



Webinar The Carbon Path to RedLAC 2023: Biodiversity Credits

SD VISTa Nature Framework Overview

September 28,
2023





Standards for a
Sustainable Future

We accelerate action on climate change and sustainable development through standards that drive investment to achieve measurable high integrity outcomes for global stakeholders.



**Verified Carbon
Standard**



**Jurisdictional
& Nested REDD+**



**Climate, Community
& Biodiversity Standards**



**Sustainable Development
Verified Impact Standard**



**Plastic Waste
Reduction Standard**



Sustainable Development Verified Impact Standard

The world's most advanced standard for
certifying a project's sustainable
development impacts

What is SD VISTa?

- Accounting for contributions to the United Nations' SDGs
- Created from stakeholder interest
- Facilitates large-scale investment in projects that advance the SDGs
- Flexible framework for developing methodologies across a range of activities



Demonstrating Project Benefits

Project Claims

Highlight unique contributions to the SDGs

Labels

Marker of SD VISta certification used by units issued under another program (e.g., Verified Carbon Units)

Assets

Standardized, registered units representing unique benefit or SDG contribution (optional) (e.g., Nature Credits)



SD VISta

Nature Framework

Scaling up biodiversity conservation and
restoration activities

Verra's objective for the Nature Framework

Certify and incentivize widespread investment in measurable **positive biodiversity outcomes** benefitting nature and people

Positive biodiversity outcome: An increase in the amount or quality of biodiversity relative to a baseline resulting from the effective management of conservation and restoration projects



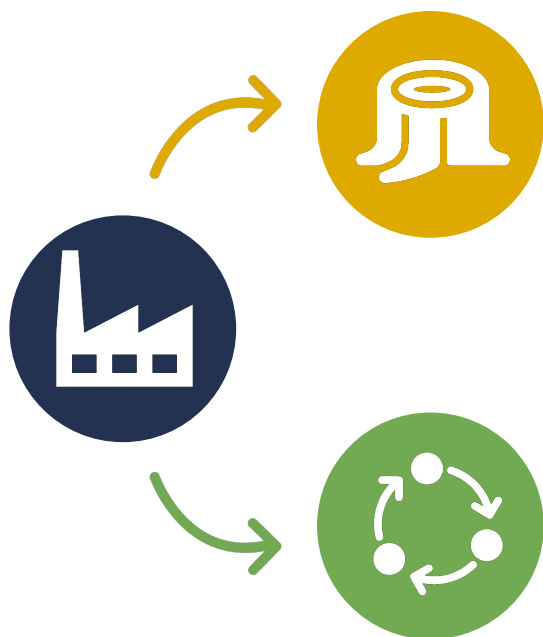
The challenges of addressing nature loss

1. High-quality conservation efforts are inadequately funded
2. Companies and other market participants lack structured, auditable channels to invest in nature

A globally scalable biodiversity credit market can address both challenges, driving finance to critical nature conservation and restoration activities – and help meet the GBF goals and targets.

Use cases 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.



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

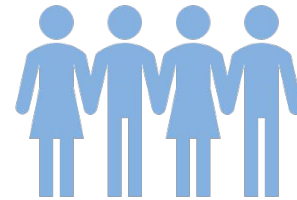
Use case: secure reliance on functional ecosystem services, such as their ability to regulate water flow, water quality, and hazards like fires and floods

What are Nature Credits?



Represents one unit
of
biodiversity benefit
or improvement
(quality hectare)

Not offsets



Additional benefits to
communities and to
sustainable development;
possible added benefit to
carbon projects



