NATURE FRAMEWORK V0.1

EXECUTIVE SUMMARY

Nature Framework Goal

The goal of the Nature Framework is to certify and incentivize widespread investment in measurable positive biodiversity outcomes benefiting nature and people.

A positive biodiversity outcome is an increase in the amount or quality of biodiversity relative to a baseline resulting from the effective management of conservation and restoration projects.

Box 1. Nature Credit

A Nature Credit represents one quality hectare (Qha) equivalent of biodiversity uplift from a baseline as a result of the project intervention.

Nature Credits generated under the Nature Framework represent positive investments in nature and may not be used for offsetting.

Key Nature Framework Design Objectives

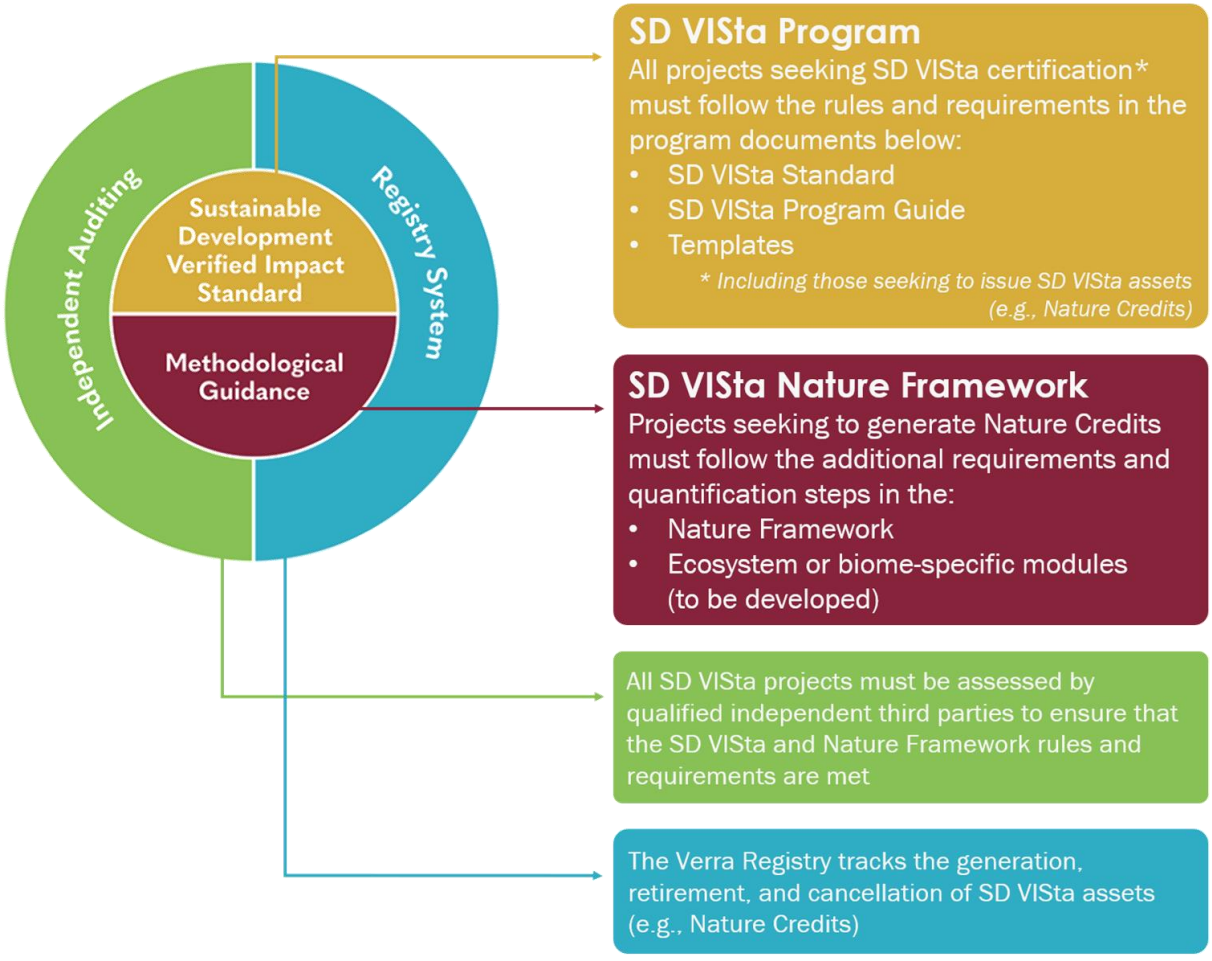
The Nature Framework is built under the following overarching design elements and decisions.

