



NATURE FRAMEWORK PILOT PROJECTS – PHASE I

Summary of Learnings

May 16, 2024

Purpose

This document summarizes the practical learnings from the first phase of the pilot process for the Sustainable Development Verified Impact Standard (SD VISta) Nature Framework, v0.1 (Nature Framework). Verra designed and implemented this process to test the framework's conceptual and methodological clarity, reasonableness, local appropriateness, scalability, and ease of use across a range of biodiversity conservation and restoration projects. Verra extends its gratitude to the many pilot projects that have committed time and resources to participate in this valuable exercise.

Learnings from the pilot projects provide practical insights into how the Nature Framework's various design elements meet projects' needs. They will also guide potential modifications for the next draft of the framework to ensure integrity, promote rigor, and maximize uptake with the appropriate safeguards.

Background

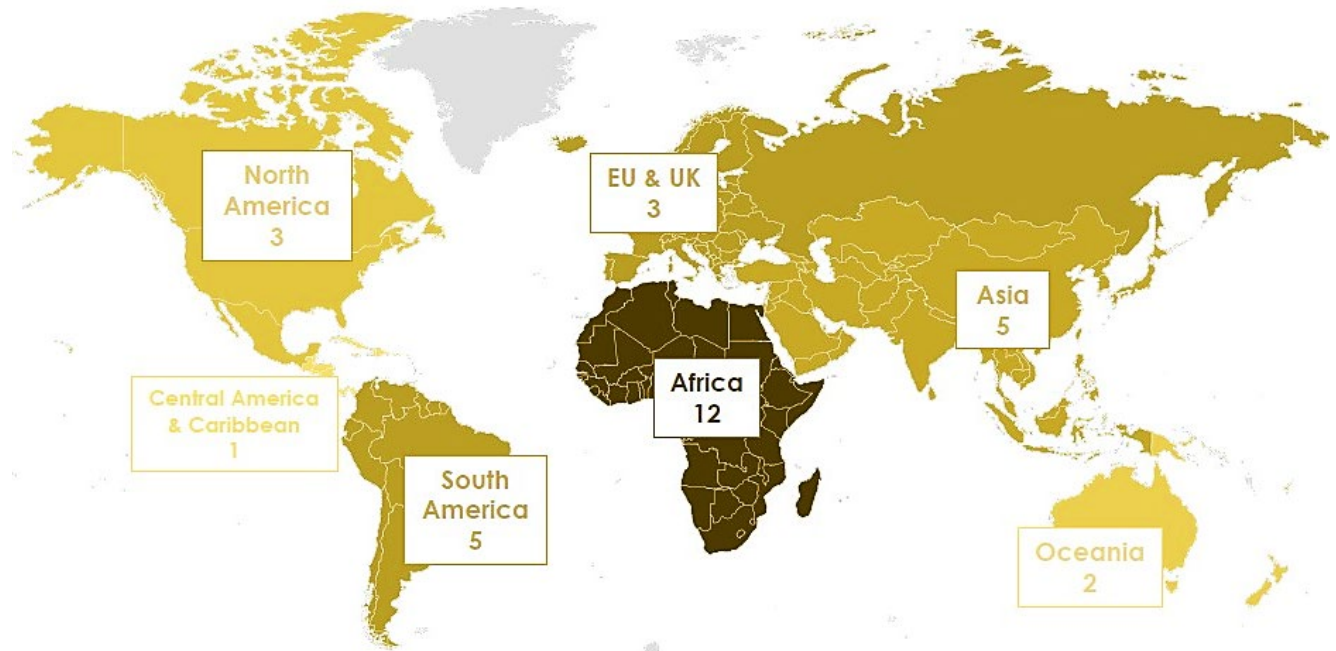
As a core component of the Nature Framework's development process, Verra launched an [open call](#) for Nature Framework pilot projects in July – August 2023. The call sought organizations to apply the framework's draft requirements, as well as test the usability of the project description template, in a desk-based exercise with real-world biodiversity projects.

