PLAN VIVO

PV Nature

# Project Requirements

*Version 1.1*

PLAN VIVO

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# INTRODUCTION

Over the last 25 years, the Plan Vivo Carbon Standard (PV Climate) has become an internationally respected and recognised Standard in the voluntary carbon market (VCM). PV Climate exists to support smallholders and communities at the forefront of the climate crisis to access responsible finance through the sale of high-quality carbon credits. We are known for a holistic approach to deliver impact for nature, climate, and communities, where participants are actively engaged in the project design and receive equitable benefit sharing of the carbon revenue. We believe that nature-based solutions can collectively deliver real and additional climate impact, whilst simultaneously restoring and protecting important habitats for biodiversity and continuing to deliver community benefits.

Whilst PV Climate primarily operates within the VCM, where social and biodiversity impact are framed as 'co-benefits', we have also recognised that there is a growing demand for a mechanism that allows responsible private investment to be channeled into projects that aim primarily to restore or conserve biodiversity. To address this demand, Plan Vivo has developed a standalone Plan Vivo Biodiversity Standard (PV Nature). In addition to allowing the certification of biodiversity conservation, PV Nature continues to align strongly with Plan Vivo's core values (holistic impact, participatory approach, and transparent and equitable benefit sharing for *Indigenous Peoples* and local communities). As such, PV Nature delivers high-integrity biodiversity certificates that provide robust and credible benefits for nature, while also providing benefits for climate and communities.

Plan Vivo projects certified under PV Nature involve protection, restoration and sustainable management of land or aquatic ecosystems in defined *Project Areas*. A *Project* can include one or more *Project Area(s)*, that are managed under a common governance structure.

Projects must be in conformance with all Project Requirements, as outlined in this document. The *Project Design Document (PDD)* should include sufficient information to demonstrate conformance with the PV Nature Project Requirements. The *PDD* must be kept up to date with any changes to the *Project*, and *Annual Reports* must be submitted to Plan Vivo throughout the *Project Period.*

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# Project Requirements

## 1 Eligible Interventions

### 1.1 Project Interventions

*Requirements*

1.1.1 *Project Interventions* must conserve or restore land or aquatic areas; provide long-term improvements in *Biodiversity* or reductions in biodiversity loss; and provide *Socioeconomic, Environmental* and *Climate Benefits*.

1.1.2 *Socioeconomic Benefits* cannot solely be from sale of *Plan Vivo Biodiversity Certificates (PVBCs* ) or employment in *Project* activities, and the *Project Intervention* itself must provide long-term *Socioeconomic Benefits* to the *Project Participants* and other *Local Stakeholders*.

1.1.3 *Project Interventions* must be carried out in the *Project Area(s)* that was not intentionally degraded or cleared of the native ecosystem within the last 10-years for the purpose of generating *Plan Vivo Biodiversity Certificates (PVBCs)* .

***Guidance***

- Plan Vivo accepts Project Interventions in the following categories:
  - ***Conservation Projects*** – protecting existing areas of globally significant biodiversity. Eligibility for conservation projects is detailed in the *PV Nature Methodology* but includes that conservation projects need to meet at least 1 *Key Biodiversity Area (KBA) Criteria* OR at least 2 *Important Area (IPA) Criteria.*
  - ***Restoration Projects*** – restoring and regenerating previously degraded ecosystems. (See PV Nature Eligibility Criteria).
- 'Long-term' refers to *Socioeconomic Benefits,* and improvements in biodiversity or reductions in biodiversity loss, that continue beyond the length of the *Crediting Period.*
- Evidence that the *Project Area(s)* were not intentionally degraded within the last 10-years may be provided through satellite imagery or stakeholder consultations.

## 1.2 Management Rights

### *Requirements*

1.2.1 *Project Interventions* must take place within defined *Project Area(s)* for which the *Project Participants* have statutory or customary rights that enable them to implement ecosystem management activities and benefit from the sale of *PVBCs*.

1.2.2 All *Project Areas* must be located within a defined *Project Region* , and the boundaries of all *Project Regions* and *Project Areas* must be mapped.

1.2.3 Where greater than 30% of the *Project Area* is managed by *Type II Project Participants*, additional requirements apply:

1.2.3.1 *Project Area(*s) whose management rights are permanently held by the *Project Participant(s)* must not have acquired the land from a *Community Group* or more than one individual landowner within the past 10 years.

1.2.3.2 *Project Area(s)* whose management rights are leased to the *Project Coordinator* from a *Community Group* must demonstrate an agreement that was formed between the two parties via an *FPIC* process.

***Guidance***

- A *Project Region* is the geographical area within which the *Project* will implement its *Project Interventions*. The boundary of the *Project Region* therefore needs to include all initial *Project Areas* , and any areas that the *Project* may expand to in the future.
- *Projects* can have more than one *Project Region* , for example if activities will take place in two geographically discrete regions.
- Land tenure, ownership, user rights and management rights that enable *Project Participants* to implement *Project Interventions* and benefit from the sale of *PVBCs* can be legally or customarily defined or described in a binding agreement with the landowner or official rights holder.

# 2 Stakeholder Engagement

## 2.1 Stakeholder Analysis

### *Requirements*

2.1.1 All *Stakeholders* that could influence or be affected by the *Project* must be identified and categorised as either *Local Stakeholders, Primary Stakeholders* or *Secondary Stakeholders*.

2.1.2 All *Indigenous Peoples* and local communities with statutory or customary rights to land or resources in the *Project Area(s)* must be identified, and their governance structure and decision-making processes must be described with details of the involvement of women and *Marginalised, Vulnerable* and/or *Disadvantaged People.*

2.1.3 Any past or ongoing disputes over land or resources in the *Project Area* (s) must be identified and described, with details of how they were or will be resolved.

2.1.4 Where greater than 30% of the *Project Area* is managed by *Type II Project Participants,* a *Stakeholder* analysis and consultation with *Local* and *Primary Stakeholders* must determine what constitutes the local community.

***Guidance***

- *Local Stakeholders* include an individual or group that is resident within the *Project Region* and could be affected by *Project* activities.
- *Primary Stakeholders* include an individual or group affected by the *Project* or that has potential influence on it. This includes all *Indigenous Peoples, Community Groups*, and local communities with customary user rights or historical access to the land or resources, and/or others who are directly affected by and use the biodiversity/land. *Primary Stakeholder(s)* must include anyone who uses the land, legally or illegally. *Project Participants*, and people who use or benefit from the land, and/or who may be disadvantaged from restricted access to the resource and its use as well as local communities must be considered as *Primary Stakeholders*. Note, all *Local Stakeholders* will be categorised as *Primary Stakeholders*, however not all *Primary Stakeholders* are local to the *Project Area.*

- *Secondary Stakeholders* include an individual or group with an indirect interest in the *Project*. For example, government authorities, politicians, religious leaders, civil society organisations and groups with special interests, the academic community, and others who have a more indirect interest in the project.
- Identification of *Indigenous Peoples* and local communities with rights to land and resources in the *Project Area(s)* is necessary to ensure that they are included in the *FPIC* process (see Section 2.6).

