Sustainable Development Verified Impact Standard **VERRA**

NATURE FRAMEWORK

What Is the Nature Framework?

The Nature Framework is an asset methodology nested under Verra's Sustainable Development Verified Impact Standard (SD VISta) Program that will allow projects to quantify biodiversity outcomes and generate Nature Credits.

SD VISta Program

Flexible standards program for certifying projects generating verifiable sustainable development benefits

Nature Framework

Asset methodology with specific requirements and quantification approaches to measure biodiversity outcomes

Modules

Ecosystem-specific subset of requirements (e.g., considerations for selecting and monitoring ecosystem Condition indicators)

The Nature Framework's Key Design Objectives

Create/develop a globally applicable unit representing ecosystem Condition across geographies and realms

Allow for comparability across projects while accounting for projects' local context by combining standardized and flexible requirements

Minimize cost and technical complexity by balancing the following:

- **Rigor** to ensure high-integrity credits
- **Accessibility** to promote broad participation, including by Indigenous Peoples and local communities

Ensure Nature Credits represent real, measured, and evidence-based outcomes to promote buyers' confidence and integrity

Prioritize conservation of ecosystems at risk of biodiversity loss by crediting restoration and avoided loss

Build on lessons from the voluntary carbon market including establishing ecoregional baselines

Signal how projects contribute to global conservation priorities via Significance attributes

Development Process

Verra formed two complementary groups to support the Nature Framework development process:

- The **Nature Framework Development Group** whose members collaborate to develop the Nature Framework. It includes the Blue Nature Alliance (with support from McKinsey & Company), the Conservation Finance Alliance, Conservation International, the Great Barrier Reef Foundation, the International Union for Conservation of Nature (IUCN), and The Biodiversity Consultancy.

- An **Advisory Group** to provide technical input to and guide the development of the Nature Framework. It consists of 26 experts in biodiversity conservation. Members have expertise in market demand and drivers; technologies, methods, or indicators for biodiversity measurement; nature-related frameworks; financial instruments for investing in biodiversity outcomes; and biodiversity-focused project development.

Eligible Activity Types

Proposed Unit Type Under Consideration

Avoided loss of biodiversity

Restoring biodiversity

Maintaining intact biodiversity

Nature Credits

What will be credited?

Biodiversity outcomes from avoided losses and restoration, compared to a baseline

Condition-adjusted area (Qha)
Project impacts
Time (years)
Biodiversity outcomes
Crediting baseline
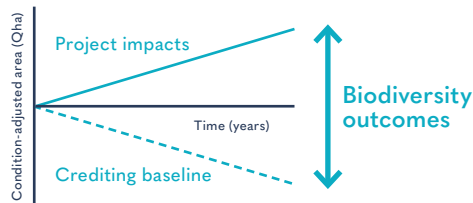
Development status

Expected to launch in 2024

Nature Stewardship Credits/Certificates

What would be rewarded?

Successful nature conservation and management outcomes in historically well-managed areas maintaining relatively intact biodiversity

Condition-adjusted area (Qha)
Conservation or management outcomes
Time (years)

Development status

Under further evaluation for technical development

What Do Nature Credits Represent?

One Nature Credit **=** One quality hectare (Qha) equivalent of biodiversity uplift or avoided loss from a baseline as a result of the project intervention.

Nature Credits reflect three dimensions of nature's state:

Area in ha of each ecosystem type

Amount and quality of biodiversity present

Importance of biodiversity for conservation goals

Extent **×** **Condition** **Significance**

Combined Extent and Condition produce a weighted unit Qha
Changes in Qha determine the number of Nature Credits generated

Independent attribute
from the Qha to differentiate units

Nature Framework, v0.1: Summary of Key Requirements for Projects

CONCEPT	MAIN REQUIREMENTS
Project start date and crediting period	• Complete project validation within five years of the start date • Implement and monitor activities throughout a crediting period of 20 to 100 years (may be renewed up to four times but cannot exceed 100 years) • Verify biodiversity outcomes at least every five years
Additionality	• Demonstrate regulatory surplus at validation • Demonstrate financial additionality: activities generating outcomes depend on credit finance, or face barriers to accessing other sources of finance • Provide evidence that biodiversity outcomes are not credited under another program
Benefit sharing	• Ensure customary rights holders and stakeholders, including Indigenous Peoples, have full and effective decision-making participation in and agreement on the conditions and amount, transparency, and public availability of outcomes • Develop a benefit sharing mechanism appropriate to the local context, consistent with local regulation and customary rights, and shared with the communities in a culturally appropriate manner
Net positive biodiversity outcomes	• Maintain and monitor biodiversity outcomes and account for reversals for a minimum of 40-year project longevity • Assess drivers of biodiversity loss in the project design and implementation, and monitor them over the project's lifetime • Deposit 20% of the Nature Credits generated in each monitoring period into a shared buffer pool to account for potential reversals
Safeguards *Subsections: risk management, respect for human rights and equity, ecosystem health, property rights, and stakeholder engagement*	• Uphold and respect human rights under the International Bill of Human Rights and universal instruments relating to human rights, including those of Indigenous Peoples • Comply with or exceed all applicable laws and regulations, including worker rights • Do not negatively impact terrestrial, freshwater, or marine biodiversity and/or ecosystems • Recognize, respect, and support all stakeholders' customary and statutory rights to resources and tenure • Obtain and maintain free, prior, and informed consent (FPIC) of stakeholders whose property rights are affected, and those identified as directly affected by the project, through a transparent, agreed-upon process, and document the agreement

Development Timeline

Launch of 60-day public consultation and engagement with Indigenous Peoples
Sep 2023

Expert review and phase II of pilot projects
Jul–Sep 2024

MOU signed at CBD COP15 to create Nature Framework
Dec 2022

Launch of pilot project cohort – phase I
Oct 2023

Expected launch of Nature Framework, v1.0
Late 2024

Initial scoping

Fundamental concepts established, NFDG and AG formalized

Jul–Nov 2022

Development of Nature Framework, v0.1

Explore demand motivations and develop a methodological framework

Jan–Aug 2023

Development of Nature Framework, v1.0

Analysis of learnings and input from consultations and pilot projects

Nov 2023–late 2024