# Natural Forest Standard
## Program Governance and Procedures



**Version 1.0**
**18th September 2023**

# Contents

## About the Natural Forest Standard

Natural Forest Standard (NFS) is an independent, voluntary carbon market crediting program for REDD+ carbon projects. Ecosystem Certification Organisation is the governing body of the Natural Forest Standard (NFS) providing the overall responsibility, oversight and management of the program, in operation since 2011.

Ecosystem Certification Organisation Ltd.  Company registration number: 7669379.
7 Bell Yard, London, WC2A 2JR, UK

info@naturalforeststandard.com           info@ecosystemcertification.org
naturalforeststandard.com                ecosystemcertification.org

| Document Name | NFS Program Governance and Procedures Manual |
|---|---|
| Publication Date | 18th October 2024 |
| Version | 1.0 |

# 1. Introduction

Natural Forest Standard is an independent, voluntary carbon market crediting program for Jurisdictional REDD+ carbon projects, in operation since 2011.

The NFS provides a standardised approach for baseline-setting and carbon credit calculation, applying a risk-based methodology and utilizing national and sub-national datasets. It provides an efficient, transparent, and robust crediting system, using data, technology, and enhanced approaches to streamline and enable project processes.

Reference levels are set independently from the project using regional assessments of forests at risk derived from historic satellite data and other geospatial data allowing for a systematic and highly credible approach.

The NFS aims to conserve and restore natural forests through actions of projects that benefit both local communities while maintaining the biodiversity present in the project area. This all-encompassing approach to environmental, social and biodiversity benefits of projects under the NFS is designed to ensure that social and environmental safeguards are integral throughout the project design and implementation.

The program requirements set the normative requirements for projects using the NFS. The accompanying NFS program Guidance documents should be consulted in addition to the Standard. The Guidance is designed to assist project developers in meeting the normative requirements of the Standard. The guidance should be interpreted in a pragmatic, professional and balanced manner to address aspects of project design and management that are important for achieving effective forest conservation and restoration in ways that benefit local communities and biodiversity.

The working language of ECO and the NFS is English.

# 2. Program Governance

### 2.1 About Ecosystem Certification Organisation (ECO)

Ecosystem Certification Organisation is the governing body of the Natural Forest Standard (NFS) providing the overall responsibility, oversight and management of the program. ECO also provides the secretariat administration for the Standard and the NFS Registry. The Technical governance of the NFS is provided by the independent Technical Advisory Panel (TAP).

Ecosystem Certification Organisation (ECO) is a UK-based private company limited by guarantee without share capital (not-for-profit) company, registered with company number 7669379, established in 2011.

The role of ECO is to help align the NFS with best practices within the voluntary carbon market (VCM) whilst upholding the core principles and integrity of the NFS approach. ECO is also responsible for making policy decisions on the direction of the NFS within the market, and for ensuring its recognition within the market.

### 2.2 Technical Advisory Panel (TAP)

The Technical Advisory Panel (TAP) is an independent panel of experts, convened and chaired by Resilience Constellation (RC). The TAP is responsible for providing the necessary technical advice and

support to the EGB. They provide the appropriate range of experts to carry out technical reviews, development, and assessments to inform their recommendations to the EGB. They provide the technical input, reviews and recommendations for the EGB to formally ratify and operationalise.