## 2.2 Project Coordination and Management

### *Requirements*

2.2.1 A legally established *Project Coordinator*, with the capacity for management and coordination of the *Project* throughout the *Project Period* , must take overall responsibility for the *Project*.

2.2.2 If *Project* management and coordination functions are carried out by parties other than the *Project Coordinator*, the governance structure of the *Project*, and division of responsibilities, must be clearly defined and formalised through written agreement(s) between the *Project Coordinator* and the other parties involved (see Section 5.1).

***Guidance***

- Project management and coordination functions include:
  - *Stakeholder* engagement during project development and implementation.
  - Ensuring conformance with the Plan Vivo Biodiversity Standard (PV Nature) and compliance with applicable policies, laws and regulations.
  - Developing *Technical Specifications, Land Management Plans* and *Project Agreements* with *Project Participants.*
  - Ensuring that the *PDD* is updated with any changes to the *Project.*
  - Registration and recording of *Land Management Plans, Project Agreements*, monitoring results, and sales agreements.
  - Managing project finances and dispersal of income to *Project Participants* as described by the *Benefit Sharing Mechanism*.
  - Managing *PVBCs* in the Plan Vivo Biodiversity Standard Registry.
  - Preparing *Annual Reports* and coordinating *Validation* and *Verification* events.

- Securing *PVBC* sales and other means of funding the *Project*.
- Assisting *Project Participants* to secure any legal or regulatory permissions required to carry out the *Project*.
- Providing technical assistance and capacity building required for *Project Participants* to implement *Project Interventions* and monitoring activities.
- Monitoring *Progress Indicators*, *Socioeconomic Indicators* and *Environmental Indicators* and providing ongoing support to *Project Participants.*
- Measurement, reporting and *Verification* of *Biodiversity Benefits.*

- There is no restriction on the type of organization that can take the role of *Project Coordinator*. For example, the *Project Coordinator* can be a local or international Civil Society Organization (CSO) or Non-Governmental Organization (NGO), Government Agency, Academic Institution or Private Company. *Project Coordinators* will need to provide a formal registration certificate of the organisation.
- Capacity for management and coordination of the *Project* demonstrated by the *Project Coordinator* or other parties involved must include the necessary skills and experience to allow for appropriate engagement with any *Indigenous Peoples*, and *Marginalised*, *Vulnerable* and/or *Disadvantaged Peoples* in the *Project Region*.

## 2.3 Project Participants

### *Requirements*

2.3.1 *Project Interventions* must be implemented by *Project Participants* that are resident within the *Project Region*; and who manage and use land or natural resources within the *Project Region* for subsistence or small-scale production.

2.3.2 *Project Participants* must not be structurally dependent on year-round hired labour for their land or natural resource management activities.

2.3.3 *Project Participants* that do not meet requirements 2.3.1 and/or 2.3.2 (defined as *Type II Project Participants*) can only be included if: i) the *Project Areas* they own or manage were not acquired from smallholder or *Community Groups* for the purpose of inclusion in the *Project*; ii) they have clear benefits to the *Project Region* and *Local Stakeholders*, for example by

increasing ecological connectivity (valid justification must be provided); and iii) they meet all other project requirements and additional requirements for *Type II Project Participants*.

2.3.4 There must be no discrimination based on gender, age, ethnicity, religion, or social status when selecting *Project Participants*; and if necessary, the *Project Coordinator* should take measures to reduce potential for tensions or disputes within or between communities.

2.3.5 If the *Project* expands over time by recruiting *Project Participants*, procedures must be defined for determining which of the potential *Project Participants* to recruit following requirement 2.3.4. There must be no discrimination based on gender, age, ethnicity, religion or social status; if necessary, measures should be taken to reduce potential for tensions or disputes within or between communities.

2.3.6 Where greater than 30% of the *Project Area* is managed by *Type II Project Participants*, additional requirements apply:

2.3.6.1 *Project Interventions* must be implemented by *Project Participants* through consultation and where appropriate active participation with *Local* and *Primary Stakeholders*, in consideration of land ownership, land management and natural resources within the *Project Region*.

2.3.6.2 *Project Participants* should primarily be resident in the *Project Region* or country. Where this is not possible, valid justification must be provided.

***Guidance***

- *Project Participants* refers to the individual or group that enters into a *Project Agreement* with the *Project Coordinator* to implement *Project Interventions* and benefit from the sale of *PVBCs*.
- *Project Participants* who manage land or use natural resources for subsistence or small-scale production include farmers, fishers, pastoralists and forest-dependent communities. For privately owned or managed land, this may refer to the commercial organisation carrying out the ecosystem management activities. In this case, additional requirements are in place to ensure the benefits from the sale of *PVBCs* are equitably shared with *Local Stakeholders.*

- *Project Participants* can include individuals or groups that are not permanently resident in the *Project Region(s*), e.g. itinerant herders, or city dwellers if they are normally resident in the region for part of the year and they have clear rights that enable them to implement land management activities and benefit from the sale of *PVBCs* (see Section 1.2).
- *Project Participants* are not considered structurally dependent on hired labour if they are able to carry out their land or natural resource management activities without the use of hired labour throughout the year. This is likely to be the case for most smallholder and subsistence farmers, fishers, pastoralists, and forest-dependent communities; and does not exclude *Project Participants* that make use of seasonal hired labour.
- For *Projects* where greater than 30% of the *Project Area* is managed by *Type II Project Participants* see Type II Guidance Tool for more information.
- *Type II Project Participants* who do not reside within the *Project Area* , do not manage land or natural resources within the project area for small-scale production, or are structurally dependent on year-round hired labour for their land or natural resource management activities. *Type II Project Participants* will be permitted on an individual *Project* basis and are required to meet additional requirements. These *Projects* will be permitted when aligned with Plan Vivo's values and also provide an opportunity to make private land work for local communities. This will be achieved by improving local livelihoods and public interest issues being attached to the *Benefit Sharing Mechanism.*
- The Plan Vivo system is designed to benefit *Marginalised People* living in rural areas. The requirements limit the area of land within a project that is managed by commercial land managers and companies to 30% of the total Project Area.
    - Justification provided for requirements 2.3.3 and 2.3.6.2 should clarify why *Local Stakeholders* are not able to be *Project Participants*, why the proposed *Project Participant* model is in the interest of *Local Stakeholders* , and how it will ensure that *Local Stakeholders* will benefit (in line with the Plan Vivo 60% *Benefit Sharing Mechanism*, see Section 3.17). It must also be clear how the *Project Coordinator* and *Project Participants* will engage with *Local Stakeholders* throughout the project design and implementation process (see Sections 2.4 to 2.6 and Type II Guidance Tool for more information).

## 2.4 Participatory Design

### *Requirements*

2.4.1 *Project Coordinators* must work directly with representatives of all *Local* and *Primary Stakeholders* in the development of *Project Interventions,* monitoring plans and in defining the *Project Logic* (particularly those that may normally be excluded or *Marginalised* because of gender, age, ethnicity, religion, or social status) based on the principles of inclusion and non-discrimination to ensure that their concerns and aspirations are consistently understood and considered.

2.4.2 *Project Interventions* must be developed in collaboration with *Project Participants* who must work in partnership with the *Project Coordinator* to explore alternatives and identify preferred options (see Section 3.5).