1. Nature Credits should be applicable across different types of biodiversity, and for terrestrial, marine, and freshwater realms. Ecosystem Extent and Condition comprise the biodiversity metric.
2. Establish a balance between standardization, to allow for comparability across projects by requiring Condition measurement, and flexibility to account for project's local ecological and social context, by allowing flexible selection of locally appropriate indicators.
3. Establish a balance between rigor to ensure high-integrity credits and accessibility to promote broad participation, including by Indigenous Peoples and local communities.
4. Promote confidence and integrity in Nature Credits by measuring evidence of achieved outcomes, not projections.

5. Support conservation of ecosystems at high risk of biodiversity loss by including restoration gains and avoided loss in a single accounting method with equal weighting.
6. Build on the lessons of voluntary carbon markets by adapting Verra's recent consolidated Reduced Emissions from Deforestation and Forest Degradation (REDD) methodology.
7. Projects transparently report their contribution(s) to global conservation priorities so buyers can make informed investments in nature through the biodiversity Significance attributes.

Relationship between SD VISta and the Nature Framework

Verra's Nature Framework is an SD VISta asset methodology with complementary requirements, particularly on safeguards. Therefore, projects seeking to issue Nature Credits must comply with SD VISta rules and requirements[1] and the Nature Framework criteria. The relationship between SD VISta and the Nature Framework is depicted below.



[1] SD VISta Program Rules and Requirements are: *SD VISta Standard v1.0*, and *SD VISta Program Guide v1.0*.

Nature Stewardship Credits

Verra is exploring a credit type that supports or increases the financial viability of historically well-managed areas, referred to as a nature stewardship credit.

Nature stewardship credits reflect investment in traditional stewards' successful continued conservation of largely intact nature. They are distinct from Nature Credits that reflect investment in successful ecosystem restoration and/or protection against anticipated loss, mostly in ecosystems under threat. In both cases, local and global benefits are expected to result for people and the planet.

Nature Framework Project Rules and Requirements

Below is a summary of the main rules and requirements proposed in the Nature Framework; in parenthesis is the Nature Framework v0.1 section with detailed requirements.

Concept	Main requirements that projects must demonstrate
Project start date *When the project began implementing activities to generate biodiversity outcomes* *(Section 2.1)*	• The project start date is on or after January 1, 2019. • Validation is completed within five years of this date.
Project crediting period *Time period during which the project's biodiversity outcomes are eligible for issuance as Nature Credits* *(Section 2.2)*	• At least 20 years up to a maximum of 100 years (may be renewed at most four times, without the total exceeding the maximum). • Existence of a credible and robust plan for managing and implementing the project over this period. • Verified biodiversity outcomes at least every five years, but may be more frequent if desired.
Project boundary *Spheres of influence where project activities must be assessed to identify and determine benefits. Includes project area and impacts* *(Section 2.3)*	• Provide spatial boundaries, geographic coordinates, and identification of the project area. • Project impacts using a causal chain as required by SD VISta.
Baseline scenario *Description of the events or conditions most likely to occur in the absence of the project activity. It is complementary to the crediting baseline* *(Section 2.4)*	• Document the status and possible threats to biodiversity, implementation barriers, and justification for it being the most likely without-project scenario. • Consider alternative project types, technologies, data availability, limitations, and relevant information concerning present and future conditions (e.g., legislative, socio-cultural, technical).