### 2.3 Governance and Operational Structure

ECO is responsible for operational and procedural actions of the NFS.  This includes the oversight and of the NFS Registry. There are divisions of responsibility for the Governance of the NFS. The following chart details the overall structure of the NFS:
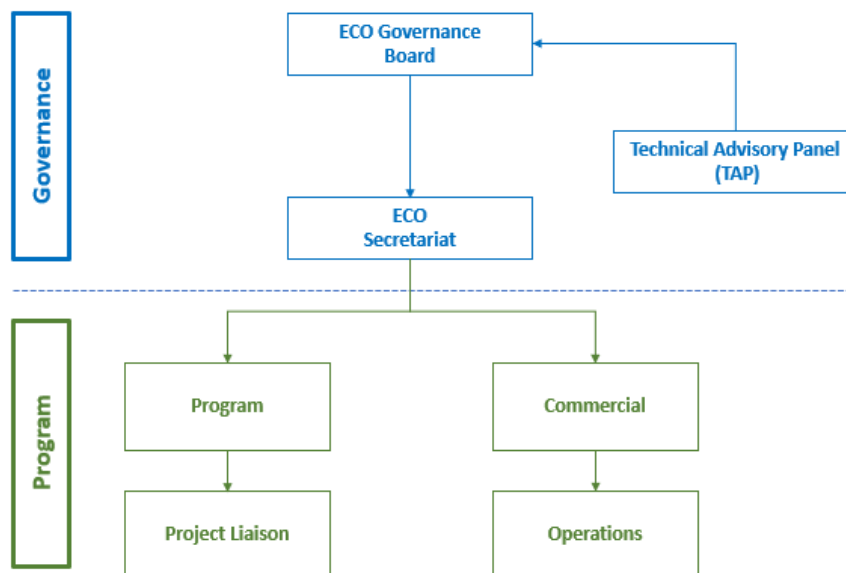


In addition, we engage with independent professional advisors and consultants where appropriate and necessary, who bring specialized knowledge and perspectives, further supporting the board in fulfilling its governance responsibilities.

This compact structure not only ensures efficient and effective decision-making but also maintains our agility in operational management, which is crucial for the efficiency of the program. We are dedicated to maintaining transparency and accountability in all aspects of our operations and governance. As ECO continues to evolve, we are committed to enhancing our governance structures to meet the highest standards of independence and responsibility.

### 2.4 Decision-Making Structure

#### 2.4.1 ECO Governance Board (EGB)

ECO is responsible for management and oversight of the NFS.  The ECO Governance Board (EGB) oversees the operational, strategic, policy and procedural governance of the NFS program.

The EGB relies on and follows the advice and input of the TAP to inform its operational decisions and approvals. All ratifications and approvals by the EGB are only implemented following the independent review and recommendations from the Technical Advisory Panel (TAP).

EGB functions include:

- overseeing the continued development of the NFS.  The EGB approves methods, maps, data, standard and guidance updates, and other technical elements based on recommendations from the TAP;
- approval and implementation of appropriate procedural actions;
- formal approval of NFS projects throughout the project process (validation, verification, credit issuance). These approvals are only made following an independent, third-party validation and verification process of the project and subsequent independent review, approval, and recommendation from the TAP.

The EGB shall be convened by ECO, and the Chair of the TAP shall also be a member of the EGB.

### 2.4.2    Technical Advisory Panel (TAP)

The TAP provides advice, support, and guidance on technical matters, providing recommendations on the technical aspects of the NFS, as well as reviewing data sources and methods relevant to the NFS and individual projects.  The TAP provides the technical input, oversight and approval of the validation, verification and credit issuance processes of NFS projects, to recommend approval by the EGB for each of these project stages.

TAP functions include:

- Reviews of impacts of changes to definitions, methods, and external standards;
- Assessment of data and methods used to quantify carbon emissions;
- Reviews of methods and data sources used to ensure biodiversity benefits and the permanence of carbon stocks;
- Review and approval of completed project validation, verification, assurance and credit issuance documentation;
- Development of good practices for aspects of forest management and conservation plans.

### 2.4.3    ECO Secretariat (ESEC)

The ECO Secretariat manages the operational and implementational functions of the NFS, including onboarding projects, marketing & communications, and program and registry administration as well as the maintenance of the NFS program documents, following decisions made.

### 2.5    Long-term Administration Plan

To ensure long-term viability and continuity the structural and operational framework of ECO is designed to be efficient and sustainable, minimizing resource burdens while maintaining agility and effectiveness ensuring a sustainable basis for long-term operations.

ECO has implemented regular evaluations of operational, financial, and environmental impacts. Moreover, ECO ensures comprehensive administrative functionality is maintained to guarantee consistent leadership and expertise in managing the NFS program.