The call for applications was supported by these [Terms of Reference](#), which detailed the pilot process and outlined selection criteria. In total, 179 applications were received. Following a rigorous evaluation process, Verra selected a cohort of 31 pilot projects representing a diversity of:

- Conservation and restoration activity types
- Geographic regions
- Natural realms and biomes
- Project sizes by hectares
- Land uses (e.g., protected areas, forestry, agriculture, tourism, fisheries)
- Indigenous Peoples and/or local communities engagement

The map in Figure 1 reflects the global spread of the 31 Nature Framework pilot projects.

Figure 1: Regional distribution of the Nature Framework pilot projects



The graphs in Figures 2 and 3 illustrate how the pilot projects are distributed across conservation activity types and natural biomes.



Figure 2: Nature Framework pilot projects by conservation activity types¹

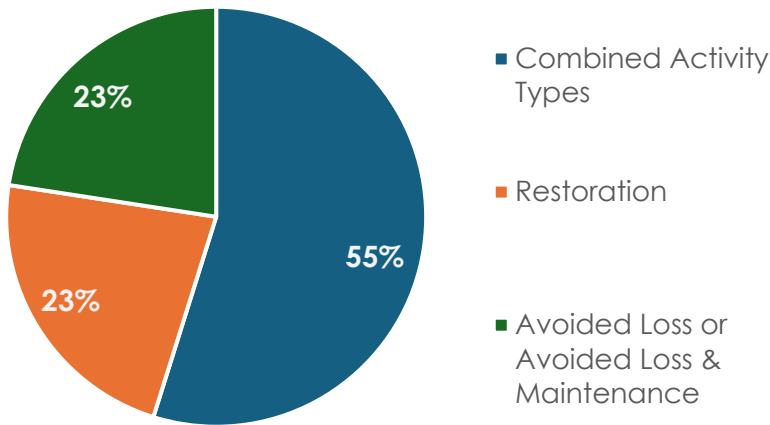
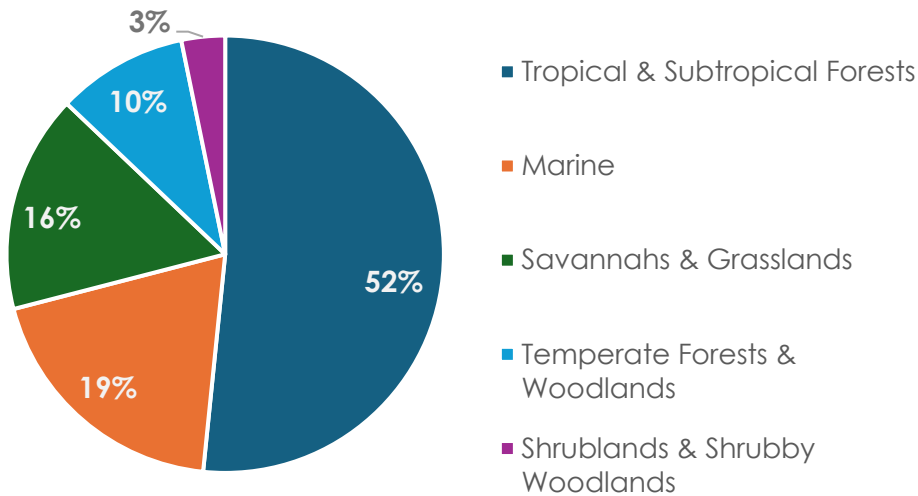


Figure 3: Nature Framework pilot projects by biomes



The Nature Framework pilot process was designed for implementation in two phases, running in parallel with the Nature Framework’s two planned public consultations. Phase I launched in early October 2023 following the opening of the framework’s [first public consultation](#). In two live webinars, projects were

¹ The 'Combined Activity Types' category in Figure 2 includes Restoration & Avoided Loss, Restoration & Maintenance, or Restoration & Avoided Loss & Maintenance.



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oriented to the Nature Framework pilot process' objectives, expectations, and timeline. Verra provided an [overview of the SD VISTA program](#), the [Nature Framework, v0.1](#), and the project description (PD) template as the main piloting tool. Pilot projects were tasked with delivering a first draft of the PD template from December 2023 to January 2024, as each respective project team's capacity allowed.