## 2.5 Stakeholder Consultation

### *Requirements*

2.5.1 The *Project* must have a *Stakeholder* engagement plan that is commensurate with the scale and risk of the *Project* and that uses differentiated measures, where necessary, to engage *Marginalised, Vulnerable* and/or *Disadvantaged People*.

2.5.2 The *Project Coordinator* must inform all *Stakeholders* of the *Project* during the *Project* design phase and consult with all *Local Stakeholders* throughout the *Project Period*.

2.5.3 All *Stakeholders* , including men, women, youth, and other important social axes of differentiation, must have the opportunity to provide feedback on the *Project Interventions* and *Project Logic* prior to finalisation of the project design.

2.5.4 All *Local Stakeholders* must be provided with updates on the *Project* at least once per year during the *Project Period*. Updates must be conducted in a manner that is appropriate for different *Stakeholder* groups.

2.5.5 Where greater than 30% of the *Project Area* is managed by *Type II Project Participants, Local* and *Primary Stakeholder* must be provided with updates at least twice per year during the *Project Period.* Updates must be conducted in a manner that is appropriate for different *Stakeholder* groups.

2.5.6 Consultation approaches must be appropriate to the capacity of the *Stakeholders*. For example, written material should be provided in the preferred language(s) of the *Stakeholder* groups and workshops or meetings should be used when required to fully explain the *Project* and its impacts.

2.5.7 All *Stakeholders* must have the opportunity to provide feedback and raise issues or concerns about potential negative impacts of the *Project* throughout the *Project Period* (see Section 2.6), through a transparent and accessible *Grievance Mechanism* (see Section 3.18).

***Guidance***

- Approaches for identifying and managing environmental and social risks associated with the *Project* are described in Section 3.9.
- The Project design phase occurs prior to *PDD* submission.
- *Free, Prior and Informed Consent* is required from all *Indigenous Peoples* or local communities with statutory or customary rights to use land or resources within the *Project Area(s)* (see Section 2.6).

## 2.6 Free, Prior and Informed Consent (FPIC)

### *Requirements*

2.6.1 *Projects* must follow an *FPIC* process that enables *Indigenous Peoples* and local communities with statutory or customary rights to land or resources in the *Project Area(s)* to negotiate the conditions under which the project is designed, implemented, monitored and evaluated.

2.6.2 The *FPIC* process must meet or exceed the requirements of national legislation and legal obligations under international standards safeguarding *Indigenous Peoples'* rights.

2.6.3 The *FPIC* process must follow a decision-making process and timeline defined by the rights holders, who must be able to participate through their own

freely chosen representatives, while ensuring the involvement of women and *Marginalised, Vulnerable* and/or *Disadvantaged People.*

2.6.4 The *FPIC* process must enable a collective decision by the rights holders to grant or withhold consent at key stages of project development and implementation that include, as a minimum whether to: i) Consider the proposed *Project* ; ii) Engage in the *Project* design process; and iii) Implement the *Project*.

2.6.5 Consent must be sought before the *Project* or activity takes place and be re-confirmed periodically.

2.6.6 Consent must be independently decided upon based on accurate, timely and sufficient information provided in a culturally appropriate way, including full details of risks, responsibilities, and potential negative impacts of the *Project.*

2.6.7 All rights holders must be able to raise issues relating to consent at any time throughout the *Project Period* through the *Grievance Mechanism* (see Section 3.18).

2.6.8 Where greater than 30% of the *Project Area* is managed by *Type II Project Participants* , additional requirements apply:

2.6.8.1 *Projects* must follow an *FPIC* process with local communities and conduct a stakeholder engagement process with *Local* and *Primary Stakeholders* that are impacted by the *Project* but are not included as *Project Participants*.

***Guidance***

- In Plan Vivo *Projects*, *FPIC* principles apply to *Indigenous Peoples* and local communities with statutory or customary rights to land or resources in the *Project Area(s).* The specific rights of *Indigenous Peoples* recognized in national legislation, the United Nations Declaration on the Rights of *Indigenous Peoples*, and International Labour Organization Convention 169 must also be upheld.
- *Indigenous Peoples* or local communities who have been historically displaced from the *Project Area(s)* must be included in the *FPIC* process if they have a legitimate, existing claim to land or resources in the *Project Area(s).*

- *Indigenous Peoples* and local communities with statutory or customary rights to land or resources in the *Project Area(s)* should take part in the assessment of potential social and environmental risks (see Section 3.9), and these risks must be fully explained prior to seeking consent to implement the *Project*.
- Stakeholder analysis (see Section 2.1), Participatory Design (see Section 2.4), *Project Agreements* (see Section 3.19) and the *Grievance Mechanism* (see Section 3.18) are key components of the *FPIC* process.

# 3 Project Design Baselines

## 3.1 Baseline Scenario

*Requirements*

3.1.1 A *Baseline Scenario* describing the most likely land or resource use and land or aquatic management in the absence of *Project Intervention(s)* must be specified for each *Project Area* following procedures described in the Additionality and Baseline Scenario Tool.

3.1.2 The *Baseline Scenario* must be re-assessed at least every 10-years throughout the *Project Period.*

***Guidance***

- *Baseline scenario* is the most likely future scenario for land use and land or aquatic management in a *Project Area(s)* in the absence of *Project Intervention(s).*
- For *Projects* with more than one *Project Area*, a separate *Baseline Scenario* can be defined for each *Project Area*, or *Baseline Scenario(s)* that are representative of *Project Areas* with specified conditions can be identified.
- *Projects* that have more than one *Baseline Scenario* must clearly specify the *Baseline Scenario* for each *Project Area*.

## 3.2 Biodiversity Baseline

### *Requirements*

3.2.1 Each of the Project's *Pillar Metrics* must be quantified prior to the Crediting Period and included in the Technical Specification(s).

3.2.2 Measures of the *Pillar Metrics* under the Baseline Scenario must be included in the Technical Specification(s).

***Guidance***

- *Pillar Metrics* are independently calculated for the *Project* by an approved *Data Analytic Provider* after the *Project* has collected the biodiversity data.
- It is strongly recommended that the quantification of the *Pillar Metrics* and the *Multimetric* for the *Biodiversity Baseline* (prior to *Project Interventions* ) is carried out after the initial *PDD* review and once feedback is given on the appropriateness of the *Target Groups* chosen.

## 3.3 Socioeconomic Baseline

### *Requirements*

3.3.1 The socioeconomic status of potential *Project Participants* and other *Local Stakeholders* immediately prior to the start of the *Project,* and how these are expected to change under the *Baseline Scenario,* must be described for each *Project Region*.

3.3.2 A separate description of the socioeconomic status, disaggregated by gender where appropriate, must be provided for the main population groups present in the *Project Region* - including all cultural, ethnic, religious, and socioeconomic groups.

3.3.3 Description of the socioeconomic status must include details of access to and main uses of land and natural resources, including reasonable measures to identify, record and respect legitimate tenure rights holders and their rights; typical assets, income levels and sources, and livelihood activities.

