

HIFOR Program Guide and Standard



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Table of Contents

| | |
|--|-----|
| Disclaimer | iii |
| 1. Introduction | 1 |
| 1.1 About WCS and the HIFOR Initiative | 1 |
| 1.2 About this document | 1 |
| 1.3 Version | 1 |
| 1.4 Official language | 1 |
| 1.5 Definitions | 1 |
| 1.6 Use of words shall, must, and should | 2 |
| 2.0 Overview of the HIFOR Program | 2 |
| 2.1 Objectives | 2 |
| 2.2 Guiding principles | 2 |
| 2.3 Essential features of HIFOR | 3 |
| 2.4 Claims guidance | 3 |
| 2.5 Relationship with other environmental services reward programs | 4 |
| 2.6 Program documents | 5 |
| 2.6.1 Methodology | 5 |
| 2.6.2 Templates | 5 |
| 3. Governance | 6 |
| 3.1 Global Administrator | 6 |
| 3.2 Consultations about HIFOR documents | 6 |
| 3.3 Project Database | 6 |
| 3.4 Registry | 7 |
| 3.5 Fees and Costs | 7 |
| 3.6 Pilot Project initiation | 7 |
| 4. Rules for Project assessment and unit issuance | 7 |
| 4.1 Project cycle | 7 |
| 4.2 Validation and verification | 8 |
| 4.2.1 Public comment period | 11 |
| 4.3 Unit issuance, sale and retirement | 11 |
| 4.4 Project update and correction processes | 12 |
| 4.4.1 Project updates | 12 |

| | | |
|-------|---|----|
| 4.4.2 | <i>Project corrections</i> | 12 |
| 4.4.3 | <i>Unit cancellations and modifications</i> | 13 |
| 5. | Validation and verification body rules..... | 14 |
| 5.1 | Selection of validation and verification bodies for HIFOR Projects..... | 14 |
| 5.1.1 | <i>Requirements for qualification of validation and verification bodies</i> | 14 |
| 5.2 | VVB sanctions..... | 16 |
| 5.2.1 | <i>Warning</i> | 16 |
| 5.2.2 | <i>Suspension</i> | 16 |
| 6. | Complaints and grievance redress mechanism | 16 |
| 7. | Safeguards | 17 |
| 8. | Bibliography | 17 |
| 9. | Document History | 17 |
| | Annex – Definitions | 17 |

1. Introduction

1.1 About WCS and the HIFOR Initiative

The Wildlife Conservation Society (WCS) is a US-based non-profit organization established in 1895 and active in more than 60 nations that saves wildlife and wild places by understanding critical issues, crafting science-based solutions, and taking conservation actions that benefit nature and humanity.

As part of its strategic goal to protect high integrity tropical forests, WCS began to create the High Integrity Forest Investment Initiative (HIFOR) in late 2021 and currently hosts its ongoing development. WCS is working with governments, Indigenous and civil society partners and technical partners¹ to create this Guide & Standard, a governance structure, the HIFOR Methodology, guidance documents, a range of background briefs and reports, and a growing number of pilot projects.

1.2 About this document

This document defines the rules, requirements, and procedures that HIFOR Project participants, including Project proponents and implementers, and other stakeholders, shall adhere to. It should be read in conjunction with the HIFOR Methodology and other documents listed in Section 3.4. Collectively this connected set of rules and requirements is sometimes referred to in this document as the 'HIFOR system'.

The present version of this Guide & Standard serves the current phase of HIFOR development, which is focused on establishing proof of concept by completing transactions for the first pilots while testing the Methodology and other elements of the system. It is expected that the system will evolve substantially during and after this phase, and that the Guide & Standard will therefore be revised and elaborated from time to time. Updated versions will be made public on the HIFOR website.²

1.3 Version

This is Version 1.0. Where external documents are referenced, the most recent versions shall be used.

1.4 Official language

The official language of HIFOR is English. HIFOR system documents may be translated into other languages as needed, but the English versions of the documents take precedence.