For the administration of the long-term program elements, the NFS Risk Buffer Policy v1.0 outlines the NFS approach to defining permanence and identifies permanence to be Project Duration plus 20 years; as the NFS requires a project to have a minimum duration of 20 years permanence is set at a

minimum of 40 years, and the Risk Buffer held on the NFS Registry is maintained for the duration of this permanence timeframe, covering the multi-decadal timescale required.

### 2.5.1 Dissolution Plan

ECO's commitment to the durability and resilience of the NFS program, ensures that its environmental and social impacts are sustained regardless of organisational changes.

In the unlikely event that ECO becomes unable to oversee the NFS, a contingency plan is in place. This includes a detailed transfer strategy to ensure that the management of the NFS program, methodologies, registry, and active projects can be seamlessly transitioned to another qualified operating entity, thus safeguarding the continuity and integrity of the program across decades. Key elements of the dissolution plan include:

**Detailed Transfer Strategy:** In the event that ECO can no longer manage the NFS, a detailed strategy is in place for transitioning management responsibilities to another qualified operating entity. This strategy is designed to facilitate a seamless transfer of all program components, including methodologies, the NFS registry, and active projects.

**Guaranteed Continuity:** The plan ensures that there will be no interruption in the program's operations and that all projects continue to comply with established standards and objectives.

### 2.6 Conflicts of Interest

The Conflicts of Interest Policy details the policy and procedures for preventing, declaring, addressing and isolating any conflicts arising from any Involved Persons (Trustees, Members, Staff, Associates, Advisors and any third parties acting on its behalf) from having financial, commercial or fiduciary conflicts of interest. An annual declaration renewal is required. This policy is publicly available on the Program Governance page of the NFS website.

# 3. Program Procedures

### 3.1 Publicly Available Documentation

ECO NFS ensures that all relevant program and project documents are publicly available on the NFS website: https://naturalforeststandard.com.

### 3.2 Information Requests

Occasionally, project or program information that is required to be present on the Natural Forest Standard website may be unintentionally missing. In such instances, anyone may contact NFS at info@naturalforeststandard.com to request that the information be made available. The procedure for handling these requests is as follows:

Upon receiving a request, the NFS team will acknowledge receipt within two weeks, including a determination on the public availability of the requested information.

Should it be necessary to make the information publicly accessible, the NFS team aims to publish it within four weeks of receiving the request. If external dependencies or data protection requirements extend this timeline, the NFS team will communicate any delays to the original requestor.

### 3.3    VVB Performance

Should ECO NFS determine that a Validation and Verification Body (VVB) has not upheld the NFS standards due to ongoing performance issues, carelessness in report preparation or audit practices, or credible concerns that VVB protocols, procedures, or that the VVB Terms of Reference are not being adhered to in practice, ECO NFS may, at its discretion, issue warnings, impose temporary suspensions, or provide directives for rectification. Furthermore, ECO NFS reserves the right to disqualify VVBs from future validation or verification engagements or other NFS-related activities.

### 3.4    Double Issuance

The NFS has strict procedures in place that NCCs are only issued as a singular issuance, to the project developer.

The NFS provides a Map Registry platform on the NFS website that is available to demonstrate singularity of NFS projects, and can be cross checked publicly for any overlap of projects registered with other crediting programs.  Unlike other Standards, we do not use a marker derived from a single set of geographic coordinates; rather we use the entire set of project coordinates (by way of a geospatial vector file) to transparently demonstrate the entire project area.

Integrity features include:

- **Transparent Information on Mitigation Activities:**  The NFS provides accurate boundaries on all areas used to generate credits
- **Overlap and Conflict Detection:** The NFS Map Registry enables operators and verifiers to ensure that project areas do not overlap or conflict with other credit generation projects
- **Double Counting Prevention:**  Project operators and verifiers can ensure that jurisdiction boundaries are complied with to avoid Double Counting
- **Data Transparency:**  The Map Registry also displays key datasets used to determine additionality and carbon impact – independently assessed forest risk levels and carbon stocks.