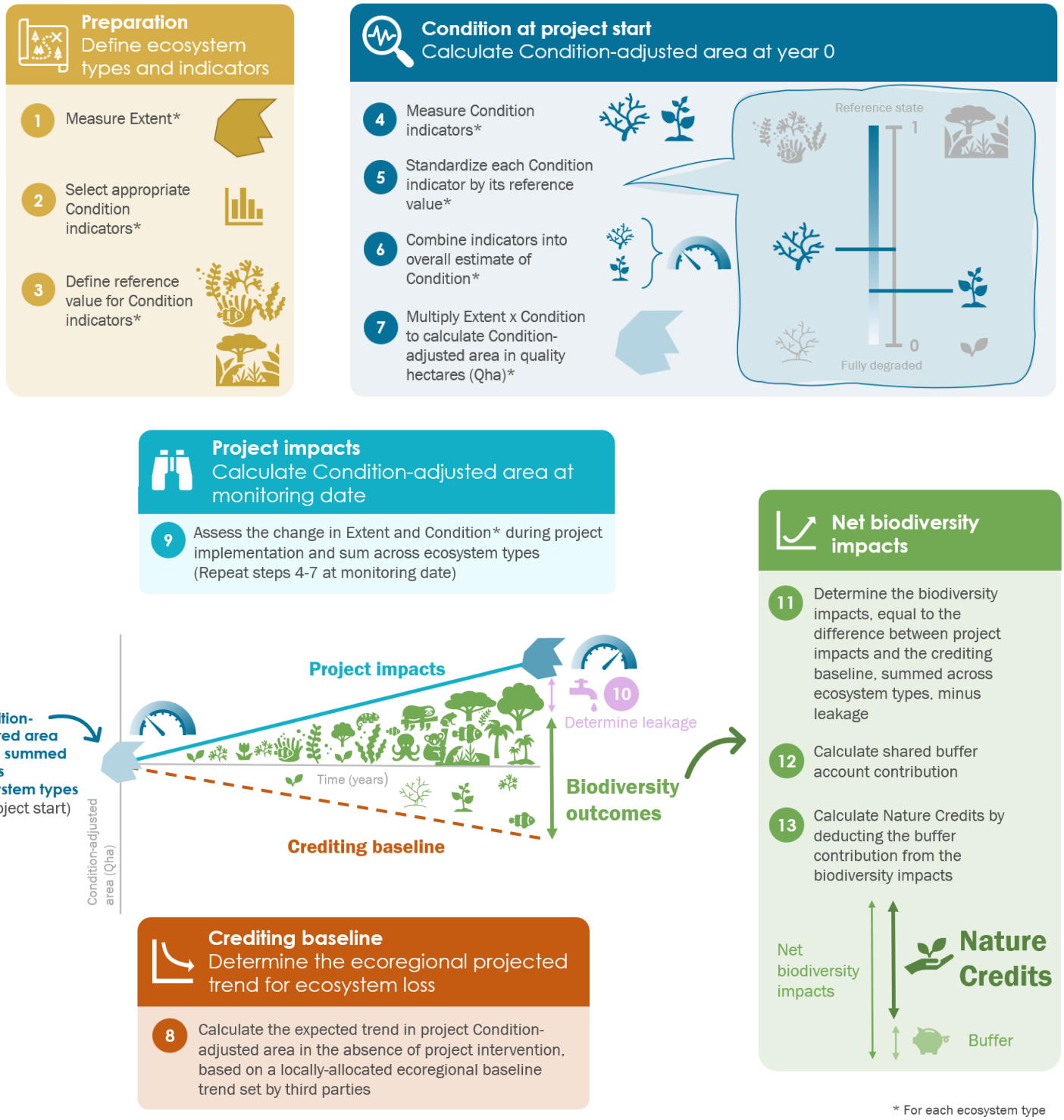
Concept	Main requirements that projects must demonstrate
Additionality *A project activity is additional if it would not have occurred in the absence of credit finance* *(Section 2.5)*	• Regulatory surplus at validation. • That the activities generating outcomes depend on credit finance, or there are barriers to accessing other sources of finance. • Biodiversity outcomes are not credited under another program.
Benefit sharing *Mechanisms to ensure that customary rights holders and stakeholders, including Indigenous Peoples and local communities, are recognized and rewarded for their role as nature stewards* *(Section 2.6)*	• Establishment of a benefit sharing mechanism appropriate to the local context, consistent with local regulation and customary rights, and shared with the communities at the first and final draft in a culturally appropriate manner. • Full and effective decision-making participation in, and agreement on, the conditions and amount, transparency, and publicly available outcomes.
Safeguards for biodiversity outcomes *Net positive biodiversity outcomes from projects to deliver within its area over its lifetime, compared to the without-project scenario* *(Section 2.7)*	• Minimum of 40-year project longevity,[2] during which the permanence of biodiversity outcomes must be monitored and reversals accounted for. • 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. • Buffer credits are canceled to cover biodiversity known or believed to be lost.
Risk management for customary rights holders and local stakeholders *(Section 2.8.1)*	• Include Indigenous Peoples and local communities' traditional knowledge and cultural heritage in project design and implementation. • Mitigate natural and human-induced threats. • Ensure sufficient financial, human, and organizational resources to deliver benefits. • Comply or exceed all applicable laws and regulations, including worker rights. • Promote gender equality and women's empowerment in decision-making.

