to participate, considering the scope of the methodology.

During the evaluation process, it shall be demonstrated that the methodology:

- (a) includes all the components required by the BCR STANDARD.
- (b) applies the principles of BIOCARBON and principles of Certification and Registration.
- (c) meets the applicable legal requirements.
- (d) correctly references any method or equation defined by another organization.
- (e) offers clarity and presents the methods as a procedure in order to facilitate their understanding and application.
- (f) clearly defines the quantification parameters and provides other relevant definitions for its application.
- (g) clearly establishes the scope of application.
- (h) is not contradictory with the requirements established in the BCR STANDARD.
- (i) is following the program principles regarding No net harm, safeguards, SDGs contribution among others in place.
- (j) include the quantification methods to determining parameters for the estimation of emission reduction and/or removals according to the type of activity, that the

sources or references of the quantification methods are endorsed by a scientific and investigative organization, and that after conducting a pilot quantification exercise, the mitigation results are verifiable and consistent.

7.6 Methodology approval

The Executive Board will receive the methodology after the public consultation period ends (30 days calendar) and the comments received if any during this period will be addressed by the Technical Committee and properly displayed on the website before publishing version 1.0 of the methodological document in its final version.

The publicly methodology should be displayed on the BIOCARBON website: <https://biocarbonstandard.com/en/methodologies/>

The information regarding period of public consultation, comments received, and redress will be visible to public.

7.7 Summary of process

In summary, the steps considered during the methodology development process are:

- (a) MDI submission by third-party developer or in situ development the draft of the Methodology initiative by the technical committee.
- (b) White paper/issues paper development (either internal or external, depending on expertise)
- (c) Kick-off meeting
- (d) Request for proposals for technical contractor (if needed)
- (e) External expert review and comment of MDI
- (f) The BIOCARBON technical committee revises MDI based on the external review
- (g) Public consultation period (30 days)
- (h) The BIOCARBON technical committee reviews and publicly responds to submitted comments received during public consultation period
- (i) The BIOCARBON technical committee revises Methodology draft and get the approval from the Program director.
- (j) Executive Board reviews and approves the Methodology Document.

(k) Methodology finalized and published online on the BIOCARBON website

8 Safeguards, No net Harm and special provisions.

The entire process of methodology development should follow the principles of Safeguards, No net Harm, and Sustainable Development as well as other special provisions described in the BCR STANDARD.

All the methodologies are expected to result in No net Harm to society and environment and have positive impacts on sustainable development in line with United Nations Sustainable Development Goals.

9 Process Timeline

The summary of the ten (10) steps required for the approval of the methodological document and the estimated timeline for each step are described in the next table:

Steps for methodologies approval - BIOCARBON		Time (Business days)
1	BIOCARBON reviews the Methodology Development Intention	15
2	Publication of the Terms of Reference to develop the methodology and selection of the consultant (BCR initiative)	60
3	Methodology development	No more than six months
4	Evaluation process	15
5	Concept of Acceptance by the Direction and delegated of Technical Committee after the evaluation of the methodology draft ³	10
6	Adjustment or attend new recommendations if any	7
7	Public consultation on BIOCARBON's website	30

Steps for methodologies approval - BIOCARBON		Time (Business days)
8	Review and address comments and inputs from public consultation	8
9	Approval by the Executive Board	15
10	Publication of final methodology on the BioCarbon 's website	3

Source: BIOCARBON, 2024

10 Methodological review and updates

Methodologies can be reviewed and updated considering scientific elements that indicate and justify the need for updating methodological documents. The maximum time period for a methodological revision is five years. However, the BIOCARBON Technical Committee may address the need for revision or update at any time. A new methodology version number is created for Program Revisions.

Document history

Type of Document. Guidance.

Version	Date	Nature of the Document
1.0	January 30, 2023	First version
1.1	January 30, 2024	Adjusted version Section 6 updated Minor editorial changes