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# Voluntary Biodiversity Credit Scheme Review

THE NATUREPLUS™ SCHEME  
DEVELOPED BY GREENCOLLAR



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# Acknowledgements

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# Foreword: Greencollar

To stop and reverse biodiversity loss, the global community faces an immense task. More than 420 million hectares of forest – areas of forest that would cover over 50% of Australia’s land area - has been lost since 1990. Wildlife populations continue to plummet and estimates suggest that numbers have declined by nearly 70% between 1970 and 2018.

Biodiversity loss is now recognised as a source of systemic risk alongside climate change. At a global scale, this presents real and present risk not only to individual species but also to whole ecosystems, production systems, communities, livelihoods, food security and the global economy.

As a profit-for-purpose organisation, GreenCollar believes that business and markets have a critical role to play in finding solutions for our climate, nature and the communities that rely on them.

We see the need to build momentum into markets and market mechanisms that help deliver on Global Biodiversity Goals, that aim to stop biodiversity loss and get us moving on the long, hard work of repair.

Against this backdrop of increasing urgency, GreenCollar is proud to launch Version 1 of the NaturePlus™ Credit Scheme.

The primary objective of the NaturePlus™ Scheme is to inform and incentivise evidence-based decision-making to generate positive outcomes for nature.

Importantly, NaturePlus™ Credits have not been designed to meet any existing compliance requirement.

By providing a means to account for and monetise changes in environmental condition through the generation of transferrable NaturePlus™ Credits, restoration and conservation of the condition of native ecosystems will put nature squarely on the balance sheet building value that needs to be reported, managed and improved.

Measurement and verification of outcomes as well as adaptive management are at the heart of the NaturePlus™ Credit Scheme.

The NaturePlus™ Credit Scheme applies the scientifically robust and globally recognised Accounting for Nature® environmental accounting framework to measure, report and verify environmental condition.

NaturePlus™ Credits represent real outcomes for nature. Credits can only be generated by projects that have already delivered third-party audited and certified restoration in environmental condition.

Long-term continuous adaptive improvement is incentivised through a unique continuous crediting approach, meaning the NaturePlus™ Credit Scheme is designed to improve environmental condition and maintain improved condition long-term by creating a mechanism that rewards environmental stewardship and protects gains.

In developing the NaturePlus™ Credit Scheme, GreenCollar wanted to provide a means to incentivise and embed long-term behavioural change at the largest possible scale. This means being applicable across diverse ecosystems, including productive landscapes.

Where environmental condition improves, projects can generate NaturePlus™ Credits. This means the NaturePlus™ Credit Scheme can be applied to improve biodiversity in degraded landscapes. Finding a means to finance biodiversity gains in degraded landscapes is critical to the long-term restoration and resilience of biodiversity.

Similarly, the Scheme provides opportunities for NaturePlus™ Credits to be generated from intact areas or areas of high biodiversity value where they are conserved and maintained at high condition. Finding finance to support maintenance and conservation has often been left to government or philanthropy and NaturePlus™ Credits provide a means to build private investment into these areas. GreenCollar understands that building high integrity markets to support long term biodiversity outcomes requires confidence in the integrity of the NaturePlus™ Credits, and the NaturePlus Credit Scheme has been designed to meet this need.

Pollination’s independent expert findings published in this paper and in the accompanying report ‘State of voluntary biodiversity credit markets: A global review of biodiversity credit schemes’ will inform the ongoing development of the NaturePlus™ Credit Scheme. GreenCollar acknowledges and welcomes the findings of both these reports.

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1.

# Executive Summary



## 1.1 Background & context

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Since 2020, global attention on the nature loss crisis and its implications for the global economy has increased. In the nature-positive transition businesses will be required to disclose their nature-related risks and demonstrate a commitment to mitigating those risks, including by contributing to protecting, regenerating and stewarding nature. This has increased expectations for economic actors to be more accountable and responsible for their impacts on nature. This includes gaining a better understanding of, and addressing the interface between, business and nature.

As part of the response to the changing relationship between business and nature on the pathway to a nature-positive future, activity is underway globally to develop, support and regulate voluntary biodiversity credit schemes<sup>1</sup> as a means to drive finance into positive biodiversity outcomes.

In this context, Pollination was engaged by GreenCollar to carry out an independent, comparative review of the NaturePlus™ Scheme in relation to design, integrity and technical considerations. The analysis was informed by benchmarking the NaturePlus™ Scheme against seven other existing or emerging biodiversity credit schemes (the **reviewed schemes**).<sup>2</sup>

The review and preparation of this report has been an iterative process. Pollination's initial review of the NaturePlus™ Scheme gave rise to a number of specific recommendations for GreenCollar to strengthen the approach to technical and integrity considerations under the NaturePlus™ Scheme, most of which have been implemented by GreenCollar and others which remain under development. The findings in this report reflect Pollination's assessment of the NaturePlus™ Scheme as at the date of publication of this report.



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1 For the purposes of this report, the term 'biodiversity credit scheme' is used to refer broadly to schemes that seek to generate measurable positive natural-capital, ecosystem, and biodiversity outcomes, that are, in turn, represented as a token, credit or certificate that can be bought and sold.

2 The schemes assessed were selected to be a representative sample of existing and emerging biodiversity credit schemes (see Section 3.2 of the Global Report which explains Pollination's scheme selection process in detail).

## 1.2 NaturePlus™ Scheme Design Features

Pollination’s review found that the design of the NaturePlus™ Scheme is aligned with GreenCollar’s overall objective to provide a flexible framework to deliver nature finance for measured outcomes arising from a broad range of activities across a diversity of landscapes and ecosystems.