[2] Project longevity is the number of years, beginning from the project start date, that project activities will be maintained.

Concept	Main requirements that projects must demonstrate
Respect for human rights and equity *(Section 2.8.2)*	• Uphold and respect human rights under the International Bill of Human Rights and universal instruments relating to them. • Identify local communities and Indigenous Peoples and uphold, recognize, respect, and promote the protection of their rights in line with applicable international human rights law. • Preserve and protect cultural heritage.
Ecosystem health *(Section 2.8.3)*	• Projects must not negatively impact terrestrial, freshwater, or marine biodiversity or ecosystems (e.g., no invasive species or species that affect the existence of threatened species, not clearing the area of ecosystems at least ten years prior to project start, reduce water use, stress, soil degradation, and minimize pollution).
Property rights *(Section 2.8.4)*	• Recognize, respect, and support all stakeholders' customary and statutory rights to resources and tenure, including stakeholders' rights to participate in and consent to consultation during project design and implementation. • Obtain and maintain free, prior, and informed consent (FPIC) of stakeholders whose property rights are affected through a transparent, agreed process and document the FPIC agreement. • Where appropriate, help secure statutory rights for traditional communities. • Document ongoing or unresolved conflicts or disputes over rights to lands, territories, and resources for up to 20 years (if records exist) and no less than 10 years.
Customary Rights Holders and Other Stakeholder Engagement *(Section 2.8.5)*	• Project proponents must identify and involve customary rights holders and stakeholders in the project on an ongoing basis. • Customary rights holders and other stakeholders must have culturally and locally appropriate open communication channels and access to timely and adequate information from project proponents. • Obtain and maintain FPIC of Indigenous Peoples, local communities, and other stakeholders identified as directly affected by the project through a transparent, agreed process. • Develop and document an engagement plan with stakeholders throughout the project that includes providing regular updates to stakeholders, providing them with access to information in a culturally appropriate manner. • Establish and demonstrate accessibility to feedback and a Grievance and Redress Procedure to address disputes that may arise during project planning and implementation.

Quantification of Biodiversity Outcomes

Figure Summary of Quantification Steps for Extent and Condition



Biodiversity Significance

Significance is defined in the Nature Framework as the importance of biodiversity in the project area for contributing to the GBF and proposed as follows:

- It is included as attributes based on project location representing different GBF Goal A targets based on 20th percentiles in five tiers labeled neutrally (A, B, C, D, E).
- Projects must identify their tier for each Significance attribute using mapped, publicly available global datasets.