### 3.5    Double Registration

The NFS prohibits the registration of any project that is currently active under another carbon crediting program.  A project wishing to transition from another carbon crediting program to the NFS shall provide substantive evidence that the project is no longer active with the former carbon crediting program prior to it being considered eligible for registration with the NFS.

### 3.6 Stakeholder Feedback and Comments

ECO NFS welcomes and encourages ongoing feedback and comments from any stakeholder at any time to fulfil our goal of creating a transparent and responsive Standard that meets the needs of both project developers and industry demands alike.  All feedback should be made through the "Contact Us" page on either the Natural Forest Standard or Ecosystem Certification Organisation websites.   All feedback and comments received will be considered, and where appropriate, may be included in the program review and revision process.   There is also a formal grievance policy available on the NFS website.

### 3.7    Program Updates

NFS Program documents, guidance manuals, procedures and policies as well as methodologies may be updated periodically.  Revision of the Standard will be an interactive process; project developers,

carbon buyers, VVBs 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 Advisory Panel (TAP), 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. All feedback and comments received will be considered, and appropriate modifications will be carried out at regular intervals.

Updated guidance will be reviewed by independent experts to ensure the robustness of the Standard. The NFS will also 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.

### 3.7.1 Proposed Standard Revisions

Any proposed revisions to any program documents, manuals or procedures should be submitted along with the justification for such proposed changes. Any proposals will undergo an internal consideration process and where appropriate will be put forward in the subsequent review and/or update iteration.

### 3.7.2 Public Consultation

The NFS conducts public consultation periods for any material changes to the program documents i.e. fundamental changes to the requirements, guidance and/or methodologies, prior to approval.

The scope of any development, modification, or revision determines the necessity of a public consultation period to incorporate feedback from stakeholders. When such a period is required, all relevant documentation, including program documentation and methodologies, will be made publicly available on the NFS Public Consultation page and distributed via appropriate social media channels. The standard open comment period is set at a minimum of thirty (30) days, which may be extended based on the complexity of the updates.

Public consultations are mandatory in the following instances:

- When introducing modifications to existing methodologies or adding new methodologies for regions not previously covered by NFS approved methodologies.
- When making significant revisions to program documentation or established methodologies.

Public consultation may be optional for minor additions to methodologies that are not yet part of an approved methodology, depending on the origin of these additions. If these additions arise during the independent, third-party validation or verification process, they can be considered and potentially approved by the Technical Advisory Panel (TAP) without undergoing public consultation. Non-material revisions to program documentation or methodologies do not require public consultation.

The public consultation process is designed to actively engage key stakeholders, particularly those involved in active NFS projects. All feedback received will be compiled, summarized, and evaluated to determine its relevance and integration into the revision process.

The Public Consultation must proactively reach out to key stakeholders, including stakeholders involved with active NFS projects. Submitted responses shall be collated, summarised and assessed for applicability and consideration in the review process.

### 3.7.3    Direct Program Revisions and Updates
Direct modifications of program documents may be implemented. Direct Revisions are not subjected to TAB approval or Public Consultation.

This allows the ECO to adapt to market changes, including the following objectives:

- Complying with accreditation bodies requirements
- Legal or regulatory adjustments
- Minor changes
    - Minor changes are changes that do not significantly alter the intent or implications of existing program or methodology documents, such as non-substantive changes, procedural refinements or clarification of language.

### 3.7.4    Publication of Program Updates
Revised, modified and/or updated documentation will be made publicly available and available for use on the Documentation page of the Natural Forest Standard website. The results of any consultation process undertaken, and ratified recommendations from the TAP will be made publicly available to stakeholders in summary form.

### 3.8 Methodology Modification and Review
There is a separate procedures document available that provides the scope and process for methodology development, modification and review, available on the Methodology page of the NFS website.

## 4. Policy Documents
ECO NFS publicly discloses the following internal policy documents on the Governance page of the NFS website:

- **Anti-Fraud, Bribery and Corruption Policy**
- **Conflict of Interest Policy**
- **Corporate Social and Environmental Policy**
- **Anti-Money Laundering Policy**
- **Grievance Policy**