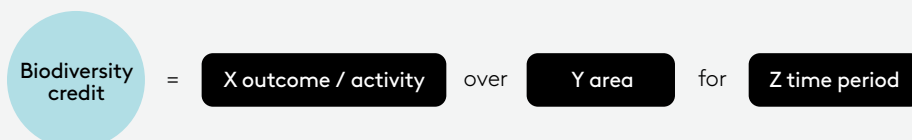
There are four design features that distinguish the NaturePlus™ Scheme from the majority of the reviewed schemes:

1. the NaturePlus™ Scheme is intended to be applicable to all ecosystem types, and not only terrestrial or marine ecosystems,<sup>3</sup>
2. under the NaturePlus™ Scheme, there is a focus on the restoration and conservation of one environmental asset measured by reference to a range of indicators (e.g., native vegetation or koala habitat),
3. the NaturePlus™ Scheme allows for crediting for *both* restoration and conservation outcomes, and
4. the NaturePlus™ Scheme allows for an *indefinite* crediting period for conservation outcomes.

In relation to other key scheme design features, the NaturePlus™ Scheme is generally aligned with market norms, including:

- GreenCollar, a commercial entity, acting as the NaturePlus™ Scheme developer/administrator and project proponent,
- the intention for the NaturePlus™ Scheme to have global applicability,
- an approach to unitisation that is based on set area and time metrics (see **Figure 1** below), and
- an approach to credit issuance that allows for multiple credit issuances linked to the verification of outcomes.

FIGURE 1: MARKET NORM FOR THE APPROACH TO UNITISATION



## 1.3 NaturePlus™ Integrity and Technical Findings

### 1.3.1 INTEGRITY FEATURES – GOVERNANCE AND SCHEME DESIGN

The NaturePlus™ Scheme is well positioned against all of the reviewed schemes in relation to governance and scheme design indicators, and particularly in relation to the following:

- the use of/claims that can be made in relation to NaturePlus™ credits (*market leading*),
- legal-right requirements for project proponents (*market norm*),

- legal ownership of NaturePlus™ credits upon issuance (*market norm*),
- third-party auditing (*market norm*), and
- credit design, issuance and project reporting/documentation (*market norm*).

However, none of the reviewed schemes require periodic and independent reviews of governance arrangements.

<sup>3</sup> The NaturePlus™ Scheme is intended to be a “total ecosystem solution”, designed to “work with methods that span native vegetation, fauna, soil, fresh water and marine environments”, GreenCollar [website](#), NaturePlus™ – Driving investment into global conservation outcomes (webpage forthcoming at time of publication).

### 1.3.2 INTEGRITY FEATURES – INDIGENOUS PEOPLES AND LOCAL COMMUNITIES (IPs AND LCs)

These considerations are relevant where projects carried out under a scheme could impact on lands and waters under the stewardship of IPs and LCs. The NaturePlus™ Scheme is well positioned against the majority of the reviewed schemes in relation to the IPs and LCs indicators, and particularly in relation to the following:

- providing for a conflict resolution/grievance mechanism available to all stakeholders, including IPs and LCs (*market norm*),
- adherence to free, prior and informed consent processes (FPIC) (*market norm*), and
- consultation and engagement processes with IPs and LCs (*market norm*).

However, none of the reviewed schemes were developed by Indigenous persons or communities, and the majority of schemes do not establish comprehensive requirements for FPIC and do not require co-ownership, partnership or benefit-sharing models with IPs and LCs.

### 1.3.3 INTEGRITY FEATURES – SCHEME ARCHITECTURE

The NaturePlus™ Scheme is well positioned against the majority of the reviewed schemes in relation to the scheme architecture indicators, and particularly in relation to the following:

- the use of an indefinite crediting period for crediting for conservation outcomes (*market leading*),
- the application of a risk-based Leakage Deduction Factor at credit issuance (*market leading*),
- clear guidance that credits issued under the NaturePlus™ Standard cannot be transferred to or traded by buyers (*market leading*),
- the utilisation of a buffer account to address the risk of reversals (*market norm*), and
- the use of a registry (*market norm*).

### 1.3.4 TECHNICAL FEATURES

The NaturePlus™ Scheme is well positioned against the majority of the reviewed schemes in relation to the technical indicators, and particularly in relation to the following:

- crediting for both restoration and conservation outcomes, which addresses an important facet of the completeness of ecosystem health (*market leading*),
- adopting a risk-based approach to leakage and permanence through the application of Leakage and Non-permanence Deduction Factors at credit issuance (*market leading*),
- the use of a standardised approach to implementing relevant, peer-reviewed methodologies and establishing regular, consistent reporting and verification procedures for the publication of open-source data (*market norm*), and
- requiring the use of benchmark data and establishing clear auditing/reporting guidelines for data being tracked (*market norm*).

The NaturePlus™ Standard issues NaturePlus™ credits arising from restoration and conservation outcomes achieved in relation to one aspect of an ecosystem, which can be described as an “environmental asset” (e.g., native vegetation or koala habitat). While it is noted that outcomes for a single environmental asset are measured by reference to a range of indicators, this approach does not require the tracking of metrics across all aspects of the relevant ecosystem type (terrestrial, marine, or aquatic) and therefore creates a degree of uncertainty in the overall biodiversity outcomes achieved in the project area.<sup>4</sup> This could, in some cases, result in perverse outcomes for other aspects of the relevant ecosystem type if management activities are intended to optimise outcomes for one aspect of an ecosystem. Refer to the Global Report for additional information on this tension.

The NaturePlus™ Standard addresses the risk of unintended perverse outcomes by requiring an Environmental Asset Adaptive Management Strategy (EAAMS) risk assessment be undertaken. This risk assessment is updated at every monitoring period to ensure that possible perverse outcomes are monitored over time. Introducing compulsory minimum indicators / baseline requirements for tracking metrics across all aspects of the relevant ecosystem type could further mitigate these concerns.<sup>5</sup>

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4 Several of the reviewed schemes adopt a ‘basket-of-metrics’ approach, which enables the tracking of all aspects of the relevant ecosystem type (terrestrial, marine, or aquatic) and allows for flexibility to adopt the most appropriate metrics for the relevant ecosystem type. However, the flexible approach to metric selection may allow project developers interested in saving time and money on a project to select metrics that are least effort, rather than best fit. Given the potential breadth of metrics there is also a challenge in balancing cost and practicality in relation to data collection (i.e. individual species vs. taxonomic groups).