Recorded and
retired on Verra's
public Registry

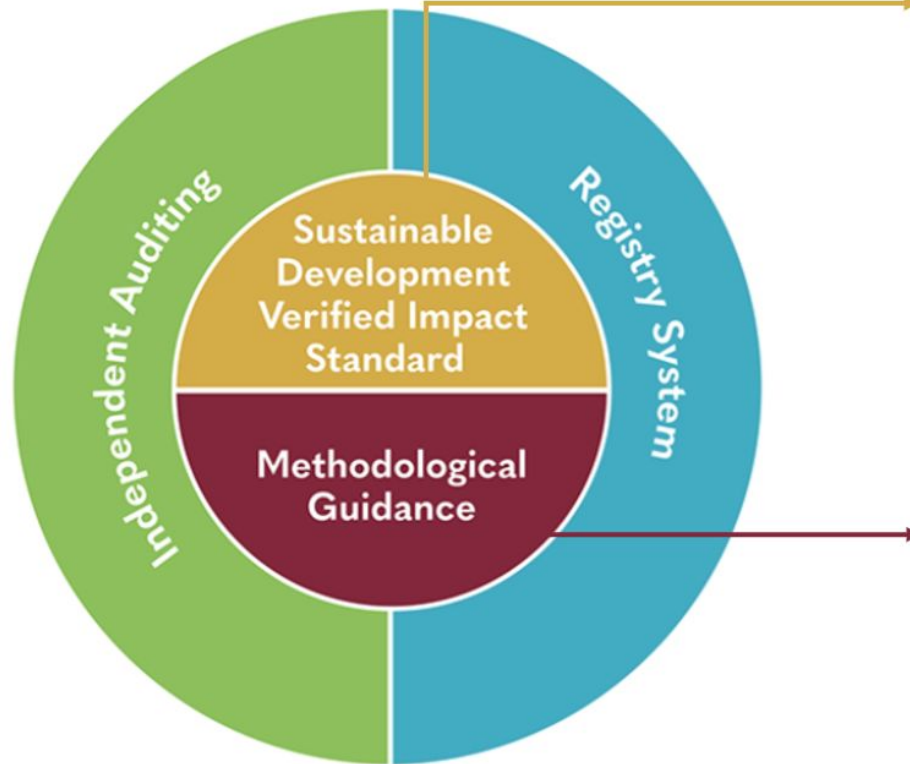
Key design objectives



Key design objectives



The Nature Framework is an SD VISTa asset methodology



SD VISTa Program

All projects seeking SD VISTa certification* must follow the rules and requirements in the program documents below:

- SD VISTa Standard
- SD VISTa Program Guide
- Templates

** Including those seeking to issue SD VISTa assets (e.g., Nature Credits)*

SD VISTa Nature Framework

Projects seeking to generate Nature Credits must follow the additional requirements and quantification steps in the:

- Nature Framework
- Ecosystem or biome-specific modules (to be developed)