At the close of Phase I, Verra analyzed all pilot projects' PD templates. Then, in collaborative one-to-one engagement, Verra and each project team exchanged constructive feedback about project design and responses to the SD VISTA and Nature Framework rules and requirements. Through that participatory process, Verra derived valuable practical learnings from the pilot projects that will inform the next draft of the Nature Framework.



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Key Takeaways

- Pilot projects were able to meet the Nature Framework’s core financial **additionality** requirement.
 - More specific guidance was requested to enable projects’ strong responses to this requirement.
- Pilot project proponents were supportive of the Nature Framework’s comprehensive **social and environmental safeguards** requirements.
 - There was consensus around the need for clear, auditable documentation to evidence participatory processes (e.g., benefit-sharing mechanism, Free Prior Informed Consent), as well as transparent disclosure of how Nature Credit finance is used.
 - Regarding leakage, Verra will need to consider how projects should account for climate change when considering the potential for reversals of biodiversity outcomes.
- Terrestrial pilot projects were generally able to meet the Nature Framework’s **Condition indicators** requirements but encountered some challenges with setting **reference values**, while marine pilot projects faced data limitations for both technical requirements.
 - Pilots projects requested more detailed and prescriptive guidance to support Condition indicators selection, which Verra will provide in the framework’s next version.
 - Mixed-method monitoring of Condition indicators was prevalent across pilot projects, as was the potential for complex monitoring scenarios that the Nature Framework will need to address.
 - Some pilot projects set reference values rigorously, while others’ approaches were weaker. This signals the need for more prescriptive guidance for that technical element. Moreover, some pilot projects were unable to set reference values due to lack of data and/or appropriate reference sites so Verra will need to consider those technical obstacles for the framework’s next draft.
- Pilot projects were supportive of the proposed approach to attributing **Significance** in alignment with the Global Biodiversity Framework’s goals and targets.
- Pilot projects expressed that the Nature Framework’s strongest **value proposition** is securing long-term funding for biodiversity projects.
- Pilot projects interested in **stacking** verified carbon units from Verra’s VCS Program with the Nature Framework’s Nature Credits were able to meet additionality for both programs.
 - Verra will need to put specific guardrails in place to safeguard biodiversity and sustainable development outcomes for projects pursuing stacking.



Nature Framework v0.1 Rules & Requirements

Start Date and Crediting Period (Sections 2.1 and 2.2)

The proposed project start date is on or after 1 January 2019, with a minimum crediting period of 20 years (renewable up to four times) and validation required at intervals of 5 years or less.

- **Some existing, active pilot projects would like to set start dates before 2024, but not all of them have historical Condition data that meet Nature Framework requirements.**

However, some pilot projects have been doing high-quality work to protect and promote biodiversity before 2024, and they collected Condition data that meet the draft requirements. Those ‘early actors’ are seeking Nature Credit finance in the near term not only to continue their biodiversity-promoting activities but also to maintain biodiversity gains generated to date. This is particularly relevant for pilot projects implemented by smaller organizations and/or those without carbon credit finance.

- **Pilot projects were generally accepting of the proposed crediting period, although some expressed concern about the challenges of aligning a shorter crediting period with the 40-year project longevity requirement.**

Some pilot projects reflected their typical approach is to plan with 20-year time horizons due to the likelihood of encountering unpredictable externalities (e.g., changes in government or policy, climate impacts, stakeholders’ varying comfort levels with long-term commitments). Pilot projects expressing this concern suggested that the minimum crediting period and longevity should be aligned at 20 years.

Project Boundary (Section 2.3)

In the Nature Framework, the project boundary is broadly defined as the sphere(s) of influence – both primary and secondary, intended and unintended – where project activities must be assessed to identify and determine benefits for biodiversity and the planet, as well as for people and their prosperity. Therefore, the project boundary should include the spatial project activity area and the larger area of impacts.

- **Pilot projects expressed a need for complementary guidance on what constitutes the project boundary.**

Pilot projects experienced some confusion around the difference between the project boundary and the project Extent, as described in the Nature Framework’s requirements and definitions. Verra will be refining those elements for clarity in the framework’s next draft.