5 Note that this recommendation is also relevant for the reviewed schemes that have adopted a ‘basket-of-metrics’ approach.



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## 2. NaturePlus™ Scheme Overview



## OVERVIEW

The NaturePlus™ Scheme is established by the NaturePlus™ Standard. The NaturePlus™ Scheme Documentation includes documents prepared by GreenCollar and Accounting for Nature® (AfN).<sup>6</sup> The NaturePlus™ Standard states that, “[t]he AfN Framework, including the AfN Standard, AfN Audit & Verification Rules and other related documents, provide the accounting framework for certifying Environmental Accounts, and form part of the NaturePlus™ Scheme”.<sup>7</sup>

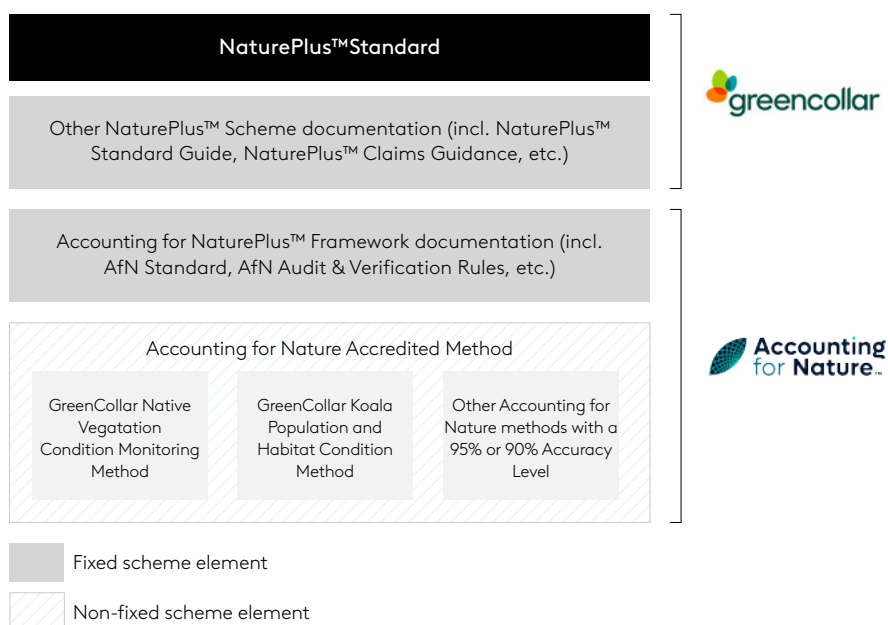
GreenCollar has developed two methods that have been accredited by AfN:

1. the ‘GreenCollar Native Vegetation Condition Monitoring Method’ (2020); and,
2. the ‘Koala Population and Habitat Condition Method’ (2021).

Any AfN Accredited Method that meets the requirements set out in the NaturePlus™ Standard can be used to establish a project and generate NaturePlus™ credits as long as it is accredited by AfN as meeting a 90% or 95% Accuracy Level.<sup>8</sup>

The relationship between the documents that comprise the NaturePlus™ Scheme architecture is shown in **Figure 2** below.

**FIGURE 2: NATUREPLUS™ SCHEME ARCHITECTURE SHOWING FIXED AND NON-FIXED SCHEME ELEMENTS**



6 The NaturePlus™ scheme documentation which is publicly-available and was reviewed by Pollination is: GreenCollar (2023), NaturePlus™ Standard (version 1.1) (**NaturePlus™ Standard**); GreenCollar (2023), NaturePlus™ Guide (version 1.0); GreenCollar (2023) (**NaturePlus™ Guide**); GreenCollar (2023), NaturePlus™ Claims Guidance; Peoples Forests Partnerships (2022), Membership Principles and Criteria (for companies); Accounting for Nature (2020), GreenCollar Native Vegetation Condition Monitoring Method; Accounting for Nature (2021), GreenCollar Koala Population and Habitat Condition Method. Pollination also reviewed the information to be provided on GreenCollar’s website in relation to the NaturePlus™ Scheme ([GreenCollar website](#), *NaturePlus™ – Driving investment into global conservation outcomes* (webpage forthcoming at time of publication)).

7 NaturePlus™ Standard, section 1.4. However, where there is inconsistency between the terms of the NaturePlus™ Standard and the AfN Framework or a supporting document, then the terms of the NaturePlus™ Standard will prevail (unless otherwise specified in the NaturePlus™ Standard).

8 The review focused on the operation of reviewed schemes at the time of review (May-July 2023). For the NaturePlus™ Scheme, as noted above, the ‘GreenCollar Native Vegetation Condition Monitoring Method’ (2020) and the ‘Koala Population and Habitat Condition Method’ (2021) were considered as part of the review; however, it is acknowledged that any AfN Accredited Method that meets the requirements set out in the NaturePlus™ Standard can be utilised for a project validated under the NaturePlus™ Scheme.

## OVERVIEW

Table 1 below provides a high-level overview of the NaturePlus™ Scheme, including its coverage, the approach to unitisation, and the current status of the Scheme.

TABLE 1: NATUREPLUS™ SCHEME OVERVIEW

NATUREPLUS™ SCHEME FEATURES	
<b>What is the status of the scheme?</b>	The NaturePlus™ Scheme was launched in early November 2022. GreenCollar is currently piloting and validating 20 NaturePlus™ projects and intends to continue to build project numbers in different locations and landscapes both in Australia and internationally.  The first NaturePlus™ credits were issued in July 2023.
<b>What is the geography of origin?</b>	Australia
<b>What is the geographical coverage?</b>	Pilot projects in Australia Intention to apply globally <sup>9</sup>
<b>Who are the parties involved? What is the entity type?</b>	GreenCollar (commercial entity) – Standard developer / administrator (during Beta Phase); <sup>10</sup> project developer  Accounting for Nature® (AfN) (not-for-profit) – Nested standard administrator
<b>What is the ecosystem coverage?</b>	All ecosystem types <sup>11</sup>
<b>What are the targeted outcomes?</b>	Regeneration  Stewardship
<b>What is the approach to metrics?</b>	‘Koala Population and Habitat Condition Method’ – Vegetation focus, requires the tracking of a set of biodiversity metrics across critical aspects of habitat for a specific fauna species.  ‘GreenCollar Native Vegetation Condition Monitoring Method’ – Habitat focus, requires the tracking of a set of biodiversity metrics relevant to vegetation condition as a proxy for the overall condition of terrestrial ecosystems.