1.5 Definitions

Definitions of selected terms can be found in the Annex, with guidance on capitalization.

¹ We acknowledge in particular the extensive inputs provided by Climate Focus and Space Intelligence.

² www.hifor.org

1.6 Use of words shall, must, and should

Shall and **must** indicate mandatory requirements and are used interchangeably. **Should** indicates a guideline or recommendation.

2.0 Overview of the HIFOR Program

2.1 Objectives

The primary objectives of HIFOR are to:

- Mobilize finance for the conservation of high integrity tropical forests and their related ecosystem services, such as carbon removal and the maintenance of biodiversity;
- Provide incentives for and sustainable investment to stewards of high integrity tropical forests to enable them to prevent ecosystem degradation and deforestation;
- Channel public and private investment finance through the issuance of HIFOR units that enables buyers to:
 - make contribution claims;
 - help to maintain regional ecosystem services that underpin their supply chains or investments; or
 - help to mitigate wider systemic risk by regulating climate and hydrological cycles, and by protecting biodiversity.

As such, HIFOR aims to fill a large and important gap left by existing climate and biodiversity financing mechanisms.

2.2 Guiding principles

HIFOR is based on the following principles:

1. **Transparency:** HIFOR is administered according to transparent rules and procedures. The rules and procedures for generating HIFOR units are clear, publicly accessible, and scientifically robust. Information on each registered HIFOR Project is publicly available, including the Project description document, Project performance reports, and validation and verification reports.
2. **Social inclusion:** HIFOR includes procedures and requirements to benefit the well-being of Indigenous Peoples & local communities (IPs & LCs) living in and around the HIFOR Project. HIFOR Project proponents are required to organize consultations on comprehensive intervention strategies aimed at fostering local livelihoods and well-being as a cornerstone of efforts to maintain forest integrity, especially with regard to the equitable sharing of benefits. The project design requires Free, Prior and Informed Consent (FPIC) from relevant stakeholders.
3. **Scientific and environmental good practice:** Issued HIFOR units are quantified in line with robust scientific evidence, for example on carbon measurements and understanding of carbon fluxes, factors that threaten biodiversity, and the best guidance available related to the conservation and management of high integrity forests. HIFOR requirements and procedures are geared towards delivering real and

measurable results. HIFOR sets strong applicability conditions including ecological integrity thresholds.

4. **Durability:** HIFOR units are generated with the goal of supporting the long-term protection of forests. This is achieved through making HIFOR activities complementary with other forest conservation efforts and frameworks, adaptive to new information, aligned with sustainable development outcomes for local stakeholders, and scalable across landscapes and over time.

2.3 Essential features of HIFOR

A HIFOR unit represents effective conservation of one hectare of high integrity tropical forest within a large HIFOR Accounting Area over a ten-year period. An additional metric associated with this unit is the number of tons of net CO₂ removal from the atmosphere (as an indicator for climate change mitigation impact). These metrics are proxies for biodiversity protection and climate regulation.

A set of criteria and assurance processes allows buyers to be confident that purchased HIFOR units originate from well-designed projects and have been accurately quantified. The required characteristics of the Project location and required design attributes of the Project itself are set out in the Methodology, along with rules for monitoring outcomes and ensuring that safeguards are applied. A Project must set out its design in a Project description document (PDD) and must periodically quantify its results in Project performance reports (PPRs). The PDD and PPRs are subject to third-party audits, referred to as validation and verification respectively. Once issued, HIFOR units are tracked in a transparent registry as they are transacted and retired.

HIFOR represents a payment for ecosystem services model that rewards the stewardship (or, equivalently, the maintenance) of areas that are in very good ecological condition and are not subject to acute short-term threats. It differs fundamentally from models that reward avoided loss of forest carbon or biodiversity in areas that do face high short-term threats, or which reward restoration/recovery of these attributes where they have already been lost. Using a healthcare systems analogy, avoided loss approaches can be considered equivalent to 'emergency room medicine' and restoration to 'rehabilitative care', whilst HIFOR fulfills an essential and complementary role that is analogous to 'primary' or 'preventive' healthcare.

