



Methodology Approval Process

V1.2

05 December 2022

About

Developed in 2005 in Tocantins, Brazil the SOCIALCARBON Standard was created by Ecologica Institute, a Civil Society Organisation of Public Interest (OSCIP). The SOCIALCARBON Standard was designed during the implementation of Brazil's first carbon sequestration project in the Bananal Island, with the differential of ensuring community involvement in the initiative. Since 2022, SOCIALCARBON has been managed by the Social Carbon Foundation, a UK Charitable Organisation with the mission to act in mitigating the effects of climate change through scientific research, environmental conservation, and community-based sustainability activities.

Since 2022, the SOCIALCARBON Standard has transitioned from a co-benefits standard to a full standard for nature-based solutions. We believe that climate action and nature-based solutions must include the participation of the local people or they will not be sustainable in the long-term. The transition of the SOCIALCARBON Standard into a full standard for nature-based solutions further supports our mission of scaling local action against biodiversity loss and climate change, but on a global scale. To enable this vision to become a reality, the Social Carbon Foundation develops high quality standards to facilitate market-driven mechanisms that accelerate the development of projects which deliver real results for our communities and the planet.

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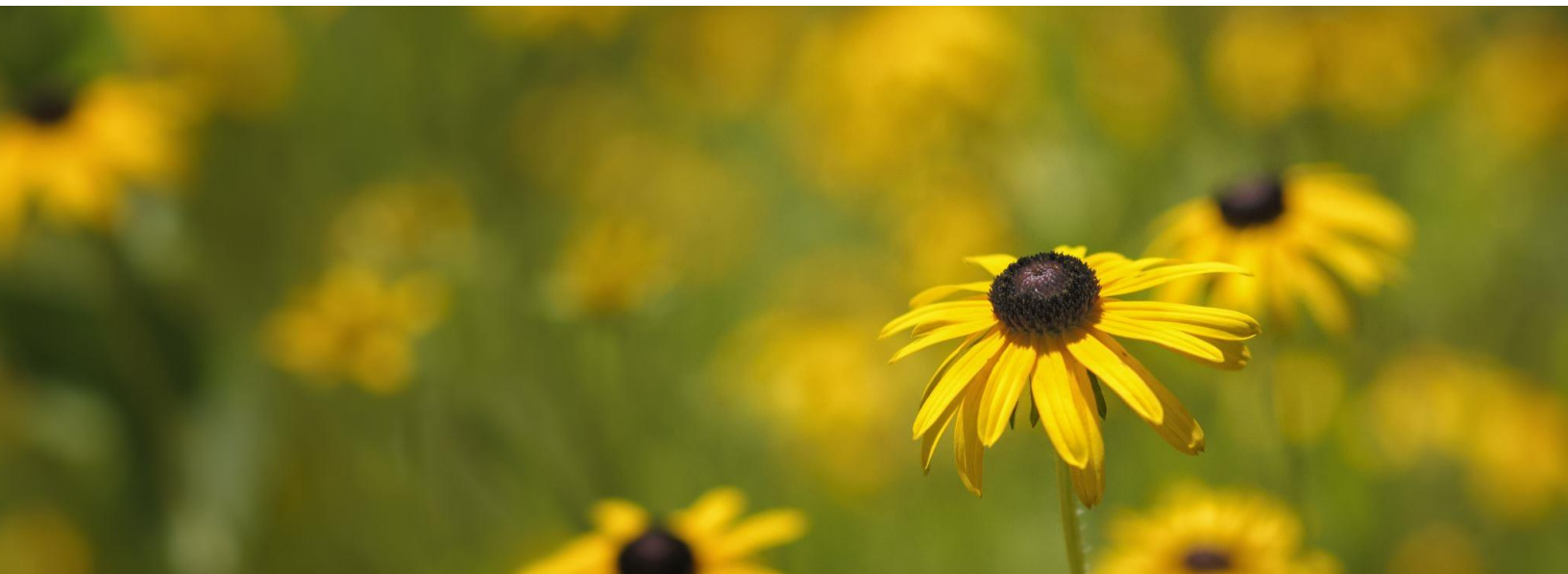
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1. Introduction

New methodologies, methodology revisions, modules and tools can be developed and approved through two approaches under the SOCIALCARBON Standard: Social Carbon Foundation can develop these itself, or alternatively these artefacts are developed by a 3rd party methodology developer. The methodology approval process is the process by which new methodologies, methodology revisions, modules and tools (referred to in this document as “methodologies”) created by 3rd parties are approved under the SOCIALCARBON Standard. The process consists of two main steps. First, the methodology developer submits a methodology concept note for evaluation and acceptance by Social Carbon Foundation. Second, following Social Carbon Foundation 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 an in-depth review by Social Carbon Foundation and an independent assessment by one validation/verification body, before final approval by Social Carbon Foundation.