<sup>9</sup> NaturePlus™ Guide, section 2.1, callout box. GreenCollar recognizes that “some further development work within the Standard is required for the Scheme to be fully operational at the global scale”, GreenCollar NaturePlus™ Guide, section 2.1.

<sup>10</sup> GreenCollar will act as the Standard Administrator during the Beta Phase whilst the NaturePlus™ Scheme is developed, tested and refined (NaturePlus™ Standard, section 1.2). The NaturePlus™ Guide indicates that Phase 2 of the scheme will involve a “Transition to an external and independent Standard Administrator” (section 4).

<sup>11</sup> The NaturePlus™ Scheme is intended to be a “total ecosystem solution”, designed to “work with methods that span native vegetation, fauna, soil, fresh water and marine environments”, GreenCollar [website](#), *NaturePlus™ – Driving investment into global conservation outcomes* (webpage forthcoming at time of publication).

## OVERVIEW

<p><b>How is the unit generated?</b></p>	<p>NaturePlus™ credits are issued to project proponents based on the following types of activities:</p> <ul style="list-style-type: none"> <li>restoration of environmental assets (e.g. native vegetation, ecological communities, native species populations)</li> <li>conservation of environmental assets (e.g. native vegetation, ecological communities, native species populations)</li> </ul> <p>NaturePlus™ credits can only be generated from a project after an improvement in or maintenance of the condition of an environmental asset has been third-party audited and verified by AfN.</p> <p>NaturePlus™ projects must demonstrate progressive measured improvement to be awarded credits (i.e. restoration). Once condition of an environmental asset has reached a sustainable level, projects switch to maintenance and must remain above that level to continue crediting (i.e. conservation).</p>
<p><b>What is the approach to credit issuance?</b></p>	<p>Multiple issuances</p> <p>Minimum of every five years based on measured ecological outcomes (i.e., ex-post)</p>
<p><b>What is the approach to the crediting period?</b></p>	<p>Restoration – Not prescribed; determined by time taken to reach conservation threshold</p> <p>Conservation – Indefinite</p>
<p><b>What does the unit represent?</b></p>	<p>Each NaturePlus™ credit represents either:<sup>12</sup></p> <div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <div style="border: 1px solid #add8e6; border-radius: 10px; padding: 5px; text-align: center; width: 200px;">Restoration as a multiplier of the % uplift of the condition of an environmental asset</div> <div style="margin: 0 10px;">over</div> <div style="border: 1px solid #add8e6; border-radius: 10px; padding: 5px; text-align: center; width: 50px;">1 ha</div> <div style="margin: 0 10px;">over</div> <div style="border: 1px solid #add8e6; border-radius: 10px; padding: 5px; text-align: center; width: 100px;">monitoring period</div> </div> <div style="display: flex; align-items: center;"> <div style="border: 1px solid #add8e6; border-radius: 10px; padding: 5px; text-align: center; width: 200px;">Conservation (maintenance) of an environmental asset</div> <div style="margin: 0 10px;">over</div> <div style="border: 1px solid #add8e6; border-radius: 10px; padding: 5px; text-align: center; width: 50px;">1 ha</div> <div style="margin: 0 10px;">over</div> <div style="border: 1px solid #add8e6; border-radius: 10px; padding: 5px; text-align: center; width: 100px;">monitoring period</div> </div> </div>

<sup>12</sup> The first monitoring period must be no longer than five years in duration, but no less than 12 months. Subsequent monitoring periods must be no more than five years in duration (unless a crediting pause for the monitoring period has been approved) (NaturePlus™ Standard, section 3.5.1); We note that currently on GreenCollar’s website it is stated that “[e]ach NaturePlus™ Credit represents an one-hectare area of measured, audited and certified restoration or conservation of environmental condition over one year” (GreenCollar (2023), [NaturePlus™](#)).

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3.  
NaturePlus™  
Scheme  
Review



## 3.1 Review Approach

Pollination carried out an independent, comparative review of the NaturePlus™ Scheme against a range of design, integrity, and technical considerations informed by benchmarking against seven other existing or emerging biodiversity credit schemes.<sup>13</sup> The approach taken to the global review is outlined in detail in **Section 3** of the Global Report.

Pollination conducted its review using three frameworks developed by Pollination to compare the features of the reviewed schemes, specifically:

- a Scheme Design Review Framework,
- an Integrity Review Framework, and
- a Technical Review Framework.

A rating system was also developed as part of the Integrity and Technical Review Frameworks. The rating system is outlined in **Appendix A** at **A.2** of the Global Report.

Pollination's review of the NaturePlus™ Scheme and other reviewed schemes was carried out on the following basis:

- the review was undertaken at the scheme and methodology level and not designed to take into consideration project-level outcomes,
- only documentation that was prepared by the entity responsible for developing the reviewed scheme in relation to the administration of the relevant scheme (**Scheme Documentation**) was considered, and not ancillary documentation,<sup>14</sup> and
- only publicly available Scheme Documentation (including information published on reviewed schemes' websites) was considered.



<sup>13</sup> The schemes assessed were selected to be a representative sample of existing and emerging biodiversity credit schemes (see Table 4 in Section 3.2 of the Global Report which explains Pollination's scheme selection process in detail).

<sup>14</sup> Pollination's review of the NaturePlus™ Scheme did not include a detailed review of the AfN Framework, including the AfN Standard, AfN Audit & Verification Rules and other related documents. Refer to **Footnote 6** for the list of documentation reviewed for the NaturePlus™ Scheme.