3.3.4 The *Socioeconomic Baseline* must be updated at least every 10-years throughout the *Project Period.*

***Guidance***

- Understanding socioeconomic status and how this is expected to change in the absence of *Project Interventions* is important for describing the positive impacts expected and achieved by the *Project*.
- Additional information incorporated into the *Socioeconomic Baseline* and *Socioeconomic Indicators* could include factors relating to wellbeing, community cohesion, climate resilience, or other factors important in the context of the *Project Region*.
- Initial values for *Socioeconomic Indicators* (see Section 4.3) must be included in the *Project's* first *Annual Report*.

## 3.4 Environmental Baseline

### *Requirements*

3.4.1 Environmental conditions, and how these are expected to change under the *Baseline Scenario,* must be described for each *Project Region*.

3.4.2 The description of environmental conditions must include details of any significant *Carbon Pools* and greenhouse gas emission sources.

3.4.3 The *Environmental Baseline* must be updated at least every 10-years throughout the *Project Period.*

***Guidance***

- Understanding environmental conditions and how these are expected to change in the absence of *Project Interventions* is important for describing the positive impacts expected and achieved by the *Project*.
- Initial values for the *Environmental Indicators* (see Section 4.4) must be included in the first *Annual Report*.

# Theory of Change

## 3.5 Project Logic

### *Requirements*

3.5.1 *Projects* must have a robust *Project Logic* that describes how the *Project Intervention(s)* will generate Biodiversity, Socioeconomic and Environmental Benefits relative to the *Baseline Scenario*.

3.5.2 The *Project Logic* must describe the causal links between *Project Interventions* and expected outcomes and identify key assumptions.

3.5.3 *Project Interventions* that include sustainable harvesting of woody vegetation within 50-years of the Start Date must have a *Project Logic* that supports replanting or allowing for regeneration after harvest, and long-term maintenance of the system.

3.5.4 The *Project Logic* must include risk mitigation measures for *Reversals*, *Leakage*, and negative environmental and social impacts (see Sections 3.9 to 3.12).

3.5.5 The *Project Logic* must be updated at least every 10-years throughout the *Project Period.*

***Guidance***

- The *Project Logic* is used is to demonstrate that the *Project Interventions* are likely to achieve their expected *Biodiversity*, *Socioeconomic* and *Environmental Benefits*, and effectively mitigate any risks.

# Technical Specification

## 3.6 Project Activities

### *Requirements*

3.6.1 All activities and inputs required to collect data for the *Pillar Metrics* must be described in a *Technical Specification*.

3.6.2 An updated *Technical Specification* must be provided in the instance a change is made to *Project Interventions* or monitoring required to collect data for the *Pillar Metrics* which falls outside the scope of the existing *Technical Specification(s).*

3.6.3 A separate *Technical Specification* must be provided in the instance an additional *Project Area* is added to the *Project* with *Project Intervention(s)* and monitoring approaches that fall outside the scope of the existing *Technical Specification(s).*

***Guidance***

- Any changes made to the monitoring approaches should be discussed with the Plan Vivo Secretariat beforehand. This may include updates to the *Data Collection Tool(s),* the time and frequency of sampling *Target Group(s)* and the addition of a new *Target Group(s).*

## 3.7 Additionality

### *Requirements*

3.7.1 *Project Interventions* must not be feasible for *Project Participants* to implement in the absence of the *Project.*

3.7.2 There must be clear barriers preventing *Project Participants* from implementing the *Project Interventions* that the *Project* will enable them to overcome.

3.7.3 *Additionality* must be demonstrated for each *Project Intervention* by following the procedures in the Additionality and Baseline Scenario Tool.

3.7.4 *Additionality* must be reassessed at least every 10-years throughout the *Project Period*.

3.7.5 *Stacking* of *PVBCs* with *Plan Vivo Certificates (PVCs)* is only permitted if it can be demonstrated that the *Project Intervention(s)* would not occur through carbon certification alone and that they meet the *Stacking* requirements (see Section 3.13).

***Guidance***

- Assessment of *Biodiversity Benefits* relative to the *Biodiversity Baseline* helps to ensure the *Additionality* of *Biodiversity Benefits*. *Additionality* assessment provides further justification for the assumption that *Project Participants* would not implement the *Project Intervention* in the absence of the *Project*.

## 3.8 Biodiversity Benefits

### *Requirements*

3.8.1 Expected *Biodiversity Benefits* must be described for each *Project Intervention*, relative to the *Biodiversity Baseline* (see Section 3.2).

3.8.2 In the *Technical Specification(s),* activities and inputs required to collect data for the *Pillar Metrics* must be described.

3.8.3 *Technical Specifications* must specify the *Baseline Scenario(s)*, geographical area(s), and any other conditions under which the expected *Biodiversity Benefits* and monitoring approaches are valid.

3.8.4 *Technical Specifications* must clearly state all assumptions and sources of data used to estimate expected *Biodiversity Benefits*.

3.8.5 *Technical Specifications* must state the *Progress Indicators* (see Section 4.1) that will be used to monitor the implementation of project activities.

3.8.6 Monitoring targets, and corrective actions to be implemented if these targets are not met, must be identified for each *Progress Indicator* (see Section 4.1) in the *Technical Specification (s)*.

3.8.7 *Technical Specifications* must be updated at least every 10-years throughout the *Project Period*.

***Guidance***

- Expected *Biodiversity Benefits* should be described over the *Project Period*. Descriptions can be qualitative.

# Risk Management

## 3.9 Environmental and Social Safeguards

### *Requirements*

3.9.1 *Projects* must respect and observe universal human rights and freedoms for all as defined by the Universal Declaration on Human Rights.

3.9.2 *Projects* cannot include any activities on the Plan Vivo Exclusion List (available in the Project Idea Note (PIN) and Project Design Document (PDD) templates).

3.9.3 *Project Interventions* and activities in the *Project Area(s)* and *Project Region* must be screened for potential negative environmental and social risks and impacts. Risks of adverse impacts must be assessed, and mitigation and monitoring measures put in place where necessary, as part of the project design (see Section 3.5) and throughout the *Project Period*.

3.9.4 Direct, indirect, and cumulative social risk factors to be considered include potential negative risks and impacts on: human rights, livelihoods, incomes, cultural heritage, resource access, property rights, gender equality, *Marginalised, Vulnerable* and/or *Disadvantaged People*, conflict, population growth, child labour, forced labour and working conditions (including occupational health and safety), climate vulnerability, and any other relevant risk factors.

3.9.5 Direct, indirect and cumulative environmental risk factors to be considered include potential negative impacts on ecosystems within and outside the *Project Area(s)* from: *Invasive Species*, habitat loss, degradation and fragmentation, overexploitation, disturbance of water and energy supply, unsustainable resource use, harmful and unsafe use of biocides/pesticides/

fungicides, waste production (both hazardous and non-hazardous), soil degradation, air pollution, noise, land contamination, consequential development, climate vulnerability, and any other relevant risk factors.

3.9.6 Risk mitigation measures must be implemented by *Projects* to eliminate or reduce any risks or impacts identified to a level that is acceptable to the people that are negatively affected including *Marginalised*, *Vulnerable* and/or *Disadvantaged People.*

3.9.7 If *Local Stakeholders* are negatively affected by *Project Interventions* and negative impacts cannot be fully mitigated, for example by introducing alternative livelihood activities, adequate compensation measures, developed with involvement of those negatively affected, must be provided to replace lost assets or lost access to assets. All losses must be considered as legitimate for compensation, including those based on customary and non-legal tenure and resource-use regimes.

