



**eco**  
ecosystem certification organisation



**nfs**  
natural forest standard

# **Natural Forest Standard Requirements**

Version 1.1

April 2013



## TABLE OF CONTENTS

i.	Introduction .....	1
ii.	Objectives of the Standard .....	1
iii.	Scope and Intended Users .....	1
iv.	Development of the Standard .....	1
v.	Maintenance of the Natural Forest Standard .....	2
vi.	Assurance of Permanent Carbon Benefits .....	2
vii.	Definitions .....	3
<b>1.0</b>	<b>ELIGIBILITY CRITERIA .....</b>	<b>3</b>
1.1	Project Activities .....	3
1.2	Legal Status .....	3
1.3	Additionality .....	3
1.4	Timescale .....	3
<b>2.0</b>	<b>GOVERNANCE, SOCIAL AND BIODIVERSITY IMPACTS .....</b>	<b>4</b>
2.1	Free, Prior and Informed Consent .....	4
2.2	Benefit Mechanism .....	4
2.3	Communication .....	4
2.4	Dispute Resolution .....	4
2.5	Reporting .....	4
2.6	Biodiversity Maintenance .....	4
<b>3.0</b>	<b>PROJECT MANAGEMENT AND MONITORING .....</b>	<b>4</b>
3.1	Project Management Plan .....	4
3.2	Project Monitoring System .....	4
<b>4.0</b>	<b>QUANTIFICATION OF CARBON BENEFITS .....</b>	<b>5</b>



4.1	Factors, assumptions and data.....	5
4.2	Carbon pools .....	5
4.3	Baseline Assessment .....	5
4.4	Leakage .....	5
4.5	Non-permanence risk.....	5
4.6	Quantification of emission reductions .....	5
<b>5.0</b>	<b>BIODIVERSITY ASSESSMENT .....</b>	<b>6</b>
5.1	Normative Biodiversity Metric .....	6



## **i. Introduction**

The Natural Forest Standard is a global Standard for the quantification of carbon and associated ecosystem benefits resulting from the conservation and restoration of natural forests. It is aimed at certifying the carbon benefits, and biodiversity impacts of medium to large-scale projects, within the context of appropriate social safeguards and economic development.

The Natural Forest Standard (NFS) recognises the global importance of natural forests in climate regulation and maintenance of biodiversity and has been designed to complement the current array of carbon standards and forest initiatives. The Standard enables projects that effectively conserve or restore natural forests at risk of degradation to be issued with “Natural Capital Credits” NCC’s, denominated in tonnes CO<sub>2</sub>e of avoided GHG emissions and rated in terms of biodiversity.

This Standard document sets out the normative requirements for projects within the NFS. Further information on the requirements of the NFS can be found in the *NFS Guidance Document* and on the NFS website.

## **ii. Objectives of the Standard**

The Natural Forest Standard integrates social, biodiversity and carbon values in the conservation and restoration of natural forests. By designing a Standard that is specific to natural forest projects and excludes commercial resource extraction, and by focusing on biodiversity and social values in addition to carbon, the Natural Forest Standard will help to conserve those forests that are most ecologically and culturally significant.

## **iii. Scope and Intended Users**

The Natural Forest Standard is intended for use by developers of medium and large scale projects (projects must be greater than 20,000 ha to be eligible) who wish to conserve and restore natural forests at risk from deforestation and degradation in areas that are not under community or smallholder control or management. The NFS is specific to natural forest projects which exclude commercial resource extraction.

## **iv. Development of the Standard**

The Natural Forest Standard (NFS) has been developed by Ecosystem Certification Organisation (ECO), a not-for-profit organisation registered in the UK together with Ecometrica. The NFS aims to provide an efficient and effective mechanism for crediting the carbon and ecosystem benefits resulting from the avoided deforestation and degradation of large scale natural forest projects.

In developing the NFS, ECO has reviewed and drawn upon the work of: The American Carbon Registry Forest Carbon Project Standard v2.1 (ACR), Carbon Fix Standard v3.1 (CFX), Climate Action Reserve



Forest Project Protocol Version 3.2 (CAR), Climate Community and Biodiversity Alliance Standards v2.0 (CCB), Global Conservation Standard v1.2 (GCS), Plan Vivo Standard 2008 (PVS), Verified Carbon Standard v3.0 and Agriculture, Forestry and other Land Use (AFOLU) Requirements v3.0 (VCS), Social Carbon Standard v4.2 (SCS), and REDD+ Social and Environmental Standards v1 (SES).

A review of existing standards and literature was conducted to focus the purpose and aims of the Standard.

#### **v. Maintenance of the Natural Forest Standard**

Revision of the Standard will be an interactive process; project developers, carbon buyers, validation teams and local stakeholders will be asked to provide feedback on the Standard as it is being used; suggestions and comments will be collated by the NFS Technical Panel, and periodically the Standard shall be updated based on this input.

The revisions and updates to the Standard will focus on improving the usability and practicality of the Standard; the Standard should provide simple, easy-to-follow instructions for all aspects of the project cycle. Where there are areas identified with potential for improvement, review of the Standard shall be a deliberative multi-stakeholder process, with the aim of providing a better service for users of the Standard.

Updated guidance will be reviewed by independent experts to ensure the robustness of the Standard. The NFS will take account of developments in the international REDD+ framework, and in voluntary carbon markets.

ECO will continue to maintain and improve the NFS in consultation with project investors, developers, public bodies, NGOs, experts and other stakeholders.