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In addition, as a methodology under the SD VISta program, Nature Framework projects are required to develop causal chain(s). A project's causal chain should help to define the project boundary by illustrating the links between activities, outcomes, and impacts. The practical relationship between the causal chain exercise and projects' boundary setting will also be made more explicit in the framework's next draft.

- **Pilot projects interested in pursuing a grouped project approach queried how large the project boundary can (or should) be.**

The SD VISta Standard already sets out core eligibility criteria for grouped projects and new instances. However, in the next draft of the Nature Framework, Verra will provide supplementary criteria and/or guidance on project boundary setting to ensure that Nature Framework project boundaries are set realistically and defensibly and that instances in grouped projects have the same baseline scenarios.

Baseline Scenario (Section 2.4)

The baseline scenario must describe the events and/or conditions that are most likely to occur in the absence of the Nature Framework project activity. This narrative description is intended to be complementary to the project's crediting baseline.

- **Pilot projects expressed strong support for requiring projects to demonstrate a comprehensive understanding of the various threats and barriers to project implementation and achievement of outcomes.**

However, pilot projects also asked for more prescriptive guidance about what to address and include in the narrative description of their baseline scenario, and they suggested that a tool might be useful to guide their response to this requirement.

Additionality (Section 2.5)

The Nature Framework proposed a financial additionality approach in which projects must demonstrate that the activity(ies) being implemented would not have occurred without Nature Credit finance.

- **The majority of pilot projects were able to meet the financial additionality requirement.**

Pilot projects' responses to this requirement included:

- Diversifying revenue streams for improved financial sustainability of biodiversity activities
- Current funding streams are inadequate or inaccessible for certain project activities
- Existing funding is not sufficiently long-term for maintaining and/or expanding activities



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- Nature Credit finance will be used to expand the scope of the biodiversity project (e.g., increase its Extent, intensify activities)
- Project is adding more rigorous, biodiversity-specific MRV with Nature Credit finance
- **Pilot projects suggested that guidance on additionality should be more specific to enable the strongest response possible and should identify the required supporting evidence.**

Some pilot projects expressed concerns about the kinds of evidence that Verra may require to demonstrate financial additionality, primarily related to financial or commercial confidentiality issues.

Benefit Sharing (Section 2.6)

Benefit-sharing mechanisms ensure that customary rights holders and other key stakeholders, such as Indigenous Peoples and local communities, are recognized and rewarded for being nature stewards. In the Nature Framework, benefits may be monetary or in-kind, provided they are agreed upon through participatory good faith negotiation processes.

- **Pilot projects were very supportive of the Nature Framework’s rigorous benefit sharing approach.**

Pilot projects affirmed that stakeholders’ meaningful participation is essential in designing and deciding the various elements of an effective, equitable benefit-sharing mechanism. They called for clear, auditable documentation to evidence the participatory processes defining the mechanism and its allocations.

- **Pilot projects emphasized that the allocation of funds in the benefit-sharing mechanism should be transparently disclosed.**

Together, project proponents and stakeholders should agree upon the priorities and goals underpinning benefit sharing, which may vary substantially from project to project. For that reason, Verra prefers not to stipulate a percentage allocation for benefit sharing because it should be decided at project level. However, pilot projects suggested that Verra could stipulate whether the allocation of benefits should be calculated based on gross or net Nature Credit finance revenues and that projects should be required to transparently disclose the basis of that calculation (i.e., in addition to all other required benefit sharing disclosures).

Relatedly, Verra’s analysis underscored that Nature Framework projects’ benefit-sharing mechanism should explicitly avoid double-counting, meaning core project activities that produce biodiversity outcomes should not also be considered as benefits to stakeholders for purposes of benefit sharing.

- **Analysis of benefit-sharing mechanisms across the piloting cohort revealed the need to consider jurisdictional requirements for benefit sharing and other safeguards-related processes, such as Free, Prior, and Informed Consent (FPIC).**



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For example, conservation projects in some African countries are subject to specific jurisdictional requirements regarding these key safeguards. The Nature Framework's requirements will need to interact with such jurisdictional elements in order for projects to be fully compliant.