2.4 Claims guidance

HIFOR units can be used to support *contributory* claims; for example, that the buyer has made a contribution towards a global climate, nature conservation or biodiversity conservation target. HIFOR units cannot be used to support *compensatory* claims, such as offsetting, that imply the cancelling-out of damage caused by the buyer elsewhere, because they do not represent an outcome quantified as the difference from a counter-factual baseline or reference level.

Examples of specific environmental reporting frameworks where use of HIFOR units is expected to be permissible are described in the brief on *HIFOR units for ESG reporting*, which can be found on the HIFOR website, www.hifor.org. See also ³.

2.5 Relationship with other environmental services reward programs

HIFOR is different from REDD+ and from some types of biodiversity crediting programs. In some cases it is permitted to overlap with schemes that generate other kinds of environmental units, and in other cases it is not.

Project-level REDD+: the HIFOR Accounting Area (HAA) of a HIFOR Project shall not overlap with the crediting area of any project-scale REDD+ project.

- This is to ensure clarity and avoid confusion for all market participants. In practice, sites where threats are sufficiently high and entrenched to make a REDD+ project feasible are unlikely to be suitable for the development of a HIFOR Project, and vice versa.

Jurisdictional-scale REDD+: The HIFOR Guide & Standard allows the HAA of a HIFOR Project to overlap with an area where REDD+ is being implemented at jurisdictional (including national) scale, although in some cases the rules of the REDD+ program itself may not allow an overlap with ecosystem services programs such as HIFOR.

- The overlap is permitted by HIFOR because in technical terms the specific climate value that is quantified within HIFOR (net removals by high integrity areas during a Monitoring Period) does not offer a risk of double-counting with the value quantified in a REDD+ framework (avoided loss of stocks already existing at the start of an accounting period). Further, in practice the activities that generate REDD+ results and the activities that generate HIFOR units are likely to take place in geographically separate parts of a jurisdiction where current threats are high and low respectively.

Biodiversity crediting and certificate programs: the HAA of a HIFOR project shall not overlap with other projects that generate either biodiversity credits or biodiversity certificates, whether for stewardship, maintenance, avoided loss or restoration. This is to avoid any risk of confusion or perception of double-counting.

- The normative frameworks around biodiversity credits and certificates are rapidly evolving, making an exact comparison with other standards difficult. However, once frameworks and terminology stabilize we expect that HIFOR will be recognized as an eligible standard within the category of biodiversity/nature *stewardship* certificates (or equivalently, biodiversity/nature *maintenance* certificates). HIFOR appears incompatible with current trends in the development of biodiversity *credits* in the narrowly defined sense that depends on quantifying units of avoided loss or recovery, because HIFOR units do not specify an amount of avoided loss or recovery in comparison to a counter-factual.

³ Allen et al. (2024) <https://www.nature.com/articles/s41586-024-08326-8>

2.6 Program documents

Proponents and other participants in HIFOR must adhere to the requirements in the present document and the documents listed below, all of which will be available on the HIFOR website www.hifor.org.

2.6.1 Methodology

The HIFOR Methodology describes the requirements for the design and implementation of HIFOR Projects, including applicability and eligibility criteria, situation analyses, required Project elements, monitoring standards and safeguards.

2.6.2 Templates

The templates (Table 2-1) are provided by the Global Administrator to ensure Project proponents and VVBs fulfill all documentation requirements for HIFOR Projects. The templates must be used, and they shall not be altered in any way other than to add project-specific information and delete any guidance notes provided therein.