## 3.2 Scheme Design Considerations

**Table 2** below summarises Pollination’s findings from reviewing the NaturePlus™ Scheme against the Design Review Framework. A summary of the findings for all the reviewed schemes can be found **at Table 5** in **Section 3.4** and at **Section A.1** of **Appendix A** of the Global Report.

**TABLE 2: NATUREPLUS™ SCHEME DESIGN REVIEW FRAMEWORK FINDINGS**

SCHEME DESIGN REVIEW FINDINGS	
<p><b>1. SCHEME COVERAGE</b></p> <p>What country(ies) does the scheme apply to or is it intended to apply to?</p> <p>Does the scheme intend to apply to terrestrial, freshwater and/or marine/coastal ecosystems?</p>	<p>The NaturePlus™ Standard is intended to apply globally,<sup>15</sup> and to all ecosystem types.<sup>16</sup></p>
<p><b>2. SCHEME ADMINISTRATION</b></p> <p>Is the scheme administered by a not-for-profit entity, commercial entity, or a government body?</p>	<p>GreenCollar is administering the NaturePlus™ Scheme during the Beta Phase of development. From Phase 2 onwards, the scheme will be independently administered.<sup>17</sup></p> <p>This is consistent with current market norms as the majority of the reviewed schemes are being administered by commercial entities that are also acting as project proponents.</p> <p>Refer to <b>Section 3.3</b> below in relation to these arrangements in the context of integrity considerations.</p>
<p><b>3. UNITISATION APPROACH</b></p> <p>What is the applicable metric/unit of measurement?</p>	<p>The NaturePlus™ Scheme adopts a standardised area of 1 hectare for the issuance of NaturePlus™ credits,<sup>18</sup> which is aligned with the unit area adopted by many existing and emerging global schemes. The standardised area of 1 ha is the largest amongst the reviewed schemes that specify a standard area metric.</p> <p>NaturePlus™ credits can only be generated from a project after an improvement in or maintenance of the condition of an environmental asset has been third-party audited and certified by AfN for the applicable monitoring period (see below).<sup>19</sup> NaturePlus™ projects must demonstrate progressive measured improvement to be awarded credits (i.e. restoration).<sup>20</sup> Once the condition of an environmental asset has reached a sustainable level, projects switch to maintenance and must remain above that level to continue crediting (i.e. conservation).<sup>21</sup></p>

<sup>15</sup> NaturePlus™ Guide, section 2.1, callout box.

<sup>16</sup> The NaturePlus™ Scheme is expressly intended as a “total ecosystem solution”, designed to “work with methods that span native vegetation, fauna, soil, fresh water and marine environments”, GreenCollar [website](#), *NaturePlus™ – Driving investment into global conservation outcomes* (webpage forthcoming at time of publication).

<sup>17</sup> The NaturePlus™ Guide indicates that Phase 2 of the scheme will involve a “Transition to an external and independent Standard Administrator” (section 4).

<sup>18</sup> NaturePlus™ Standard, section 3.7.1.

<sup>19</sup> NaturePlus™ Standard, section 3.7.

<sup>20</sup> NaturePlus™ Standard, section 3.7.2.

<sup>21</sup> NaturePlus™ Standard, section 3.7.3.

SCHEME DESIGN REVIEW FINDINGS

4. ISSUANCE APPROACH

Are credits issued on an ex-ante or ex-post basis?

Are there multiple (periodic) credit issuances or a single issuance of credits?

Is there a defined crediting period or is crediting indefinite?

The NaturePlus™ Scheme adopts a multiple-credit-issuance approach, whereby the issuance of credits after each monitoring period is dependent on progressive demonstration of verified ecological outcomes (i.e., on an ex-post basis).<sup>22</sup> This is consistent with current market norms.

The NaturePlus™ Scheme provides one of the most flexible approaches to ex-post-based credit issuance among the reviewed schemes that allow for multiple credit issuances. The NaturePlus™ Scheme does not adopt a fixed monitoring period for credit issuances, but allows for the adoption of monitoring periods ranging between 12 months and five years at the project proponent’s discretion.<sup>23</sup> This approach differs from the majority of the reviewed schemes, which either adopt a fixed monitoring period (i.e. not a range) or do not rely on a monitoring period to trigger credit issuances.



22 NaturePlus™ Standard, section 3.7. NaturePlus™ Guide, section 2, “NaturePlus™ projects can generate credits under both the Restoration phase and the Conservation phase of the Environmental Asset being improved, with no time limit on the crediting period so long as the Conservation outcome is demonstrated via Certified Environmental Accounts. A project must first restore the Condition of an Environmental Asset and once it has reached a restoration threshold defined by the Standard, it can begin generating Conservation Credits”.

23 NaturePlus™ Standard, section 3.5.1.



### 3.3 Integrity Considerations

Table 3 below summarises Pollination’s findings from reviewing the NaturePlus™ Scheme against the Integrity Review Framework. A summary of the findings for all the reviewed schemes can be found at Table 6 in Section 3.5 and at Section A.3 of Appendix A of the Global Report.