The table below shows the proposed Significance attributes and indicators.

GBF Target	Project contribution	Potential Significance attribute		Required for
		Terrestrial	Marine	
Target 1. Halt loss of ecosystems of high ecological integrity	Preserving highly intact ecosystems	High ecoregional intactness *(Ecoregion Intactness Index)*	Low human pressures *(Marine Human Pressures Index)*[3]	Conservation projects[4]
Target 2. Effective restoration of degraded ecosystems	Restoring degraded ecosystems	Low ecoregional intactness *(Ecoregion Intactness Index)*	High human pressures *(Marine Human Pressures Index)*[2]	Restoration projects[3]
Target 3. Effective conservation of ecologically representative areas	Conserving under-represented biodiversity	Low percentage of ecoregion protected *(World Database on Protected Areas)*	Low percentage of marine region protected *(World Database on Protected Areas)*	All projects
Target 4. Halt extinctions and reduce extinction risk	Reducing species extinctions	High potential to reduce extinction risk *(Terrestrial STAR)*	High potential to reduce extinction risk *(Marine STAR)*	All projects

Illustrative examples of how Significance attributes aligned with GBF Targets 1-4 would work across projects are shown below.

	1. Halt loss of ecosystems of high ecological integrity	2. Effective restoration of degraded ecosystems	3. Effective conservation of ecologically representative areas	4. Halt extinctions and reduce extinction risk
Example project 1: conservation	**A** Pristine area	N/A	**D** Under existing protection	**B** Potential to reduce species extinction
Example project 2: restoration	N/A	**A** Degraded area	**A** Without existing protection	**E** Limited for reducing species extinction
Example project 3: combined[3]	**C** Touched area		**D** Under existing protection	**C** Possibilities to reduce species extinction

[3] Requires further development.
[4] Includes combined restoration and conservation.

Communications and Claims

Oral or written claims about projects validated and/or verified to SD VISta and the Nature Framework must be accurate and used only for the project and activities specifically described in the project documents. The table below**Error! Reference source not found.** gives requirements for claims related to p rojects and Nature Credits.

Subject of claim	Requirements	Example
Validated project, not yet verified	Claim refers only to the quality of **project design** and **projected benefits**	The SD VISta Nature Framework was used to validate that this project was designed to generate biodiversity uplift of 940 quality hectares of natural ecosystems over 20 years, compared to the without-project scenario.
Verified project	Claim refers to the **most recent verification date** and **achieved outcomes**	Activities from XYZ project resulted in a biodiversity uplift of 105 quality hectares of natural ecosystems from January 1, 2024 to December 31, 2025, compared to the without-project scenario.
Nature Credits	Claim specifies the **verification period** and **credit characteristics**	These Nature Credits were verified to the SD VISta Nature Framework for conserving and/or restoring biodiversity, resulting in a biodiversity uplift of 105 quality hectares of natural ecosystems for the period of January 1, 2024 to December 31, 2025, compared to the without-project scenario.

Value Proposition and Use Case for Nature Credits

Nature Credits will provide companies a verified way to support high-quality projects, Indigenous Peoples, and local communities while addressing their impacts and dependencies on nature by derisking their value chains. The figure below depicts the main uses for Nature Credits.

Impacts on nature

Use case: invest beyond the mitigation hierarchy for accumulated existing impacts or industry-wide impacts not attributable to individual entities

Dependencies on nature

Use case: secure reliance on functional ecosystem services, such as their ability to regulate water flow, water quality, and hazards like fires and floods

Relationship between Verra's Nature and Carbon Credits

The Nature Framework is being built to enable the stacking of nature and carbon credits, understood as the possibility of a project issuing carbon and biodiversity units separately, as long as there is no double counting of benefits. To ensure so, projects must comply with the additionality requirements for the Nature Framework and the Verified Carbon Standard (VCS) Program and provide additional impacts to people and their prosperity.