Table 2-1. HIFOR Templates

| Template | Description |
|------------------------------------|--|
| Project description document (PDD) | Project proponents shall use this template to design and describe all necessary components of a HIFOR Project in line with the HIFOR Methodology. |
| Project progress report (PPR) | Project proponents shall use this template to describe and report the results of a HIFOR Project in line with the HIFOR Methodology. |
| Validation report | A VVB shall use this template to provide the necessary information to support its decision to validate a HIFOR Project. |
| Verification report | A VVB shall use this template to provide the necessary information to support its decision to verify the HIFOR units generated by a Project. |
| Listing representation | A legal document that asserts that <i>inter alia</i> the proponent has understood key elements of the process of listing the project for validation and provided true, factual information, and defines certain rights and obligations between the proponent and the Global Administrator. |
| Issuance representation | Project proponents shall use this form to declare that <i>inter alia</i> they believe a given Project performance report to be factually accurate and to assert that they have the right to transact the HIFOR units that will be issued in relation to it. |

| | |
|-----------------------------|--|
| Validation representation | A VVB shall use this form <i>inter alia</i> to summarize the decision of the Validation report. |
| Verification representation | A VVB shall use this form <i>inter alia</i> to summarize the decision of the Verification report. |
| VVB application form | Prospective VVBs shall use this template to apply for approval from the Global Administrator to be a validator and/or verifier of HIFOR Projects, subject to any rules and requirements of the Global Administrator. |

3. Governance

This section explains the current governance structure of the HIFOR Initiative. The structure is expected to evolve over time as HIFOR moves from piloting to scaling. Changes will be publicly announced on the HIFOR website www.hifor.org.

3.1 Global Administrator

The Global Administrator is the entity responsible for overseeing the functioning of the HIFOR system, including:

- creation and maintenance of the key system documents, including periodic revisions of the Methodology and this Guide & Standard, as required
- oversight of the validation and verification processes, including approval of VVBs and review of their work products (with the understanding that overall responsibility for a Project should reside with the Project proponent and/or the VVBs they select)
- Project Database, registry and unit issuance functions

WCS currently performs the Global Administrator role, through its Forests and Climate Change program. The identity of the Global Administrator can be changed or certain of the functions can be subcontracted to third parties, at the discretion of the Global Administrator, where needed to ensure effective and timely delivery of these functions at the required scale.

3.2 Consultations about HIFOR documents

At the discretion of the Global Administrator, any changes to the documents that define the HIFOR system may undergo a public consultation process. Such public consultations will be announced in appropriate languages on the HIFOR website www.hifor.org and through other channels as appropriate to enable wide participation. Following completion of a consultation, the Global Administrator shall release a report summarizing views received and responses.

3.3 Project Database

During the pilot phase of the Initiative, the Global Administrator will establish and manage a transparent Project Database that will hold key descriptive information about each active Project. Initially it will list each Project that has begun validation or moved to a later stage.

The Database will include a set of basic descriptors for each project, as well as a statement of a project's status (e.g. undergoing validation, validated, verified, etc.) and links to, as available, all versions of the PDD that have been submitted to a VVB, all versions of any PPRs that have been submitted to a VVB, and any validation or verification reports. Key documents relating to maintenance and correction processes (Section 5.6) will also be made available. The Project proponent shall be responsible for providing accurate and complete information to the entity managing the Project Database.

If a proponent wishes certain sensitive information not be included in the Project Database (e.g., commercially or culturally sensitive information), the Global Administrator must be informed in writing. Requests will be considered on a case-by-case basis.

3.4 Registry

During the pilot phase of the Initiative, the Global Administrator will establish and manage a transparent registry that enables each issued HIFOR unit to be listed and tracked between owners up to and including the point of unit retirement. It is expected that a third-party registry provider will be engaged by the Global Administrator to maintain the registry as HIFOR scales up.

3.5 Fees and Costs

The HIFOR Global Administrator reserves the right to charge levies or fees on Projects for participation in HIFOR. The form and amount of these levies or fees, if any, will be announced on the HIFOR website www.hifor.org and incorporated into future versions of the Guide & Standard. Newly announced levies or fees will not apply retrospectively, but existing projects will be required to pay any relevant levies or fees going forward.

3.6 Pilot Project initiation

During the pilot phase of the Initiative, all pilot Projects will be developed by invitation, in close consultation with WCS, to ensure that they are well aligned with the goals and ethos of the Initiative and are designed to generate lessons learned about important project types or geographies. In some cases, WCS will directly assist the proponent, and in others it is expected WCS will provide more arm's-length support to those parties that are directly assisting a proponent.