TABLE 3: SUMMARY OF NATUREPLUS™ SCHEME INTEGRITY REVIEW FRAMEWORK FINDINGS

INTEGRITY REVIEW FINDINGS	
<p><b>1. GOVERNANCE &amp; SCHEME DESIGN</b></p> <p><b>Transparent and sound governance, with information sharing on biodiversity-credit design, measurement and issuance.</b></p> <p>Does the scheme require project proponents to have the legal right to carry out the project?</p> <p>Does the scheme have appropriate governance arrangements in place to support the overall integrity of the scheme?</p> <p>Do the scheme governance arrangements provide comprehensive and transparent information on credit design and issuance and project reporting and project documentation/ data?</p> <p>Are the scheme governance arrangements (including in relation to governing and advisory bodies, governing rules, standards and methodologies) regularly and independently reviewed, and the outcomes of those reviews made public?</p> <p>Does the scheme have or require that systems are in place at the project level to ensure clear documentation of who will have legal ownership of the credits generated by the project?</p> <p>Does the scheme provide clear guidance on the appropriate use case and claims to be made on the basis of a biodiversity credit purchase and whether the biodiversity credits can be stacked?<sup>24</sup></p>	<p>The NaturePlus™ Scheme is well positioned against all of the reviewed schemes on the following requirements:</p> <ul style="list-style-type: none"> <li>• legal-right requirements for project proponents,<sup>25</sup></li> <li>• credit design, calculation and issuance,<sup>26</sup> project reporting/ documentation,<sup>27</sup> and third-party auditing requirements,<sup>28</sup></li> <li>• legal ownership of NaturePlus™ credits upon issuance,<sup>29</sup> and</li> <li>• the use of/claims that can be made in relation to NaturePlus™ credits.<sup>30</sup></li> </ul> <p>It is a strength of the NaturePlus™ Scheme compared to the majority of the reviewed schemes that, under the NaturePlus™ Standard, legal right must be demonstrated throughout the project and not just at the project start date.<sup>31</sup></p> <p>GreenCollar is acting as the NaturePlus™ Standard Administrator during the Beta Phase of development of the Standard however, an external Standard Administrator will be appointed for later phases of the Standard.<sup>32</sup> This is consistent with current market norms.</p> <p>There is not a requirement for project proponents to have the necessary skills, capability, and competency to fulfil their role in the NaturePlus™ Standard. This is consistent with current market norms.</p> <p>The NaturePlus™ Scheme does not require scheme governance arrangements to be regularly and independently reviewed and for the outcome of these reviews to be made public. This is consistent with current market norms. None of the reviewed schemes require periodic and independent reviews of governance arrangements to be undertaken.</p>

24 **Stacked products** involve various ecosystem services provided by nature-based projects within a project area being sold as a range of different credit types or units of trade that together form a stack (e.g., separate carbon credit and biodiversity credits). The components of the stack can then be sold individually to different buyers and separate payments received for each set of services. (See Global Environment Facility (2023), *Innovative Finance for Nature and People: Opportunities and Challenges for Biodiversity-Positive Carbon Credits and Nature Certificates*, p.6). Biodiversity products may also form part of a **stapled product**, whereby various benefits achieved through different projects are sold together as a single unit. We have not addressed stapled units in this Review.

25 NaturePlus™ Standard, section 3.1.1.

26 NaturePlus™ Standard, section 3.7 and 3.10.

27 NaturePlus™ Standard, section 3.5.

28 NaturePlus™ Standard, section 3.3.

29 NaturePlus™ Standard, Schedule 1, section 3.1.4.

30 NaturePlus™ Claims Guide.

31 NaturePlus™ Standard, section 3.1.1(ii).

32 The NaturePlus™ Guide indicates that Phase 2 of the scheme will involve a “Transition to an external and independent Standard Administrator” (section 4).

**2. INDIGENOUS PEOPLES & LOCAL COMMUNITIES<sup>33</sup>**

**No harm to people; generation of positive, equitable benefits; respecting the rights of IPs and LCs and ensuring IPs' and LCs' leadership in biodiversity credit markets and ownership of projects on lands and waters under the stewardship of IPs and LCs.**

Does the scheme ensure that projects do not infringe on human rights and require projects to demonstrate an understanding of their context?

Is the scheme designed in a way that recognises and respects IPs and LCs, their claims to territories and their methods of self-governance?

Is the scheme designed to respect the right of IPs and LCs to free, prior and informed consent (FPIC) and ensure best practice social safeguards are in place?

Is the scheme designed to ensure equitable benefit-sharing arrangements are implemented at every stage of the project and transparency of benefit sharing arrangements?

The NaturePlus™ Scheme is well positioned against the majority of the reviewed schemes in relation to the following considerations:

- providing for a conflict resolution/grievance mechanism available to all stakeholders, including IPs and LCs, in the NaturePlus™ Standard,<sup>34</sup>
- requiring that achievement of FPIC is demonstrated by projects that impact the rights of IPs and LCs,<sup>35</sup> and
- consultation and engagement processes with IPs and LCs.<sup>36</sup>

The other reviewed schemes overall lack robustness in relation to requirements for engagement with IPs and LCs at the scheme- and project-levels, noting that the majority of the reviewed schemes do not provide clarity on the following requirements:

- recognition and respect for IPs and LCs,
- obtaining FPIC,
- safeguards against adverse social impacts,
- equitable benefit-sharing requirements, including in relation to the proceeds from secondary market sales.

<sup>33</sup> Pollination is aware that GreenCollar has internal guidelines addressing FPIC and consultation with IPs and LCs. However, as these guidelines have not been made publicly available, they therefore did not form part of Pollination's review.

<sup>34</sup> NaturePlus™ Standard, section 7.

<sup>35</sup> NaturePlus™ Standard, section 3.1.1 (iv); NaturePlus™ Guide, section 9.4.

<sup>36</sup> NaturePlus™ Guide, section 9.4; NaturePlus™ Standard, section 3.1.1 (v) requires that "The Project Proponent must be a Member of the People's Forest Partnership, committing to the PFP Principles and Criteria for membership for meaningful partnership with IPLCs on projects on their lands and/or territories". The PRP Principles and Criteria for Membership contains IP and LCs consultation and engagement processes (see NaturePlus™ Guide, page 25).

### 3. SCHEME ARCHITECTURE

#### Scheme-design decisions that ensure credits achieve high-integrity positive biodiversity outcomes.

Is the scheme supported by a registry that records the registration and status of projects and the issuance, transfer and cancellation/retirement of credits?

Is the scheme designed to ensure long-term, additional and robust positive biodiversity outcomes (i.e. enables sustained conservation actions and addresses leakage, risk of reversal events, etc.)?

Does the scheme address whether credits can be sold on a secondary market?