Safeguards for Biodiversity Outcomes (Section 2.7)

Projects pursuing Nature Framework certification must deliver net positive biodiversity outcomes within the project area over its lifetime. The Nature Framework proposed that projects must monitor drivers of biodiversity loss, as well as biodiversity outcomes achieved, for a minimum of 40 years. To safeguard against reversals, projects would also be required to allocate 20% of Nature Credits generated to a shared buffer pool.

- **Most pilot projects aligned the crediting period with the minimum longevity period to meet both requirements.**

However, some pilot projects expressed concern about how to monitor biodiversity outcomes for 40 years if their crediting period is shorter than that. As stated previously, pilot projects suggested that the minimum crediting period and longevity period requirements could be aligned at 20 years to address this concern.

- **Projects should be required to demonstrate appropriate biodiversity expertise in their teams, especially where project activities present risks or require specialized technical knowledge.**

For example, projects implementing activities such as faunal rewilding or feral animal control will face unique risks and challenges specific to those activities and, therefore, should demonstrate adequate expertise in their core project team.

- **Pilot projects queried how to account for climate change when considering potential reversals of biodiversity outcomes.**

Indeed, climate impacts on biodiversity will no doubt present unpredictable risks to outcomes, particularly for projects located in higher altitudes where climate change tends to have more influence on biodiversity than other factors. Given that the leakage and reversals sections were less developed in the Nature Framework, Verra is considering how to address this concern in the framework's next draft.

- **Some pilot projects suggested alternatives to the proposed 20% buffer pool contribution.**

Suggested alternatives were using a dynamic approach to calculating buffer pool contributions, which would facilitate adjustment of buffer pool allocation based on project-specific risk profiles and offering projects the option to purchase insurance against reversals in lieu of making a buffer pool contribution.



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Safeguards for Sustainable Development Benefits (Section 2.8)

Under SD VISta and the Nature Framework, social and environmental safeguards help protect stakeholders' fundamental human rights, including the rights to self-determination, land ownership, cultural identity, and participation in decision-making processes that impact their livelihoods. Such safeguards also address the rights to generate Nature Credits and ensure no harm is done to ecosystem health.

- **Pilot projects expressed support for the Nature Framework's social and environmental safeguards, but they requested that this section of the framework and the project description template be improved to avoid duplicative requirements and responses.**

It should be noted that Verra is already undertaking deep and comprehensive reviews of social and environmental safeguards under the Verified Carbon Standard (VCS) Program, the Climate, Community & Biodiversity Standards (CCBS) Program, and the SD VISta Program.

The Nature Framework's social and environmental safeguards section will likely be streamlined in structure for the framework's next draft. Without diminishing any safeguards' intent or rigor, the aim will be to facilitate the practical application of these requirements while reducing duplication wherever possible.

- **Some pilot projects suggested that Verra consider including socio-economic safeguards to protect stakeholders' livelihoods.**

Relatedly, it was also suggested that Verra should consider a requirement to create sustainable use zone(s) where restricting subsistence activities in the project area creates a livelihood hardship for stakeholders.

- **Pilot projects expressed concern about providing required evidence for complex and/or insecure land tenure scenarios.**

Feedback from the piloting cohort indicates that Verra will need to carefully consider the evidence requirements across a range of project proponents and contexts to avoid creating *de facto* exclusions or insurmountable compliance challenges, particularly for grassroots NGOs and those projects working with smallholders, Indigenous Peoples, and/or other local community stakeholders whose land tenure scenarios are not easily documented.

- **Jurisdictional regulations may already address projects' rights to generate carbon credits but not Nature Credits.**

Many countries have only recently adopted regulations addressing carbon credits, but in most cases, the nascent nature market has not yet been addressed by legislators. Analyses of pilot projects' responses to this safeguard made clear that Verra must consider how to facilitate projects' response to this requirement in the absence of such regulations.



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Quantification of Biodiversity Outcomes

The Nature Framework's approach to asset quantification is based on the three dimensions of the state of nature: biodiversity Extent, Condition, and Significance. The framework's unit of measure is a Quality hectare (Qha), which reflects the project's area-based Extent multiplied by its measured change in ecosystem Condition. Significance is attributed separately for unit differentiation, rather than integrated into the quantification of Nature Credits.