Proposed quantification of biodiversity outcomes

Extent and ecosystem Condition at project start



Preparation

Define ecosystem types and indicators

1 Measure Extent*



2 Select appropriate Condition indicators*



3 Define reference value for Condition indicators*



Condition at project start

Calculate Condition-adjusted area at year 0

4 Measure Condition indicators*

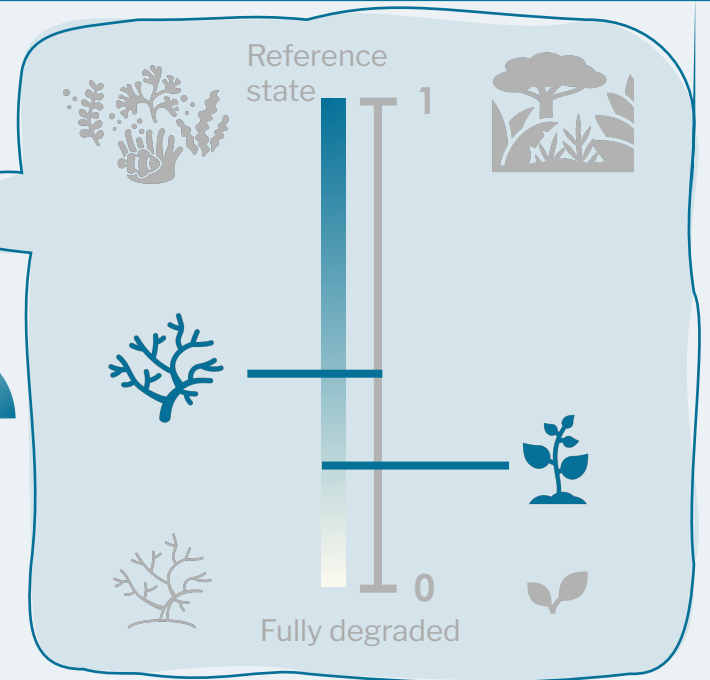


5 Standardize each Condition indicator by its reference value*

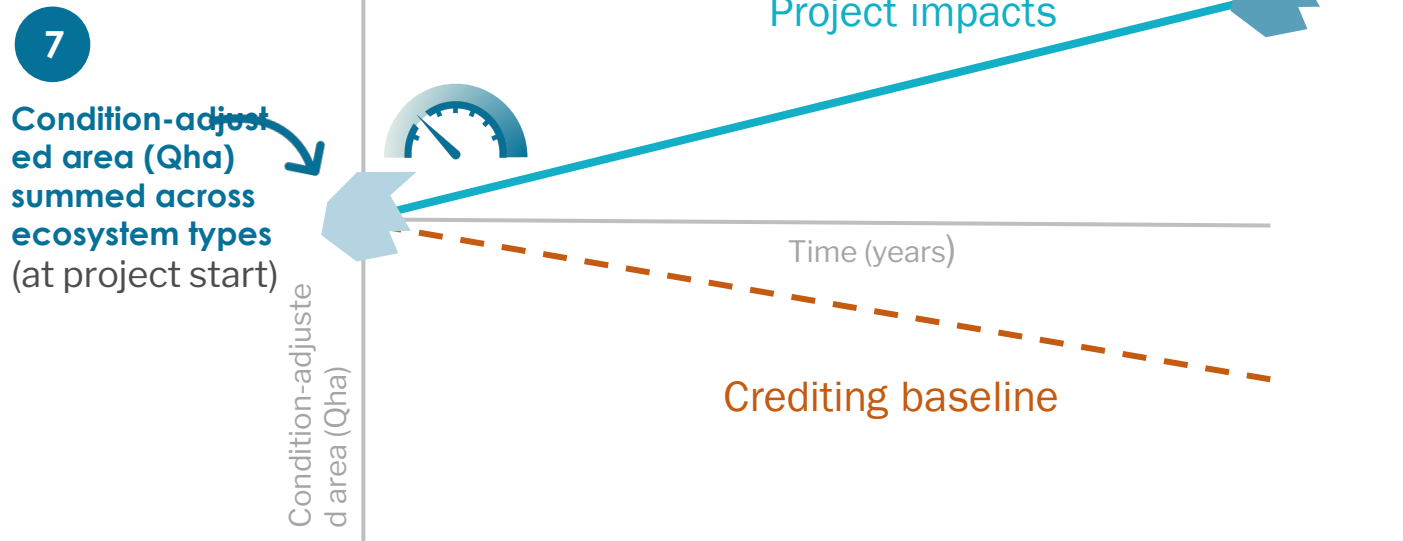
6 Combine indicators into overall estimate of Condition*



7 Multiply Extent x Condition to calculate Condition-adjusted area in quality hectares (Qha)*



Crediting baseline and project impacts



Project impacts

Calculate Condition-adjusted area at monitoring date

9

Assess the change in Extent and Condition* during project implementation and sum across ecosystem types (Repeat steps 4-7 at monitoring date)