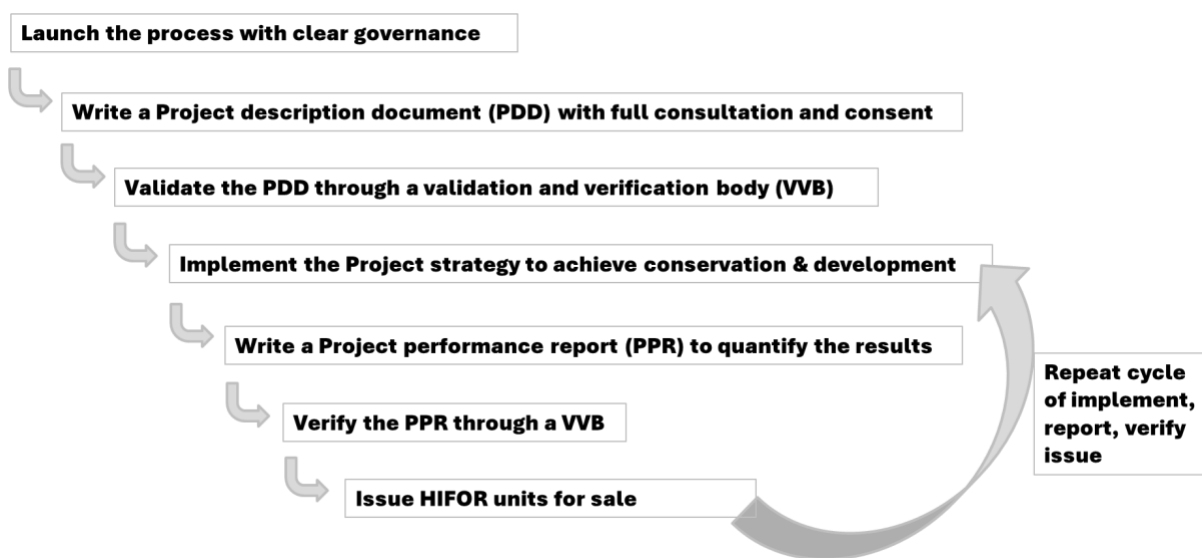
After the pilot phase, different requirements will apply for the initiation of projects. Rules and guidance will be set out in a revised version of the Guide & Standard. The Methodology is registered with Creative Commons and is publicly available for non-commercial use.

4. Rules for Project assessment and unit issuance

4.1 Project cycle

Figure 4-1 shows the main steps in the HIFOR Project cycle. The following sections expand on these steps.