Please note: In Phase I, pilot projects were not required to submit their sampling strategy or measurement, reporting, and verification (MRV) design. They were also not required to complete all quantification steps, in respect of their varying data availability, and because the framework's crediting baseline approach was not yet fully developed. Verra's analysis of the first phase of piloting was therefore limited to the elements elaborated below.

Extent (Section 3.2)

A Nature Framework project's Extent is the spatial area, measured in hectares, across which biodiversity outcomes are measured. Extent is quantified for each ecosystem type(s) in the project area.

- **Pilot projects queried what should be included or excluded in their Extent.**

Given that Nature Credits are generated based on area-weighted change in Condition, the quantification of Extent must be carefully prescribed. Analyses of pilot projects' Extent quantifications showed that Verra will need to consider how to address certain parcels in the project area (e.g., human settlements, built infrastructure, agricultural lands) if project activities and biodiversity outcomes are not present in those parcels.

- **Pilot projects requested guidance on ecosystem typology to standardize the breakdown of total Extent by ecosystem type.**

In the Nature Framework's next draft, Verra will develop and provide a practical ecosystem typology for projects' use.

Biodiversity Condition Indicators (Section 3.3, Step 2)

In the Nature Framework, ecosystem Condition is measured in terms of biotic and abiotic characteristics across two required components (composition and structure) and two optional components (function and pressures). Projects are required to select two composition indicators and three structure indicators.

- **All terrestrial pilot projects were able to propose Condition indicators that met or exceeded those requirements, while some marine pilots fell short due to data limitations or difficulty identifying appropriate structure indicators.**



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Pilot projects' indicators selection did reflect some miscategorization of Condition sub-components (i.e., a structure indicator categorized as composition or vice versa) so Verra will improve those related definitions and guidance.

Many pilot projects, particularly those in forest landscapes, proposed structure indicators that are highly correlated and therefore would be considered redundant (e.g., multiple measures of change in canopy cover). Based on this practical learning, which also aligns with public consultation feedback regarding redundancy in structure indicators, Verra is reconsidering the Nature Framework's indicators requirement in terms of increasing the required composition indicators to three and decreasing the required structure indicators to two.

- **Pilot projects expressed a desire for more detailed and prescriptive guidance to support indicator selection.**

In the interest of inclusivity and scalability, Verra wants to maintain the Nature Framework's project-level flexibility to allow proponents to select the most appropriate Condition indicators for their ecosystem context and biodiversity activities, as well as for their project's monitoring capacity. However, the framework's next draft will provide more detailed guidance on rigorous indicator selection and measurement, and biome-specific modules may also include non-exhaustive lists of suggested indicators to help projects meet this requirement.

Relatedly, the Nature Framework is a landscape-level methodology that necessitates measurement of both flora and fauna indicators to comprehensively capture changes in biodiversity. Guidance in the framework's next draft will emphasize this and also encourage projects to choose indicators reflecting multiple taxa, rather than individual species.

- **Some pilot projects struggled with pressure indicators, which typically decrease in value as a result of project activities but which would need to be transformed to increase in value, as per the Nature Framework's quantification approach.**
- **Only a small proportion of pilot projects proposed an optional function indicator.**

While the Nature Framework included a step to transform such indicators, some projects were unable to do so successfully. In addition, feedback from the public consultation presented concerns about the rigor of using pressures as proxies for Condition measurement. In the interest of simplifying quantification, as well as addressing stakeholders' concerns, Verra will reconsider the use of pressures in the Nature Framework's quantification approach, although projects would still be required to monitor and report on relevant pressures.

Similarly, some pilot projects also selected Condition indicators that would ideally sit in an optimal mid-range, neither increasing nor decreasing if activities are successful. This also presents a technical challenge for the framework's quantification approach that Verra will consider in the next draft.



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- **Only a small proportion of pilot projects proposed an optional function indicator.**

A few of those that did propose a function indicator were productive landscape projects (e.g., agroforestry). This aligns with stakeholders' feedback from the public consultation about the potential import of measuring ecosystem function in productive landscapes so Verra may explore requiring a function indicator for Nature Framework projects engaging in such activities.