The NaturePlus™ Scheme is well positioned against the majority of the reviewed schemes in relation to the scheme architecture indicators, and particularly in relation to the following:

- the NaturePlus™ Scheme allows for an indefinite crediting period for conservation outcomes.<sup>37</sup> This is a novel and market-leading approach to enable long-term financing of conservation outcomes.
- the NaturePlus™ Standard applies a risk-based Leakage Deduction Factor at credit issuance.<sup>38</sup> This is a market-leading approach as several of the other reviewed schemes do not clearly address leakage.
- credits issued under version 1.1 of the NaturePlus™ Standard cannot be transferred to or traded by buyers.<sup>39</sup> This is consistent with current market norms.
- the NaturePlus™ Standard utilises a buffer account to address the risk of reversal.<sup>40</sup> A portion of the total number of credits is allocated to a buffer account, instead of being issued to the relevant project proponent. This is consistent with current market norms.
- the NaturePlus™ Standard establishes a registry which is currently operated by GreenCollar and is subject to a third-party audit at least every two years.<sup>41</sup> GreenCollar has indicated that an independent registry operator will be established in the transition to Phase 2 of the NaturePlus™ Standard.<sup>42</sup> This is consistent with current market norms.

The NaturePlus™ Scheme applies a Non-permanence Deduction Factor, which creates incentives for projects in a protected area or protected by a legally-binding commitment to continue management practices that protect the environmental asset for 25 years or more.<sup>43</sup> While this mechanism is novel across the reviewed schemes, the approach taken under the NaturePlus™ Scheme is consistent with current market norms, as the majority of the reviewed schemes include a fixed permanence period in order to remove the risk of project developers prioritising short-term financial gains over longer-term maintenance of biodiversity gains.

The NaturePlus™ Scheme eligibility requirements preclude projects where there is evidence of material negative change in the environmental asset within the project area within five years of project/monitoring commencement that can be attributed to the project proponents.<sup>44</sup> Pollination considers that this mechanism effectively mitigates the risk of deliberate degradation of biodiversity in order to make a later case for additionality (i.e. the risk of 'moral hazard'), which was generally not well addressed in other reviewed schemes.

37 NaturePlus™ Guide, section 2, "NaturePlus™ projects can generate credits under both the Restoration phase AND the Conservation phase of the Environmental Asset being improved, with **no time limit on the crediting period so long as the Conservation outcome is demonstrated** via Certified Environmental Accounts. A project must first restore the Condition of an Environmental Asset and once it has reached a restoration threshold defined by the Standard, it can begin generating Conservation Credits."

38 NaturePlus™ Standard, section 3.6.

39 NaturePlus™ Standard, section 4.2. Note that "Transition to Phase 2 of the Scheme may permit Credit Transfers between Registry Accounts if the market develops in this way and trading can occur with high integrity." (NaturePlus™ Guide, section 8).

40 NaturePlus™ Standard, sections 3.7.6 and 4.5.

41 NaturePlus™ Guide, section 8.

42 NaturePlus™ Guide, section 8.

43 NaturePlus™ Standard, section 3.7.5.

44 NaturePlus™ Standard, section 3.1.2 (v). Note that this requirement only applies to projects with a Monitoring Period Start Date or the Project Start Date after 18 August 2023.

### 3.4 Technical Considerations

**Table 4** below summarises Pollination’s findings from reviewing the NaturePlus™ Scheme against the Technical Review Framework. A summary of the findings for all the reviewed schemes can be found in **Table 8** in **Section 3.6** and **Section A.4** of **Appendix A** of the Global Report.

TABLE 4: SUMMARY OF NATUREPLUS™ SCHEME TECHNICAL REVIEW FRAMEWORK FINDINGS

TECHNICAL REVIEW FINDINGS	
<p><b>1. RELEVANCE</b></p> <p><b>Use of data, methods, criteria, and assumptions that are appropriate for the project. Quantification and reporting should include only information relevant to internal and external stakeholders. Data, methods, criteria, and assumptions that are misleading or that do not conform to best practice are not relevant and should not be included.</b></p> <p>Does the scheme require and/or include the appropriate data, methods, criteria, and assumptions for targeted outcomes?</p> <p>Does the scheme have an approach to monitoring, reporting, and verification (MRV) methodology that adequately measures change in biome over time? Does this include tracking changes to individual species over time? Does this include tracking changes to habitat cover over time?</p>	<p>The NaturePlus™ Scheme is well positioned against the majority of the reviewed schemes in relation to the relevance indicators. It uses a standardised approach to implementing relevant, peer-reviewed methodologies and establishing regular, consistent reporting and verification procedures. This is consistent with current market norms.</p> <p>The NaturePlus™ Standard states that sufficient information must be presented to demonstrate delivery of restoration or conservation targets for the relevant environmental asset,<sup>45</sup> but does not specify the types of data (such as flora and fauna abundance, richness, habitat composition, etc.) that should be collected to communicate this information. Detailed indicator data requirements are included in the Native Vegetation and Koala methods. This is consistent with current market norms.</p> <p>The NaturePlus™ Standard is focused on the restoration and conservation of one environmental asset (e.g., native vegetation or koala habitat).<sup>46</sup> This approach does not require the tracking of metrics across all aspects of the relevant ecosystem type (terrestrial, marine, or aquatic), which creates a degree of uncertainty in relation to the overall biodiversity outcomes achieved in the project area and could, in some cases, result in perverse outcomes for other aspects of the relevant ecosystem type.</p> <p>The NaturePlus™ Standard addresses this risk by requiring an Environmental Asset Adaptive Management Strategy (<b>EAAMS</b>) risk assessment be undertaken.<sup>47</sup> This risk assessment is updated at every monitoring period to ensure that possible perverse outcomes are monitored over time.<sup>48</sup> Introducing compulsory minimum indicators / baseline requirements for tracking metrics across all aspects of the relevant ecosystem type could further mitigate these concerns.</p>

<sup>45</sup> NaturePlus™ Standard, section 3.5.3.

<sup>46</sup> NaturePlus™ Guide, section 2.

<sup>47</sup> NaturePlus™ Standard, section 3.2.2.

<sup>48</sup> NaturePlus™ Standard, section 3.2.2.