#### **vi. Assurance of Permanent Carbon Benefits**

The Natural Forest Standard will be operated to ensure the permanent integrity of additional carbon benefits. The permanence of carbon benefits will be assured by the maintenance of a reserve of credits held in a general reserve account, to cover against the risk of potential future losses.

The proportion of credits to be held in the buffer account will be determined by an independent risk panel, with a mandate to ensure the integrity of Natural Forest Certificates. The risk panel will have the authority to determine, for any project, the level of credits to be held within the reserve account.

Successful completion of the processes set out in the Standard result in the issuance of “Natural Capital Credits” (NCC’s). NCCs will only be issued to project operators’ accounts on the NFS approved registry.



All transactions, including retirement, of NCCs will be securely recorded on the registry to provide assurance of unique ownership and integrity of application.

## **vii. Definitions**

All relevant definitions, acronyms and terms are set out in the NFS Glossary of Terms V1.1.

# **NATURAL FOREST STANDARD REQUIREMENTS**

## **1.0 ELIGIBILITY CRITERIA**

### **1.1 Project Activities**

1.1.1 The project shall plan to avoid deforestation and/or degradation of natural forests, and/or restore degraded natural forest within a defined project area or project areas.

1.1.2 The project shall conserve an area of natural forest of no less than 20,000 hectares.

1.1.3 Project activities shall not include commercial timber extraction.

### **1.2 Legal Status**

1.2.1 The project operator shall comply with all applicable laws, regulations and nationally ratified international treaties conventions and agreements.

1.2.2 The project operator shall hold evidence of the necessary use rights, including carbon rights and/or ownership of the project area.

### **1.3 Additionality**

1.3.1 The project must demonstrate additionality relative to existing policies.

1.3.2 Any restoration activities that are legal requirements shall not be eligible for crediting.

### **1.4 Timescale**

1.4.1 The project period shall be for a minimum period of 20 years.



## **2.0 GOVERNANCE, SOCIAL AND BIODIVERSITY IMPACTS**

### **2.1 Free, Prior and Informed Consent**

2.1.1 The project shall obtain Free, Prior and Informed Consent of the carbon rights holders and any communities living or having land use rights within the project area whose activities will be affected or constrained by the project. This shall be obtained prior to the date of validation and be reviewed no less frequently than every 10 years.

### **2.2 Benefit Mechanism**

2.2.1. The project shall establish a mechanism to benefit local people and support the sustainable management of ecosystems.

### **2.3 Communication**

2.3.1 The project shall establish and maintain regular channels of communication with stakeholders to allow exchange of information on the progress of the project.

### **2.4 Dispute Resolution**

2.4.1 The project shall establish and maintain mechanisms for dealing with complaints and concerns of stakeholders, including allowance for an independent arbitration process.

### **2.5 Reporting**

2.5.1 The project shall publish clear and accessible annual reports describing the progress of the project, the credits issued and sold, and resources deployed into the project.

### **2.6 Biodiversity Maintenance**

2.6.1 The project shall take appropriate measures to maintain and enhance existing biodiversity.

## **3.0 PROJECT MANAGEMENT AND MONITORING**

### **3.1 Project Management Plan**

3.1.1 The project shall develop and maintain a management plan describing the measures to be taken to reduce deforestation and/or degradation and to restore forests within the project area. The plan shall include appropriate leakage mitigation measures, and measures planned to benefit biodiversity and local communities.

### **3.2 Project Monitoring System**

3.2.1 Projects shall establish and maintain a monitoring system describing the activities to be undertaken to monitor carbon stocks, and the impacts on local communities and biodiversity.



## **4.0 QUANTIFICATION OF CARBON BENEFITS**

### **4.1 Factors, Assumptions and Data**

- 4.1.1 All factors and assumptions used to describe carbon stocks and supporting evidence for baseline emissions and additionality shall be transparently reported.
- 4.1.2 All data used to quantify carbon benefits shall be recorded electronically, with details of time, location, method and identity of the data provider.

### **4.2 Carbon Pools**

- 4.2.1 The carbon stored in above-ground tree biomass at the start of the project shall be quantified using internationally recognised GHG inventory methods or approaches.
- 4.2.2 Carbon in a) Above-ground non-tree biomass; b) Below-ground biomass; c) Dead wood; d) Soil organic carbon; and e) forest products shall be quantified where project activities are likely to reduce these stocks.

### **4.3 Baseline Assessment**

- 4.3.1 The project shall use only approved models and methods to provide a credible baseline scenario that describes a conservative estimate of emissions from deforestation and degradation in the absence of project activities.
- 4.3.2 The project baseline and underlying assumptions shall be reviewed every 5 years.

### **4.4 Leakage**

- 4.4.1 Potential sources of leakage from local activity shifting resulting from project activities, including the mechanism for distribution of benefits, shall be assessed, and appropriate actions taken to minimise leakage shall be implemented.

### **4.5 Non-Permanence Risk**

- 4.5.1 The project shall hold a reserve of Natural Capital Credits in a buffer account sufficient to cover risks of non-permanence, as determined by the NFS Risk Panel.

### **4.6 Quantification of Emission Reductions**

- 4.6.1 The project shall use approved methods to quantify emission reductions from avoided deforestation and degradation and carbon sequestration in areas under restoration on an annual basis taking account of estimates for leakage, the risk of reversals and uncertainty.





## **5.0 BIODIVERSITY ASSESSMENT**

### **5.1 Normative Biodiversity Metric**

5.1.1 The biodiversity rating assessment of the project shall be calculated using the 'Normative Biodiversity Metric'.