- **Mixed methods approaches to monitoring Condition indicators were prevalent across the piloting cohort.**

Many pilot projects proposed combinations of traditional field-based data collection with other technology-leveraged approaches. For example, some projects combined remote sensing data with manual field surveys and censuses. A mixed methods approach seems to help projects strike a balance between costs, capacity, and rigor in biodiversity monitoring.

Interestingly, there was less use than expected of very modern technologies, like eDNA or bioacoustics. When queried about this, pilot projects anticipated a range of challenges with relying on those tools, such as difficulty securing the equipment in the field, prohibitive cost and logistical obstacles of sending biological samples internationally, or higher risks of sampling errors that could weaken measurements' rigor.

- **Across the piloting cohort, the potential for complex MRV in Nature Framework projects was evident.**

For example, some pilot projects are comprised of ecosystem mosaics where the required Condition indicators would differ from ecosystem to ecosystem. This could lead to projects needing to monitor many Condition indicators in total. Verra may need to consider how to accommodate this potential complexity, especially for mosaic projects with very large Extents where accessing remote, intact ecosystems for MRV could pose risks to biodiversity integrity.

Similarly, the potential for MRV complexity would also be applicable in grouped project scenarios where new instances might represent distinct ecosystems and therefore require different Condition indicators than those measured at project start. Future instances in grouped projects would also necessitate setting new reference values if new Condition indicators were added, and a new Condition baseline would need to be measured as well.

Finally, some projects may wish to add indicators and/or shift MRV methods over time to improve measurement as biodiversity changes. For example, projects with very slow time horizons for change at landscape level may wish to add certain faunal indicators later in the project period after those changes in wildlife begin to appear. The Nature Framework will need to address how projects can make changes to Condition measurement elements during the project lifetime.

Reference Values (Section 3.3, Step 3)



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The Nature Framework required that projects set reference values for each Condition indicator selected. These reference values are intended to represent an optimal target state of Condition wherein natural ecological and evolutionary processes dominate ecosystem composition, structure, and function.

- **Pilot projects' proposed reference values were set based on a range of approaches, some of which were strong and rigorous while others were weaker and less defensible.**

Pilot projects with rigorously set reference values did so using:

- Existing scientific data collected historically within the project area or from a suitably proximate area in the region
 - Direct measurement of intact sites within the project area or from suitably proximate intact sites in the region

Pilot projects with weaker reference values set them on the basis of:

- Regional experts consultation but without adequate detail to justify experts' qualifications or basis for reference values proposed
 - Aggregated values (i.e., arithmetic mean) of measurements taken from multiple reference sites with different states of intactness
 - Assumptions drawn from projects' own interpretations of data in scientific literature
- **Some pilot projects encountered challenging scenarios when setting reference values.**

For example, some pilot projects explained there are no pristine sites near their project area for measuring reference values, while others commented that their region has been under-studied and no historical scientific data exist for certain Condition indicator(s) that would have otherwise been ideal for their project. In such cases, projects were forced to abandon those Condition indicators.

Some pilot projects queried how to set reference values in productive landscape projects or in other landscapes where returning to a 'pristine' state of ecosystem Condition will never be realistic or achievable. These technical issues will need to be carefully considered for the Nature Framework's next draft.

- **Despite the challenges, pilot project proponents shared their supportive perspective on the demand-side relevance of setting reference values.**

One of the Nature Framework's core design objectives is to balance standardization with comparability in a globally relevant approach to quantifying biodiversity outcomes. The more commercially oriented pilot project proponents acknowledged that setting reference values does present some philosophical and technical tradeoffs. However, they also felt that reference values



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are necessary for investors to make decisions about where to invest in biodiversity. A reference value serves as a ‘target’ for projects’ objectives, defining each project’s ambition for biodiversity outcomes. In the absence of reference values, buyers lack clarity (and therefore confidence) around those ambitions and will have difficulty comparing projects across different ecosystems and activity types.

Significance (Section 3.5)

In the Nature Framework, Significance is defined as the importance of the biodiversity present in the project area for achieving defined conservation goals (e.g., contribution to the Global Biodiversity Framework (GBF) goals and targets). Significance is reported as attributes, independent of credit quantification, which are assigned according to project location.