Figure 0--1. Simplified outline of the HIFOR Project Cycle

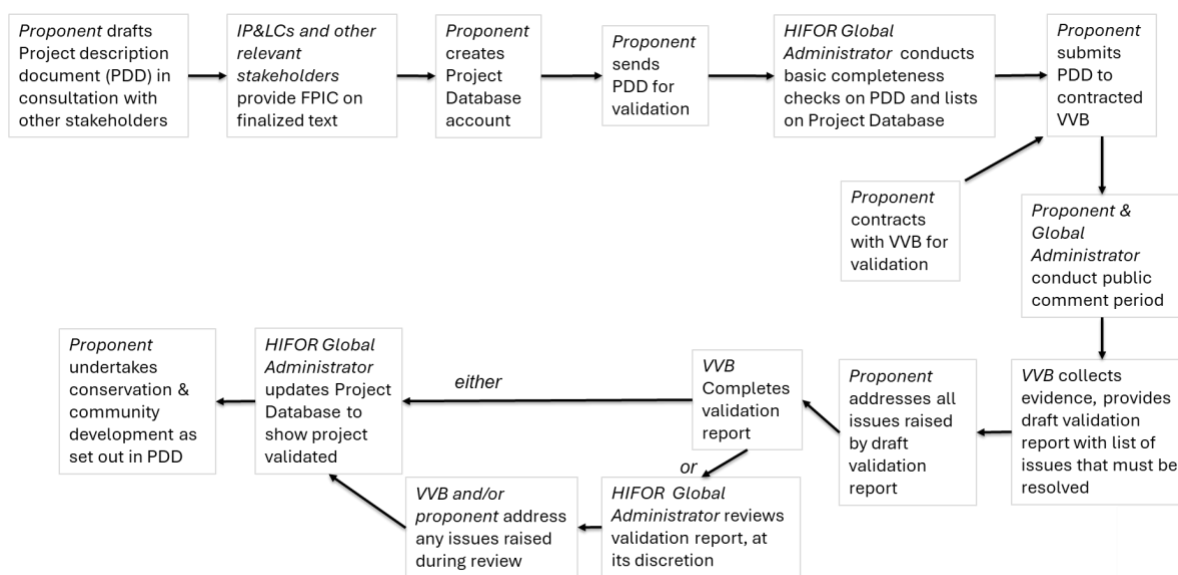


4.2 Validation and verification

Validation is the assessment by a qualified third-party auditor (i.e., VVB) of a PDD and associated information to determine whether a Project's design is in conformance with the requirements of the Methodology and this Guide & Standard and, as such, that it is expected to achieve the intended outcomes. Verification is the analogous process for a PPR covering a given Monitoring Period, and, as such, provides assurance that the outcomes reported have been achieved. Requirements for an auditor to be considered qualified are set out in Section 5.

Figures 4-2 and 4-3 outline the main steps in validation and verification respectively.

Figure 0-2 The process of validation



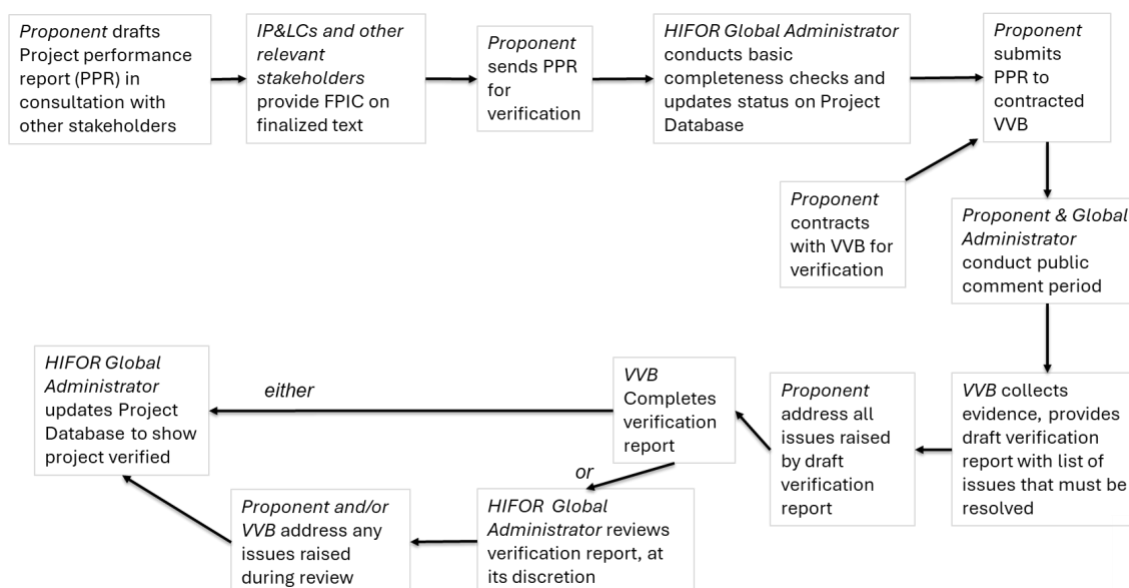
Validation shall be completed within six years of the end of the first Monitoring Period. Verification shall be completed at any point after the end of the relevant Monitoring Period. A Project may seek verification after it has achieved validation, or a Project may conduct its validation and first verification as a single, combined step. The stages of verification generally match those for validation, with limited differences noted below.