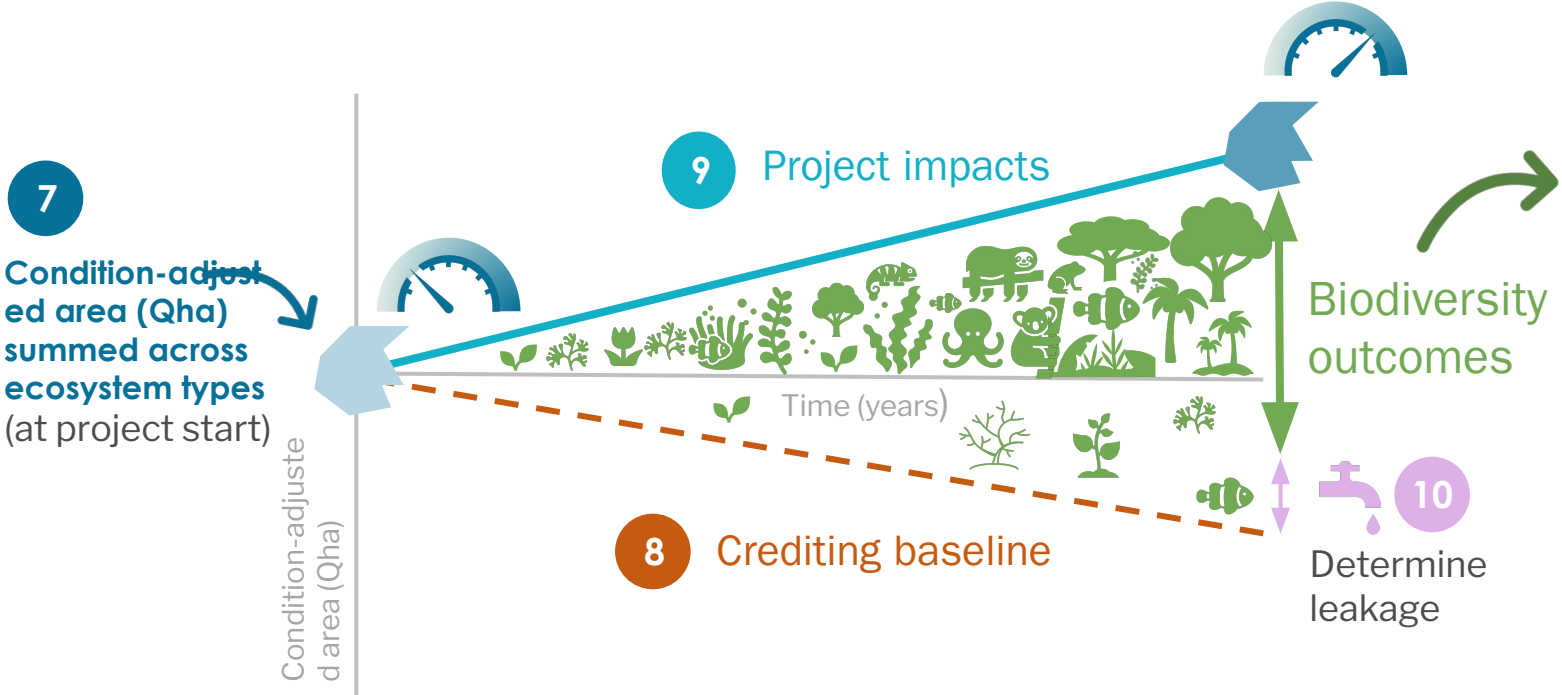
Crediting baseline

Determine the ecoregional projected trend for ecosystem loss

8

Calculate the expected trend in project Condition-adjusted area in the absence of project intervention, based on a locally-allocated ecoregional baseline trend set by third parties

Net biodiversity impacts and Nature Credits



Net biodiversity impacts

- 11** Determine the biodiversity impacts, equal to the difference between project impacts and the crediting baseline, summed across ecosystem types, minus leakage
- 12** Calculate shared buffer account contribution
- 13** Calculate Nature Credits by deducting the buffer contribution from the biodiversity impacts

Biodiversity credit markets

Challenges

Prioritizing outcomes and limited finance: balance transparency and design for market behavior

Fractured market: multiple methodologies and unit definitions

Robust buyer claims: need clear and consistent market guidance

Opportunities

Advancing science and technology: cost of minimum threshold for MRV rigor and credibility

More flexibility than in the VCM: additionality and metrics

Learning from the VCM: starting with key market infrastructure

Nature Framework Development Group



With support from

McKinsey & Company

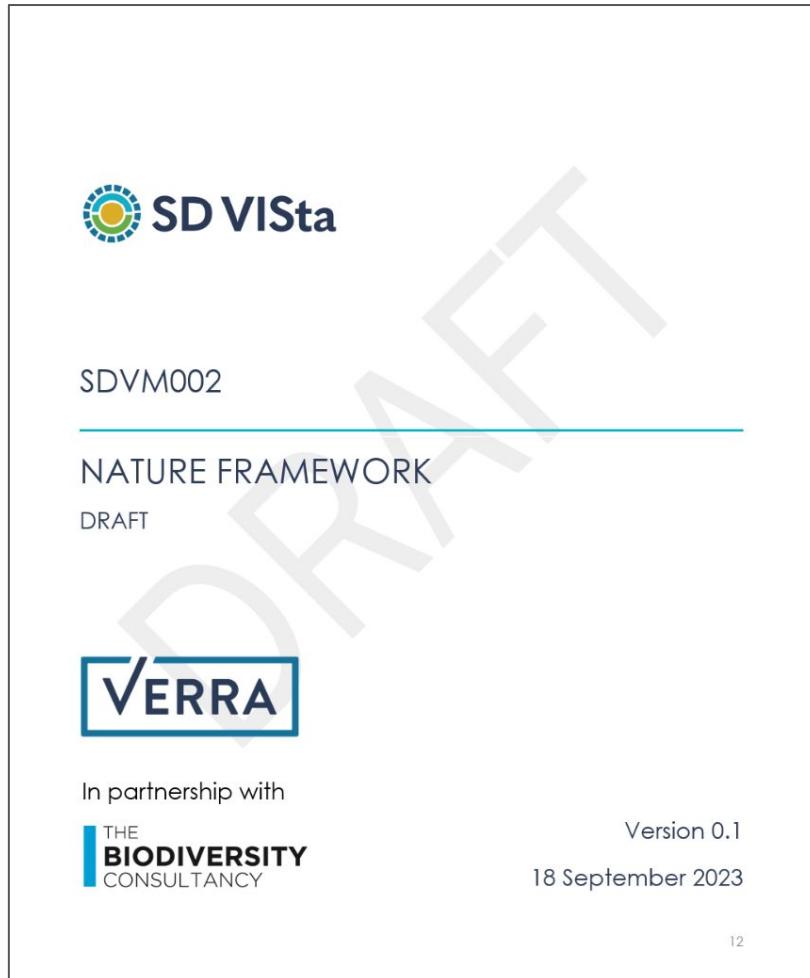


Great Barrier Reef Foundation

Comprehensive approach to developing a framework for nature:

- Collaboration with leading scientists, IP & LCs, finance experts, corporate partners, and conservation practitioners
- Co-creation and rigorous iteration to refine framework and credit methodology with global stakeholders
- Supported by the Nature Framework Advisory Group

Nature Framework Development Timeline



Development milestones:

- **September 18 – November 19, 2023:** Nature Framework v0.1 public consultation
- **October 2023 – April 2024:** Nature Framework piloting process
- **Early 2024:** Nature Framework v0.2 public consultation
- **Mid-2024:** Nature Framework v1.0 release