**2. COMPLETENESS**

**Consider all relevant information that may affect the quantification of biodiversity impacts. All relevant information should be included in the quantification of biodiversity impacts, including: all the effects of a biodiversity project should be considered and assessed, all relevant technologies or practices should be considered to measure baselines. The biodiversity project’s monitoring plan should also specify how all relevant data will be collected.**

Does the scheme’s framework protect against negative incentives, and ensure long-term biodiversity outcomes?

Does the scheme require an initial baselining of ecosystem health for the project, and are these measurements taken before restoration activities take place?

The NaturePlus™ Scheme is well positioned against the majority of the reviewed schemes in relation to the completeness indicators, with a particular strength relating to the identification of important species and habitats and their occurrence across the project area,<sup>49</sup> and the use of metrics particularly applicable to the AfN Method (i.e., species occurrence, habitat types/condition, etc.).

The NaturePlus™ Scheme allows for crediting for both restoration and conservation outcomes, which addresses an important facet of the completeness of ecosystem health.<sup>50</sup> This is a market-leading approach as the majority of the other reviewed schemes do not allow for crediting for both restoration and conservation outcomes.

**3. CONSISTENCY**

**Use of data, methods, criteria, and assumptions that allow meaningful and valid comparisons. The credible quantification of biodiversity impacts requires that methods and procedures be always applied to a project and its components in the same manner, that the same criteria and assumptions are used to evaluate significance and relevance, and that any data collected and reported will be compatible enough to allow meaningful comparisons over time.**

Does the scheme have the capacity to measure the change in species/habitat presence and health over time?

Does the scheme align with net-positive biodiversity goals set forth by the Convention of Biological Diversity in ways most appropriate for the project(s)’ biome?

The NaturePlus™ Scheme is well positioned against the majority of the reviewed schemes in relation to the consistency indicators. The NaturePlus™ Standard requires the use of benchmark data,<sup>51</sup> and establishes clear auditing/reporting guidelines for data being tracked.<sup>52</sup> This is consistent with current market norms.

<sup>49</sup> NaturePlus™ Standard, section 3.9.

<sup>50</sup> NaturePlus™ Guide, section 2.

<sup>51</sup> NaturePlus™ Standard, Schedule 1, Econd@ Condition Score.

<sup>52</sup> NaturePlus™ Standard, sections 3.3 and 3.5.

<p><b>4. TRANSPARENCY</b></p> <p><b>Provide clear and sufficient information for reviewers to assess the credibility and reliability of biodiversity claims. Project information should be compiled, analysed, and documented clearly and coherently so that reviewers may evaluate its credibility. Specific exclusions or inclusions should be clearly identified, assumptions should be explained, and appropriate references should be provided for both data and assumptions. Information relating to the project boundary and the identification of baseline scenarios should be sufficient to enable reviewers to understand how all conclusions were reached. This should be supported by comprehensive documentation of any underlying evidence to confirm and substantiate the data, methods, criteria, and assumptions used.</b></p> <p>Does the scheme require projects and their respective progress to be independently verified?</p>	<p>The NaturePlus™ Scheme is well positioned against the majority of the reviewed schemes in relation to the transparency indicators. The NaturePlus™ Standard provides clarity on requirements for verifying,<sup>53</sup> selling,<sup>54</sup> transferring,<sup>55</sup> and retiring credits.<sup>56</sup> This is consistent with current market norms.</p>
<p><b>5. ACCURACY</b></p> <p><b>Reduce uncertainties as much as is practical. Uncertainties with respect to biodiversity measurements, estimates, or calculations should be reduced as much as is practical, and measurement and estimation methods should avoid bias. Acceptable levels of uncertainty will depend on the objectives for implementing a project and the intended use of quantified biodiversity impacts.</b></p> <p>Does the scheme implement a rigorous scientific methodology that uses tested, peer-reviewed processes and technologies?</p> <p>What are the defined market principles (e.g. leakage, uncertainty, additionality) the scheme uses for sale and delivery of credits?</p>	<p>The NaturePlus™ Scheme is well positioned against the majority of the reviewed schemes in relation to the accuracy indicators. As identified above, it uses a standardised approach to implementing relevant, peer-reviewed methodologies and the publication of open-source data.<sup>57</sup> This is consistent with current market norms.</p> <p>As identified below, the risk-based Leakage and Non-permanence Deduction Factors that are applied at credit issuance under the NaturePlus™ Standard are market-leading approaches.<sup>58</sup></p> <p>Further, as also noted above, the NaturePlus™ Standard utilises a buffer account to address the risk of reversal.<sup>59</sup> This is a market-leading approach.</p>
<p><b>6. CONSERVATISM</b></p> <p><b>Where accuracy is sacrificed and/or uncertainty is high, data and estimates used to quantify biodiversity impacts should be conservative.</b></p> <p>How does the methodology address uncertainty? Does the methodology support a conservative approach to quantification?</p>	<p>The NaturePlus™ Scheme is well positioned against the majority of the reviewed schemes in relation to the conservatism indicators. As identified above, the risk-based Leakage and Non-permanence Deduction Factors that are applied at credit issuance under the NaturePlus™ Standard are market-leading approaches.<sup>60</sup> The accuracy levels required under the AfN Methods are also market-leading approaches under the NaturePlus™ Scheme.<sup>61</sup></p>

53 NaturePlus™ Standard, section 3.3.

54 NaturePlus™ Standard, section 4.2. Note that the NaturePlus™ Standard specifies that “NaturePlus™ Credits issued under version 1.1 may only be sold by the Proponent to a purchaser for retirement purposes and not for further trading or sale.” (section 4.2).

55 NaturePlus™ Standard, section 4.4.

56 NaturePlus™ Standard, section 4.4.

57 NaturePlus™ Guide, section 2.1.

58 NaturePlus™ Standard, sections 3.6 and 3.7.5.

59 NaturePlus™ Standard, section 3.7.6.

60 NaturePlus™ Standard, sections 3.6 and 3.7.5.

61 NaturePlus™ Standard, section 3.1.2 (iii).



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