The methodology approval process is outlined at a high level in the SOCIALCARBON Standard 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 also provides further requirements and guidance for specific elements that are subject to the process. This 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. Methodology approval process

2.1 Scope

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 Eligibility Criteria

The methodology developer shall submit the methodology concept note to the SOCIALCARBON Secretariat to assess the eligibility of the new methodology.

Eligibility requirements are the following (including but not limited to):

- 1) The proposed methodology shall be in line with the general SOCIALCARBON Standard Rules and Requirements.
- 2) Evidence shall be provided that the proposed methodology provides the quantification approach(s) to assess contribution to at least one Sustainable Development Goal (SDG).
- 3) The proposed methodology should not yet be covered by another approved or under-development SOCIALCARBON methodology. If the proposed approach(es) has already been covered partially or completely by another SOCIALCARBON methodology, modifications to the existing methodology should ideally be proposed. However, if a new methodology covering the scope of the existing methodology(ies) (partially or completely) introduces innovative approaches, if justified, it may be considered for review.
- 4) The concept is broadly applicable (i.e., not for a specific technology or process).
- 5) An overview of key methodological approaches is provided, and in particular the method for emission reduction quantification has been well thought through.

- 6) 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:

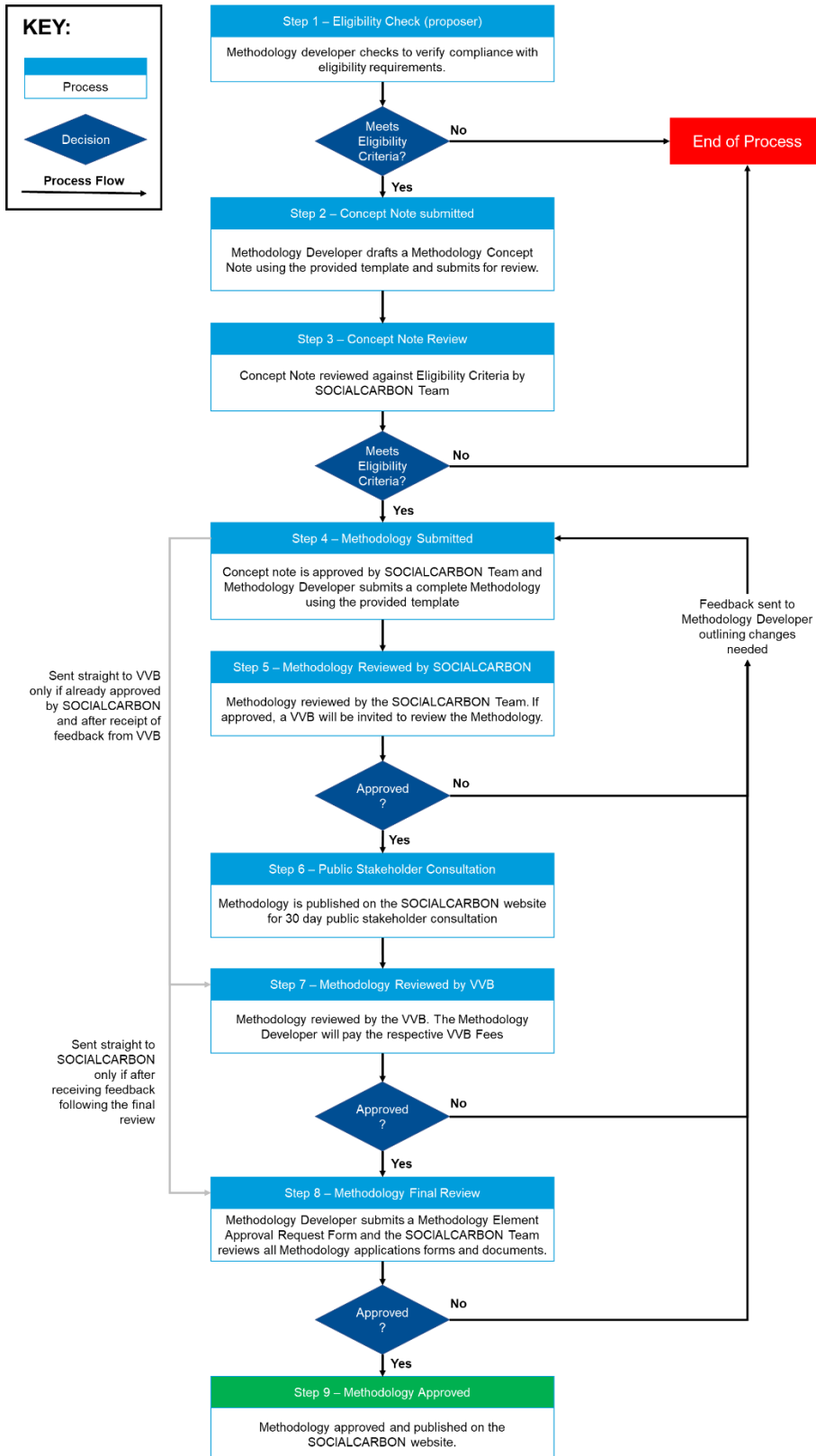
- 1) An innovative approach to demonstrating additionality or quantifying emission reductions or removals (e.g., the methodology concept uses a standardized method, modelling and/or approaches that simplify monitoring).
- 2) Demonstration that the concept has the potential for significant environmental impact (e.g., projects applying the methodology could generate more than 1 million 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.