- **On the whole, the piloting cohort was supportive of linking Significance to the GBF.**

Given that the GBF has established societal goals for biodiversity with broad consensus, pilot projects agreed with aligning the Nature Framework’s Significance to those goals and targets. However, they suggested that investors may want more detail about biodiversity Significance at project level and flagged a few concerns for consideration:

- This approach does not accommodate a ‘paper parks’ scenario if the proportion of formally protected ecoregion is not adequately enforced and therefore underestimates its actual Significance
- Unique ecosystem attributes or vulnerabilities could also be externally highlighted (e.g., IUCN Red List species, designated key biodiversity areas aka KBAs, cultural Significance of certain species or landscape features)

Claims, Value Proposition, and Use Cases (Sections 4 and 5)

The Nature Framework set out specific requirements for oral or written claims made about validated or verified projects. It also highlighted Nature Framework projects’ potential to enable voluntary contributions to a nature-positive future.

- **Pilot projects suggested that claims-making about Nature Framework projects should be more clearly defined to align with the framework’s nature-positive use case and avoid risks of double-counting benefits.**

In particular, those pilot projects interested in simultaneous certification using Verra’s VCS and CCBS Programs alongside the Nature Framework requested more specific guidance about distinguishing claims made for the two former certifications in comparison to the latter. This is especially relevant given that Nature Credits are not meant to be used for offsetting purposes.



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- **Pilot projects expressed that the Nature Framework’s strongest value proposition is long-term funding for sustaining biodiversity projects, activities, and outcomes for the future.**

Many pilot projects reflected that long-term finance is often the most difficult to secure, and this obstacle is particularly problematic due to the time horizons required for effectively promoting and protecting biodiversity. Pilot projects were enthused about the prospect of generating Nature Credit finance and securing their projects’ financial sustainability.

- **Pilot projects communicated some investors’ tendency to interpret nature-positive investment as offsetting and/or mitigation.**

In discussing use cases and market demand with the piloting cohort, many pilot projects expressed that investors with whom they engage conflate ‘nature-positive investment’ with offsetting or mitigation. This underscores the importance of clear requirements and guardrails around claims-making, as well as market education for buyers about nature-positive investment. However, it also signals the role that offsetting and mitigation motivations play in companies’ investment decision-making.

Relationship between Verra's Nature and Carbon Credits (Section 6.2)

Given the strong interlinkages between climate and biodiversity, the Nature Framework is being built to facilitate the ‘stacking’ of verified carbon units (VCUs) from Verra’s VCS Program with Nature Credits. Projects interested in pursuing stacking must meet all requirements for each respective program in order to be eligible.

- **Pilot projects interested in stacking were able to meet additionality requirements for both the VCS Program and the Nature Framework.**

The Nature Framework’s additionality requirement facilitates stacking through the complementary concept of financial (rather than activity-based) additionality. However, for existing VCS projects, the Nature Framework may need to stipulate when additional biodiversity activities should be implemented in the Nature Framework project. For example, if an active VCS + CCB project will add faunal rewilding to its existing activities for purposes of Nature Framework certification, the framework should set out the timeframe within which those additional activities must be implemented after Nature Framework registration.

- **To ease projects’ burdens of meeting dual measurement and reporting requirements, and to ease Verra’s and VVBs’ burdens of project review and auditing, stacking projects should ideally align MRV for their VCS and Nature Framework projects.**

In consultation with pilot projects, those interested in stacking suggested Verra could allow the first Nature Framework monitoring period to be independent of VCS monitoring while requiring that MRV for both programs be fully aligned for the second verification.



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Relatedly, Verra will need to streamline joint registration and MRV documentation to facilitate stacking, similar to joint processes already established for VCS + CCB projects. This will be undertaken after the Nature Framework's initial launch.

- **For existing VCS projects pursuing stacking, the Nature Framework may need to put specific guardrails in place to safeguard biodiversity and sustainable development outcomes.**

For example, existing VCS projects may need to demonstrate they have augmented their team's biodiversity expertise for implementing Nature Framework activities. The framework may also need to provide explicit guidance addressing projects' participatory development of new benefit-sharing mechanisms or socio-economic assessments for the Nature Framework project, rather than simply carrying over those elements from their VCS project.