3.9.8 Potential negative impacts on the livelihoods of *Local Stakeholders* considered in the risk assessment must include direct costs e.g. from reduced access to wood or other forest products relative to the *Baseline Scenario*, and *Opportunity Costs* of foregone income from land management, labour, and use of natural resources in the *Baseline Scenario*.

3.9.9 If monitoring and patrolling is supported by the government, *Projects* must provide a Memorandum of Understanding (MoU) between the *Project Coordinator* and the government agency responsible for law enforcement that includes reference to the Plan Vivo environmental and social safeguards and/or other international safeguards standards.

3.9.10 Any trees planted or other plants or animals introduced to or promoted in or adjacent to the *Project Area(s)* for a *Project Intervention* must be native to the *Project Region* unless they provide clear *Socioeconomic or Environmental Benefits*, and the *Project Intervention* would not be feasible with an alternative *Native Species*.

3.9.11 If *Non-Native Species* are planted or introduced, the *Project* must provide justification for their selection over alternative *Native Species* and provide an assessment and evidence that they pose no environmental risk or threat.

Justification of any *Non-native Species* must be aligned with the *Project's* theory of change (see Section 3.5).

3.9.12 *Projects* must not introduce or promote *Invasive Species* and *Projects* must identify any *Invasive Species* in the *Project Area*. If *Invasive Species* are identified, the *Project* must include a monitoring plan with mitigation measures for when an increase in the population size of the *Invasive Species* is detected.

3.9.13 *Projects* are required to disclose any negative environmental and social impacts to Plan Vivo as soon as they become known.

***Guidance***

- The Universal Declaration on Human Rights can be accessed at https://www.un.org/en/about-us/universal-declaration-of-human-rights
- The Plan Vivo Exclusion List is included in the Project Idea Note (PIN) and Project Design Document (PDD) templates.
- Environmental and social risk mitigation measures should follow a mitigation hierarchy with avoidance of highest negative risks and impacts being prioritised where possible; and an adaptive approach that is responsive to changing conditions illustrated by monitoring results.
- Appropriate *Socioeconomic Benefits* are when the *Project* can justify that the use of a *Non-native Species* is more appropriate than *Native Species* for providing local *Socioeconomic Benefits*. The use of such a *Non-native Species* cannot be used in the direct quantification of *Biodiversity Benefits* .
- Appropriate *Environmental Benefits* are when the *Project* can justify that the use of a *Non-native Species* is more appropriate than *Native Species* for "Adapting to Climate Change" or as a short-term solution to severe environmental degradation.
- " Adapting to Climate Change" refers to the planting of non-native, climate-resilient species due to the climate of the region having shifted historically or strong evidence can be provided of how it will shift in the future.
- Use of *Native Species* is encouraged wherever this is practical as they are likely to have greater *Environmental* and *Biodiversity Benefits* and present fewer environmental risks than *Non-native Species*.

- For any *Invasive Species* monitoring plan(s), the *Project* must propose thresholds in the monitoring results above which described mitigation actions are required.
- Environmental and social screening can be conducted by the *Project Coordinator* or an external expert.

## 3.10 Reversals of Biodiversity Benefits

### *Requirements*

3.10.1 Risks to the maintenance of the *Biodiversity Benefits* for a period of at least 50-years must be identified and significant risks must be mitigated.

3.10.2 Risks to maintenance of *Biodiversity Benefits* must not exceed an acceptable level.

3.10.3 For restoration Projects, 20% of all *PVBCs* issued must be transferred to the *Risk Buffer*.

3.10.4 If the *Biodiversity Benefits* reported by a *Restoration Project* are reported as negative across three consecutive *Reporting Periods*, the cause of the *Reversals* must be identified and confirmed at a *Verification*, and *Risk Buffer* or tradeable certificates will be cancelled to compensate.

3.10.5 Notwithstanding requirement 3.10.4, a *Project* may request access to their *Risk Buffer* within three consecutive *Reporting Periods* if negative *Biodiversity Benefits* are reported due to an *Unavoidable Loss*.

3.10.6 For *Conservation Projects*, 20% of income from the sale of *PVBC*s must be retained in a *Financial Reserve* for up to a maximum of the latest five consecutive *Reporting Periods*.

3.10.7 If the *Biodiversity Benefits* reported by a *Conservation Project* reduce due to an *Unavoidable Loss*, resulting in a reduction in *PVBC* s generated in a *Reporting Period*, the *Project* may access the *Financial Reserve* to compensate up to the otherwise forecasted financial revenue.

3.10.8 Risks to the maintenance of *Biodiversity Benefits* must be reassessed at least every 5-years throughout the *Project Period.*

**Guidance**

- *PVBCs* in the *Risk Buffer* cannot be transferred or sold. They can only be cancelled by the Plan Vivo Secretariat.
- *Risk Buffers* are *Project* -specific and not pooled. They are used in instances of *Unavoidable Losses* . Where *Risk Buffers* are depleted or *Avoidable Losses* occur, tradeable *PVBCs* will be cancelled (see Procedures Manual for more information).
- *Restoration Projects* are permitted three consecutive *Reporting Periods* to rectify a negative *Biodiversity Benefit* to minimise the risk of cancellations due to *Unavoidable Losses* .
- *Financial Reserves* are *Project* -specific and not pooled. It is recommended that they are held in a non-volatile currency in a dedicated bank account that is separate from the *Project Coordinator's* account(s) used for other projects, or operational finances.
- *Conservation Projects* can access their *Financial Reserves* when:
    - *Project* income has been negatively impacted by an *Unavoidable Loss* ;
    - Deposits were made into the *Financial Reserve* outside of the rolling 5-year *Reporting Period* window and have been fully or partially unused; and/or
    - They are in the final year of their *Project Period*.
- All withdrawals from a *Financial Reserve* must abide by the *Benefit Sharing Mechanism* as outlined in the *Project Agreement*.

## 3.11 Leakage

### *Requirements*

3.11.1 A Plan Vivo approved *Leakage* Tool must be used to account for *Leakage* in the estimation of *Biodiversity Benefits*.

3.11.2 Where possible, *Leakage* risk mitigation measures must be implemented to reduce the potential for *Leakage.*

3.11.3 Potential *Leakage* must be deducted from the expected *Biodiversity Benefits* (see Section 3.8).

## 3.12 Double Counting

### *Requirements*

3.12.1 To avoid the risk of *Double Counting Biodiversity Benefits* for which *PVBCs* are issued, there must be no overlap of *Project Areas* with other *Projects* or initiatives for which finance is being provided in exchange for claims on the *Biodiversity Benefits* , with exception to appropriate instances of *Stacking* (see Section 3.13).

## 3.13 Stacking

### *Requirements*

3.13.1 *Stacking* is only permitted where *Additionality* can be justified (see Section 3.7).

3.13.2 *Projects* may only stack *PVBCs* with carbon certificates if the *Project* is being managed by the same project developer and can clearly demonstrate they are doing additional activities other than those being conducted under the carbon project.