2.3 Documentation required

The following table outlines the documentation required to pass specific stage in the Methodology Approval Process.

Stage(s)	Documentation to be submitted
1	None
2 - 3	<ul style="list-style-type: none"> • Signed and Completed Methodology Approval Submission Form • Methodology Concept Note
4	<ul style="list-style-type: none"> • Methodology Application • Methodology Revision Application (where applicable)
5 - 7	<ul style="list-style-type: none"> • Methodology Element Approval Request Form • Methodology Assessment Report

2.4 Process



2.5 Public Stakeholder Consultation

2.5.1 The Social Carbon Foundation posts the methodology documentation on the SOCIALCARBON website for a period of 30 days, for the purpose of inviting public comment. As part of the consultation process, the Social Carbon Foundation may also host a presentation of the methodology. Any comments shall be submitted to the Social Carbon Foundation at operations@socialcarbon.org and respondents shall provide their name, organisation, country and email address.

2.5.2 At the end of the public comment period, the Social Carbon Foundation 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 the validation/verification body what action it has taken.

2.5.3 All and any comments received are posted by the Social Carbon Foundation on the SOCIALCARBON website, alongside the methodology information.

2.6 VVB Review

2.6.1 All methodologies proposed by Methodology Developers must be reviewed and approved by a selected Validation/Verification Body (VVB). The validation/verification body shall hold accreditation for validation for the sectoral scope(s) applicable to the methodology. Where the methodology falls under more than one sectoral scope, the validation/verification body shall hold accreditation for validation for all relevant sectoral scopes. The VVB will be selected by the Methodology Developer.

2.6.2 Social Carbon Foundation will send a request for proposals (RFP) to all validation/verification bodies which meet the relevant eligibility criteria to conduct the methodology assessment. This includes being registered to assess the specific Methodology project category and type. Upon receipt of any proposals, Social Carbon

Foundation will narrow the pool of eligible validation/verification bodies based on those with the most relevant expertise and experience. Social Carbon Foundation will forward the remaining proposals to the methodology developer, and the methodology developer may make a selection amongst the eligible pool of validation/verification bodies provided by Social Carbon Foundation. Social Carbon Foundation contracts the validation/verification body selected by the methodology developer, using its standard agreement. The developer pays the validation/verification body directly, as provided for in the contract between Social Carbon Foundation and the validation/verification body and the methodology approval process submission form.

2.6.3 The developer shall respond to all and any of the validation/verification body's findings. As a result of any such findings, the developer may need to amend the methodology documentation.

2.6.4 The validation/verification body shall produce an assessment report in accordance with the SOCIALCARBON Standard rules and requirements. The assessment report shall be prepared using the Social Carbon Methodology Assessment Report Template.

2.7 Final Review and Approval

2.7.1 The developer shall provide Social Carbon Foundation with the most recent methodology documentation, the assessment report produced by the validation/verification body and a signed Methodology Element Approval Request Form.

2.7.2 Social Carbon Foundation reviews the most recent methodology documentation and the assessment report produced by the validation/verification body to ensure the methodology has been assessed in accordance with SOCIALCARBON Standard rules. Where the review finds that the methodology has not been assessed in accordance with SOCIALCARBON Standard rules, it will require the developer to revise the methodology documentation, involving the validation/verification body, as required. Where necessary, the validation/verification body shall revise the assessment report. Social Carbon

Foundation may withhold the acceptance of the assessment report until all findings from Social Carbon Foundation’s review have been satisfactorily addressed. Social Carbon Foundation may also make revisions to the methodology where it deems necessary.

2.7.3 Where Social Carbon Foundation approves the methodology, it notifies the developer and the validation/verification body of same. The approved methodology is assigned a reference number and posted with the assessment report on the SOCIALCARBON website. The methodology can then be used by project proponents to develop projects.

2.7.4 Where the assessment report does not approve the methodology and attempts to resolve the situation in accordance with Section 2.7.2 have been unsuccessful, it is not approved by the Social Carbon Foundation. Social Carbon Foundation may also withhold approval where it is not satisfied with the quality of the methodology documentation, the assessment report, or where it deems that the methodology does not comply with the SOCIALCARBON Standard rules or would sanction politically or ethically contentious project activities, or may otherwise impact the integrity of the SOCIALCARBON Standard or the functioning of the broader carbon market.

2.8 Submission

2.8.1 The Methodology Application shall use the Template provided by SOCIALCARBON and shall be completed in its entirety.

2.8.2 All documents shall be submitted electronically. Documents shall be submitted to SOCIALCARBON through the following email: operations@socialcarbon.org

2.8.3 Once a methodology has been approved by the VVB, the Methodology Developer shall complete and submit a Methodology Element Approval Request Form, requesting that the Methodology be approved by Social Carbon Foundation.

2.9 Fees

All SOCIALCARBON fees related to the Methodology Approval Process can be found in the SOCIALCARBON Fee Schedule on the SOCIALCARBON website (www.socialcarbon.org).

2.10 Streamlined Process

If a methodology has already been developed and verified by two VVBs and approved under another GHG Program, the methodology may be eligible for fast track approval under the SOCIALCARBON Standard. Methodology owners could be eligible for fast-tracked methodology approval under the SOCIALCARBON Standard, and should complete the following steps:

2.10.1 The owner of the methodology must submit an application to the SOCIALCARBON team summarising the methodology, outlining which GHG program it has been approved under, alongside the relevant documentation and/or artefacts associated with the methodology. All information and documents shall be submitted electronically to SOCIALCARBON through the following email:

operations@socialcarbon.org

2.10.2 The SOCIALCARBON team will review the application and provide feedback once consensus has been achieved. If approved, the methodology will be made available immediately under the SOCIALCARBON Standard.

2.10.3 Minor methodology revisions / elements may also be applicable for the streamlined methodology approval process. This will be determined on a case-by-case basis by the Social Carbon Foundation.

2.11 Ongoing Management

In order to ensure all methodologies approved under the SOCIALCARBON Standard continue to reflect best practice and scientific consensus, Social Carbon Foundation may review any

approved methodology at any time. The results of a review may determine that no further action is necessary, limited modifications are necessary, substantive revisions are required, or the methodology is fundamentally flawed. Where limited modifications or substantive revisions are required, Social Carbon Foundation will contact the methodology developer to update the methodology. Where it is determined the methodology is fundamentally flawed, the methodology will be withdrawn.

3. New methodologies

3.1 Scope of Assessment

3.1.1 The validation/verification body shall determine whether the proposed methodology complies with the requirements set out in the SOCIALCARBON Standard document SOCIALCARBON Methodology Requirements and any other applicable requirements set out under the SOCIALCARBON Standard.

3.1.2 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.

3.1.3 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 3.2.
- 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 SOCIALCARBON Standard 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 SOCIALCARBON Standard rules.
- 8) Additionality: Assessment of whether the approach/tools for determining whether the project is additional are appropriate, adequate and in compliance with the SOCIALCARBON Standard rules.
- 9) Baseline emissions: Assessment of whether the approach for calculating baseline emissions is appropriate, adequate and in compliance with the SOCIALCARBON Standard rules.
- 10) Project emissions: Assessment of whether the approach for calculating project emissions is appropriate, adequate and in compliance with the SOCIALCARBON Standard rules.
- 11) Leakage: Assessment of whether the approach for calculating leakage is appropriate, adequate and in compliance with the SOCIALCARBON Standard 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 SOCIALCARBON Standard rules.
- 13) Monitoring: Assessment of whether the monitoring approach is appropriate, adequate and in compliance with the SOCIALCARBON Standard 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 SOCIALCARBON Standard rules.