3.13.3 Only PV Climate and other approved Carbon Standards can be used for *Stacking PVBCs* with carbon certificates.

3.13.4 *Environmental Benefits* generated from the sale of *PVBCs* must be additional to any *Carbon Benefits* generated by the sale of carbon certificates.

***Guidance***

- The Plan Vivo Carbon Standard (PV Climate) is currently the only approved Carbon Standard allowed for *Stacking* with PV Nature.
- *Projects* do not need to calculate *Biodiversity Benefits* independently for each *Project Intervention* but rather for the whole *Project Area*.
- Stacked *Projects* do not need to separate out *Biodiversity Benefits* for *Project Interventions* that are related to the carbon finance from those as a result of the biodiversity finance but rather calculate the *Biodiversity Benefits* for the whole *Project Area*.

# Agreements

## 3.14 Land Management Plans

### *Requirements*

3.14.1 *Project Participants* must decide on the *Project Intervention(s)* they wish to implement on the land or aquatic areas they manage, and the details must be recorded in a *Land Management Plan*.

3.14.2 *Land Management Plans* must be developed by the *Project Participant(s)* with the support of the *Project Coordinator.*

3.14.3 *Land Management Plans* must identify the location and extent of each *Project Area*, and include all details needed to estimate *Biodiversity Benefits* using the appropriate *Technical Specification(s).*

3.14.4 *Project Participants* must fully understand all details in their *Land Management Plans.*

3.14.5 *Land Management Plans* must have potential to enhance the livelihoods of the *Project Participants* and must not risk undermining their food and/or income security.

3.14.6 *Land Management Plans* must be included in the *Project Agreement*.

3.14.7 Where greater than 30% of the *Project Area* is managed by *Type II Project Participants*, additional requirements apply:

3.14.7.1 *Project Participants* must develop a *Land Management Plan* through consultation with *Local* and *Primary Stakeholders*.

***Guidance***

- A *Land Management Plan* may include more than one *Project Area* that is managed by a *Project Participant*.
- Use of maps and diagrams and other visual tools in *Land Management Plans* is encouraged.
- Additional information provided in *Land Management Plans* may include details of the size, locations and other details related to the activities in the *Technical Specification(s)*.
- It is recommended that *Land Management Plans* are reviewed and updated at least every 10-years throughout the *Project Period*.

## 3.15 Crediting Period

### *Requirements*

3.15.1 *Project Coordinators* must support *Project Participants* to implement and monitor *Project Interventions* for a *Crediting Period* of 10 to 50 years.

3.15.2 *Crediting Periods* of less than 50 years can be renewed to cover a total period of up to 50 years.

3.15.3 During the *Crediting Period*, the *Project Coordinator* must *monitor Progress Indicators* and *Target Groups* and support the *Project Participant(s)* to implement corrective actions if necessary.

3.15.4 The *Crediting Period* and *Start Date* must be stated in each *Project Agreement*.

## 3.16 Benefit Sharing Mechanism

### *Requirements*

3.16.1 All income from the sale of *PVBCs* must be distributed according to an agreed *Benefit Sharing Mechanism*, developed in partnership with *Project Participants*.

3.16.2 At least 60% of income from the sale of *PVBCs*, after payment of any charges, taxes or similar fees levied by the host country, must directly benefit the *Project Participant(s)*.

3.16.3 The *Benefit Sharing Mechanism* must specify the proportion of income from *PVBC* sales that will be allocated to the *Project Participants* , *Project Coordinator,* and other parties such as government or technical support partners.

3.16.4 The *Benefit Sharing Mechanism* must specify how and when benefits to *Project Participants* will be received with details of amounts allocated to cash transfers, training, and in-kind support.

3.16.5 The *Benefit Sharing Mechanism* must describe the mechanism and any dependencies for dispersal of funds and/or other benefits to *Project Participants* including monitoring responsibilities, targets, and corrective actions for *Progress Indicators* (see Sections 4.1 and 4.6).

3.16.6 A summary of the *Benefit Sharing Mechanism* with details of the minimum amount the *Project Participant* is eligible to receive if monitoring targets and other dependencies are met, and consequences if targets are not met, must be included in each *Project Agreement*.

3.16.7 Where greater than 30% of the *Project Area* is managed by *Type II Project Participants* , additional requirements apply:

3.16.7.1 *Local* and *Primary Stakeholder* s must agree on the distribution of the 60% contribution to *Community Wealth and Wellbeing* , based on the priorities and needs identified through a high quality and inclusive community consultation process.

3.16.7.2 At least 60% of income from the sale of *PVBCs* , after payment of any charges, taxes or similar fees levied by the host country or investment body, must directly benefit *Local* and *Primary Stakeholders* and contribute to *Community Wealth* and *Wellbeing* in the *Project Region*.

3.16.7.3 *Project Participants* and *Project Coordinators* must be fully transparent and accountable regarding the spending of funds allocated to *Community Wealth* and *Wellbeing*.

***Guidance***

- *Project Coordinators* are strongly encouraged to identify, jointly with *Project Participants* , mechanisms for suitable benefit sharing, including alternatives to cash transfers that result in more equitable benefit distribution.
- If the project coordination and management, and monitoring, reporting and *Verification* costs exceed 40% of the income received from the sale of *PVBCs*, the *Project Coordinator* will need to identify and access alternative sources of funding.
- Less than 60% of income from the sale of *PVBCs* may directly benefit the *Project Participant(s)* and other *Local Stakeholders* for some issuances as long as the total over the *Crediting Period* is 60% or higher.

## 3.17 Grievance Mechanism

### *Requirements*

3.17.1 *Projects* must have an accessible and culturally appropriate *Grievance Mechanism* for reporting and remediating social, environmental, and cultural incidents that result (directly or indirectly) from *Project* activities; and that can address situations where there is non-conformance with the conditions of the *Project* as stated in the *Project Agreement*.

3.17.2 All issues raised through the *Grievance Mechanism* must be documented and resolved in a transparent, fair, and timely manner.

3.17.3 Where possible, grievances should be reconciled by the affected parties; in case this is not possible, however, the *Grievance Mechanism* must identify an independent arbitrator that will be responsible for mediating resolution of any grievances that cannot otherwise be resolved.

3.17.4 The *Grievance Mechanism* must be described in each *Project Agreement* .

***Guidance***

- A *Grievance Mechanism* helps to ensure that the *Project Coordinator* is made aware of, and can respond to, any unintended negative impacts and other concerns (e.g. related to the distribution of benefits).

## 3.18 Project Agreements

### *Requirements*

3.18.1 *Project Participants* must enter into a *Project Agreement* with the *Project Coordinator* according to the principles of *Free, Prior and Informed Consent (FPIC)* (see Section 2.6).

3.18.2 *Project Agreements* must include a description of the expected *Biodiversity Benefits* from the *Project Area* over the *Project Period.*

3.18.3 Information must be provided early enough to provide sufficient time for *Project Participants* to consider prior entering into the *Project Agreement* .

3.18.4 *Project Agreements* must be prepared in the preferred language(s) of the *Project Participant*.

3.18.5 *Project Agreements* must give the *Project Coordinator* the right to sell *PVBCs* on behalf of the *Project Participant(s)* and prevent the *Project Participant(s)* from generating any other type of biodiversity certificates or credits from the same *Project Intervention(s)* but must not otherwise remove, diminish, or threaten *Project Participants* rights to land and/or resources.

3.18.6 *Project Participants* must be provided with a copy of their *Project Agreement*

3.18.7 The period covered by a *Project Agreement* must not exceed the period over which *Project Participant(s)* can make a meaningful commitment to implementing and monitoring the *Project Intervention(s)* with support from the *Project Coordinator* . If this is shorter than the *Crediting Period* , the *Project Agreement* must allow for an extension up to the full *Crediting Period*.

3.18.8 *Project Agreements* must include details of how *Project Participants* can access the *Grievance Mechanism* (see Section 3.18).

***Guidance***

- For *Projects* where greater than 30% of the *Project Area* is managed by *Type II Project Participants* see Type II Guidance Tool for more information.

# 4 Monitoring and Reporting Indicators and Metrics

## 4.1 Project Interventions

*Requirements*

4.1.1 *Progress Indicators* must be used to assess whether *Project Intervention(s)* and risk mitigation measures are carried out as planned.

4.1.2 *Progress Indicators* must capture key aspects of progress towards expected *Biodiversity, Socioeconomic* and *Environmental Benefits* (see Section 3.5), and risk mitigation measures (see Section 3.9).

4.1.3 Targets that describe the level of progress needed to achieve expected *Biodiversity, Socioeconomic* and *Environmental Benefits* (see Section 3.5), and corrective actions to be implemented if targets are not met, must be set for each *Progress Indicator*.

***Guidance***

- *Progress Indicators* are less resource-intensive to measure and are done entirely by the *Project.* This is compared to the raw biodiversity data collected by the *Project ,* that is sent to an approved *Data Analytic Provider* for analysis and calculation of the *Pillar Metrics* and the *Multimetric*. *Progress Indicators* should be measured annually, and should give an indication as to the success of the project activities.
- *Progress Indicators* are used to demonstrate whether a *Project* is on track to achieve its expected *Environmental, Socioeconomic* and *Biodiversity Benefits* and whether risks are being effectively mitigated. For example, tracking the number of trees planted and surviving could be a *Progress Indicator* for restoration projects; and the number of patrols conducted could be a *Progress Indicator* for conservation projects.
- *Progress Indicators* should be directly related to the *Project Interventions* carried out by the *Project Participants* and the *Project Coordinator* and should be simple and cost-effective to monitor.
- *Progress Indicators* should be Specific, Measurable, Achievable, Relevant and Timebound (SMART).

## 4.2 Biodiversity Indicators

### *Requirements*

4.2.1 *Technical Specifications* must identify the *Target Groups* that will be used to monitor the expected *Biodiversity Benefits*, as described in the *PV Nature Methodology*.

## 4.3 Socioeconomic Indicators

### *Requirements*

4.3.1 *Socioeconomic Indicators* must be used to monitor the socioeconomic status of *Project Participants* and other *Local Stakeholders* relative to the *Baseline Scenario*.

4.3.2 *Socioeconomic Indicators* , disaggregated by gender where appropriate, must reflect the livelihoods status of *Project Participants* and other *Local*

*Stakeholders* (see Section 2.1, 2.3), and risks of negative social impacts (see Section 3.9).

***Guidance***

- *Socioeconomic Indicators* should be simple and cost-effective to assess at least every 5-years and can make use of participatory approaches as well as direct measurements.

## 4.4 Environmental Indicators

### *Requirements*

4.4.1 *Environmental Indicators* must be used to monitor the environmental status of the *Project Region* relative to the *Baseline Scenario*.

4.4.2 *Environmental Indicators* must reflect any C*arbon Pools* that are at risk of declining, and any greenhouse gas emission sources that are at risk of increasing, as a result of the *Project Interventions*.

***Guidance***

- *Environmental Indicators* should be simple and cost-effective to assess at least every 5-years and can make use of participatory approaches as well as direct measurements.
- Improvements to the environmental status may include (but are not limited to) soil quality improvement, watershed improvement, reduction in nitrate pollution, improved pollination, improved flood management, improved erosion control. These can be reported under different *Progress* and/or *Environmental Indicators* and the *Project* can determine how to track change against the *Environmental Baseline* relevant to the *Project Region*.
- Improvement to the environmental status will be linked to *Project Interventions* and *Progress Indicators*, defined through the *Project Logic.*
- Details of the improvement to the environmental status is a descriptive process supported by evidence in relevant literature.

# Monitoring

## 4.5 Monitoring Plan

### *Requirements*

4.5.1 *Projects* must have a plan for monitoring *Biodiversity Benefits* and *Progress*, *Socioeconomic* and *Environmental Indicators*.

4.5.2 The monitoring plan must include the following details for each indicator: sampling approach (if applicable); methods, duration, and frequency of assessment; groups or individuals responsible for monitoring; and resource and capacity requirements.

4.5.3 *Progress Indicators* (see Section 4.1) and *Biodiversity Benefits* (see Section 4.2) must be monitored for each *Project Area*.

4.5.4 *Progress Indicators* for risk mitigation measures outside *Project Areas* must be monitored at each location, or in a representative sample of locations with similar risk mitigation measures and *Start Date*.

4.5.5 Monitoring of *Target Groups* (see Section 4.2) must follow the requirements of the *PV Nature Methodology*.

4.5.6 *Socioeconomic Indicators* must be monitored for all *Project Participants*, or a representative sample of individuals from similar population groups (see Section 4.3) and with similar *Project Interventions*; and a representative sample of other *Local Stakeholders* in the *Project Region*.

4.5.7 *Environmental Indicators* (see Section 4.4) must be monitored across all areas of the *Project Region* with potential to be directly or indirectly affected by *Project Interventions*.

## 4.6 Progress Monitoring

### *Requirements*

4.6.1 All *Progress Indicators* (see Section 4.1) must be monitored throughout the *Crediting Period* , and corrective actions must be implemented if targets are not met.

4.6.2 A summary of *Progress Indicator* monitoring results must be included in each *Annual Report* (see Section 4.9) and shared with all *Stakeholders* (see Section 2.5).

4.6.3 *Progress Indicators* for risk mitigation measures outside *Project Areas* must be monitored until the completion of the activity, or the end of the *Project Period* (whichever occurs first).

***Guidance***

- Where possible, *Project Participants* should be involved in monitoring of *Progress Indicators*

## 4.7 Biodiversity Monitoring

### *Requirements*

4.7.1 *PVBCs* can only be issued after two *Reporting Periods* after *Validation*.

4.7.2 *Biodiversity Benefits* must be monitored throughout the *Crediting Period* as described in the *Projects Technical Specification(s)* , in conformance with the requirements of the *PV Nature Methodology*.

4.7.3 A summary of monitoring results and *Biodiversity Benefits* achieved must be submitted with the *Annual Report* (see Section 4.9) prior to *Verification.*

4.7.4 For *Conservation Projects* , the *Project* must outline monitoring activities that track any biodiversity that triggers eligibility under the *Key Biodiversity Area (KBA* ) or *Important Plant Area (IPA)* criteria as described in the *Projects Technical Specification*.