3.1.4 Where the proposed methodology references tools or modules approved under the SOCIALCARBON Standard 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.

3.2 Relationship to Approved or Pending Methodologies

3.2.1 In order to safeguard against the unnecessary proliferation of methodologies, methodology developers are required to demonstrate that no approved or pending methodology under the SOCIALCARBON Standard 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 SOCIALCARBON Standard or an approved GHG program, that fall under the same sectoral scope or same AFOLU project category 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 Social Carbon Foundation. 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 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.

3.2.2 The methodology developer shall document the above in the relevant section of the methodology document, such document being subject to review by Social Carbon Foundation, public consultation and independent assessment by the validation/verification body. Where Social Carbon Foundation or the validation/verification body is unable to conclude that any approved or pending methodology under the SOCIALCARBON Standard 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.

3.3 Proposals for methodologies currently excluded under the scope of the SOCIALCARBON Standard

SOCIALCARBON strives to offer the most forward-thinking, innovation-focused GHG standard. We are open to new methodologies that are currently outside the scope of the

SOCIALCARBON Standard but offer an opportunity to deliver real impact for people and planet. As part of the process of revising the scope of the SOCIALCARBON Standard, it is useful for the Social Carbon Foundation to have a view of possible methodologies and projects that might be eligible under such revisions. Where developers would like to prepare methodologies that currently fall outside of the scope of the SOCIALCARBON Standard and have them assessed by a validation/verification body, they are encouraged to contact Social Carbon Foundation and to follow the requirements in this document if continuing with such methodology development and assessment.

4. Methodology Revisions

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

4.1 Types of Methodology revisions

4.1.1 Social Carbon Foundation determines on a case-by-case basis whether a methodology revision is substantive, minor, or represents a limited modification, edit or clarification, based on the extent and type of changes proposed.

4.1.2 Where the methodology requires revision (substantive or minor), the methodology shall be revised and approved via the methodology approval process set out in Section 2 above.

4.1.3 For minor revisions the following applies:

- 1) A description shall be developed and submitted using the SOCIALCARBON Minor Methodology Revision Description Template. All instructions in the template shall be followed. Upon submission, Social Carbon Foundation invoices the developer for the

methodology application fee, the rate of which is set out in the SOCIALCARBON Standard document Program Fee Schedule.

- 2) Social Carbon Foundation will evaluate the description to determine whether the proposed revision meets the conditions for minor revisions.
- 3) Where Social Carbon Foundation determines that the proposed revision is substantive, the developer may submit a methodology concept note following the procedure set out in Section 2 and is subject to the appropriate application fee (in addition to the application fee paid upon the original submission).

4.1.4 For limited modifications, edits or clarifications to the methodology, the methodology may be updated via a process whereby Social Carbon Foundation makes the required changes or coordinates with the developer to make the changes, and issues a revision (i.e., new version) of the methodology.

4.2 Revisions to SOCIALCARBON Methodologies

A revision to a SOCIALCARBON 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 Social Carbon Foundation.
- 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 Social Carbon Foundation. Where the prevailing version of the methodology does not use the SOCIALCARBON Methodology Template, the methodology shall be transferred into the template.
- 3) Where the methodology revision is approved by Social Carbon Foundation, 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.

4.3 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 SOCIALCARBON 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 Social Carbon Foundation 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 SOCIALCARBON Standard requirements, projects will not be able to use the methodology revision (as set out in the validation and verification section of the SOCIALCARBON 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 SOCIALCARBON Standard.

5. New Modules and Tools

5.1 New modules and tools shall be assessed against the aspects of the assessment scope for new methodologies set out in Section 3.1 that are relevant to the specific module or tool.

5.2 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.

Appendix 1: document history

Version	Date	Comment
V1.0	03 Jan 2022	Initial version released under SOCIALCARBON Version 6.0.
V1.1	22 April 2022	Addition of the New Methodology, Methodology Revision and New Modules sections to provide additional clarity for stakeholders.
V1.2	05 Dec 2022	Revision to section 2.6.1 to provide clarity on VVB sectoral scope requirements for methodology assessments.