4.7.5 For *Conservation Projects*, the *Project* must outline mitigation measures to ensure the status of the triggered *KBA* or *IPA Criteria* are not negatively impacted by *Project* activities.

***Guidance***

- *PVBCs* can be issued annually between years 2-5. Only changes **outside** the 95% confidence intervals for each *Target Group's Pillar Metrics* are included in the *Multimetric* value. Confidence intervals are calculated each year using the within-survey variance for the *Target Group Pillar Metrics*.
- *PVBCs* can be issued annually after year 5 on the basis of meeting all aspects of PV Nature requirements.
- For *Conservation Projects*, monitoring of biodiversity attributes that trigger eligibility under the *Key Biodiversity Area (KBA)* or *Important Plant Area (IPA) Criteria* can be included as a *Target Group* and contribute toward the calculation of *PVBCs*. Where this is not possible, fixed sampling points and monitoring activities should be developed to ensure no negative impacts towards the triggered *KBA* or *IPA Criteria*. Where applicable and suitable, mitigation and monitoring strategies can be developed to cover multiple *IPA/KBA Criteria*. All monitoring plans will be reviewed by the PV Nature *Technical Review Panel (TRP)*.

## 4.8 Socioeconomic and Environmental Monitoring

### *Requirements*

4.8.1 Monitoring of *Socioeconomic* and *Environmental Indicators* must be carried out at least every 5-years throughout the *Project Period*, and *Project* activities must be adjusted to address any failure to achieve expected benefits.

4.8.2 Changes in *Socioeconomic Indicator* values (see Section 4.3) for the main population groups in the *Project Region* (see Section 3.3), and *Environmental Indicator* values (see Section 4.4) for the *Project Region* must be reported to all *Stakeholders* (see Section 2.5).

4.8.3 Feedback must be obtained from all *Stakeholders* on the likely causes of any trends in *Socioeconomic* and *Environmental Indicators* identified and their relationship to *Project* activities and outcomes.

4.8.4 A summary of *Socioeconomic* and *Environmental Indicator* monitoring results and *Stakeholder* feedback must be included in the *Annual Report* (see Section 4.9) submitted to Plan Vivo prior to *Verification* and shared with all *Stakeholders* (see Section 2.5).

4.8.5 If expected *Socioeconomic* or *Environmental Benefits* (see Section 3.5) are not achieved, or if negative trends occur and are attributable to the *Project*, action must be taken to address any issues identified.

# Reporting

## 4.9 Annual Report

### *Requirements*

4.9.1 An *Annual Report* must be submitted to Plan Vivo for each 12-month period throughout the *Project Period*.

4.9.2 *Annual Reports* must be compiled using the *Annual Report* template and submitted within nine-months of the end of the *Reporting Period*.

4.9.3 *Annual Reports* must include details of *Project Areas* added during the *Reporting Period* (see Sections 1.2 and 2.3), a summary of monitoring carried out and any corrective actions implemented during the *Reporting Period* (see Section 4.1), disclosure of any social and/or environmental safeguards issues arising and a summary of any feedback received or grievances raised and actions taken in response during the *Reporting Period* (see Section 3.18).

4.9.4 *Annual Reports* must include a summary of *Biodiversity Benefits* achieved and *PVBCs* claimed (if applicable) for the *Reporting Period*, details of income from the sale of *PVBCs*, *Project* expenditure and transfers made by the Project Coordinator during the *Reporting Period* (see Section 5.4), and an explanation for any deviation from the *Benefit Sharing Mechanism* (see Section 3.16).

4.9.5 *Annual Reports* must include a summary of the *Progress Indicators* monitored in the *Reporting Period*.

Any changes made to the *Project* design during the *Reporting Period* must be summarized in the *Annual Report* and integrated into a revised version of the *PDD*.

### 4.10 Record Keeping

*Requirements*

4.10.1 Records must be kept of *Project Agreements, Land Management Plans,* geographic locations of *Project Areas* , monitoring results and *PVBCs* issued for all *Project Areas*.

4.10.2 Records for each *Project Area* must be securely stored in a database that can be accessed by V*erifiers* for the duration of the *Project Period.*

## 5 Governance and Administration

### 5.1 Governance Structure

*Requirements*

5.1.1 *Projects* must have a clear governance structure and decision-making process that incorporates input from *Project Participants* and other *Local Stakeholders* on key decisions affecting the development of the *Project*.

5.1.2 Selection of *Project Participants* and other *Local Stakeholder* representatives must follow a fair and transparent process that includes women and *Marginalised, Vulnerable* and/or *Disadvantaged Peoples*.

5.1.3 Where greater than 30% of the *Project Area* is managed by *Type II Project Participants* , *Projects* must identify a local body that represents the local community to act as a *Project Participant* , in addition to the *Type II Project Participant* , whom the *Project Coordinator* must also sign an agreement with.

***Guidance***

- Where greater than 30% of the *Project Area* is managed by *Type II Project Participants*, we recommend that a formal institutional structure is established through which different *Stakeholders*, including the local community body, are represented and through which key discussions and decision-making can take place and be recorded.

## 5.2 Equal Opportunities

### *Requirements*

5.2.1 *Project Coordinators* must adopt procedures for recruiting *Project Employees* that avoid unfair discrimination and minimise potential for elite capture of project benefits.

5.2.2 *Project Coordinators* must adopt employment policies for *Project Employees* that give priority to local people with the necessary skills, or who can be cost effectively trained, and that do not discriminate on the basis of gender, age, ethnicity, religion, or social status.

## 5.3 Legal and Regulatory Compliance

### *Requirements*

5.3.1 *Projects* must operate in compliance with all applicable national and international policies, laws, and regulations, and with approval from the relevant authorities.

5.3.2 *Project Coordinators* must be aware of all policies, legislation and regulations that affect the *Project* and ensure that they operate in full compliance with these.

5.3.3 Letters of approval for the *Project* must be provided by the authorities with overall responsibility for land or aquatic management within the *Project Region*.

## 5.4 Financial Plan

### *Requirements*

5.4.1 *Projects* must have a financial plan that includes a realistic estimate of the full costs of implementing all *Project Interventions* and risk mitigation measures.

5.4.2 The financial plan must include plans for securing the finance required to fund all *Project* operating and management costs, and obligations to *Project Participants* and other *Local Stakeholders* .

5.4.3 The financial plan must be consistent with the *Benefit Sharing Mechanism* (see Section 3.17) and the *Project Logic* (see Section 3.5).

## 5.5 Financial Management

### *Requirements*

5.5.1 *Projects* must have transparent financial procedures for managing income and expenditure of finance generated from the sale of *PVBCs*.

5.5.2 An annual audit of *Project* finances must be conducted by an independent financial auditor certified by a nationally recognised regulatory body within 12-months of the end of each financial year.

PLAN VIVO

# Annex 1 – Version Control

| Version Number | Date of release (DD/MM/YYYY) | Changes and additions since previous version |
|---|---|---|
| V1.1 | | • Update of the mention of Pivotal to Data Analytics Provider<br>• Section 4.3 - Cross referencing to other sections has been corrected |