Validation and verification shall be carried out in conformance with *ISO 14064-3*, *ISO 14065* and *ISO 14066*. Additional requirements are set out in this section. Further requirements may be set out in the formal agreement between the Global Administrator and the VVB (see Section 5).

Prior to initiating validation or verification the proponent shall select an approved VVB in accordance with the requirements in Section 5, below, and prepare to contract them.

To initiate validation or verification, the Project proponent shall submit the finalized PDD or PPR, along with proof of contracting of validation or verification, to the Global Administrator, who will conduct basic completeness checks. Within 30 days, the Global Administrator shall either confirm that the PDD or PPR is complete enough to share with a VVB or indicate gaps that the proponent must fill before resubmitting to the Global Administrator.

Figure 0-3 The process of verification



After successful PDD completeness checks, the Global Administrator shall list the Project as 'undergoing validation' on the Project Database and make the PDD public there. After successful PPR completeness checks the Global Administrator shall list the Project as 'undergoing verification' on the Project Database and make the PPR public there.

The proponent shall then provide the PDD or PPR to the selected VVB. In consultation with the Global Administrator, the proponent shall initiate a public comment period (see section 4.2.1 below).

The VVB shall review the documentation, including results of the public comment period, and make field visits and other assessments, such as stakeholder interviews, as appropriate. A field visit to each management unit in the Project shall be required at validation and at each verification, of a sufficient duration to allow substantive observations to be made of a sample of Project characteristics and activities. The criteria for validation or verification shall be those set out in the version of the Methodology and of the Guide & Standard that is specified by the applicability conditions of the Methodology.

If the proponent proposes in the PDD or PPR a Project-specific modification to the requirements of the Methodology or the Guide & Standard, this shall be discussed on a case-by-case basis between the VVB, Global Administrator and Project proponent, agreed in writing by the Global Administrator prior to the completion of the validation or verification exercise, and clearly detailed in the validation or verification report. Such modifications shall not create precedents.

The VVB shall then either validate the Project or issue a list of required corrections and clarifications to the PDD or PPR, which the proponent shall address. More than one cycle of corrections and clarifications may take place. If the requirements of the Methodology and Program Guide & Standard cannot eventually be reached, the validation or verification has failed and the HIFOR Project in its current form shall be terminated.

If the VVB judges that the PDD or PPR meets all HIFOR requirements, the VVB shall issue the validation or verification report and validation or verification representation, using the relevant templates as provided on the HIFOR website www.hifor.org and adhering to the instructions that they contain. The VVB shall send copies to both the Global Administrator and the Project proponent.

The Project proponent shall then formally request that the Global Administrator list the Project in the Project Database as validated or verified, submitting supporting documentation as required.

At its discretion, the Global Administrator may then choose to conduct its own review of the work products from the validation or verification process. In this case it shall notify the Project proponent and VVB in writing that the review is taking place and when an initial statement of findings will be made, conduct the review, and notify the VVB and proponent of any issues found. The VVB and proponent shall respond to any issues raised and the Global Administrator shall then review the responses to determine whether a Project is eligible to proceed or not. During this process it may be found necessary for the proponent to revise parts of the PDD or PPR and/or for the VVB to repeat some or all of the validation or verification process, as advised by the Global Administrator. The Global Administrator shall not be liable for any costs incurred by the VVB or Project proponent during this review process.

If all necessary checks are completed satisfactorily, the Global Administrator shall indicate on the Project Database that the Project is validated or verified. If the checks raise significant issues that cannot ultimately be resolved, the validation or verification shall be deemed to have failed and this shall be indicated on the Project Database. This decision is at the sole discretion of the Global Administrator.

4.2.1 Public comment period

The public comment period shall be hosted on a webpage in or linked to the Project Database. The proponent is responsible for publicizing the comment period both internationally and in the country where the Project is located and shall arrange specific activities and measures to ensure that local stakeholders in and around the Project locations have an adequate opportunity to understand and comment on the PDD at this stage in relevant local languages.

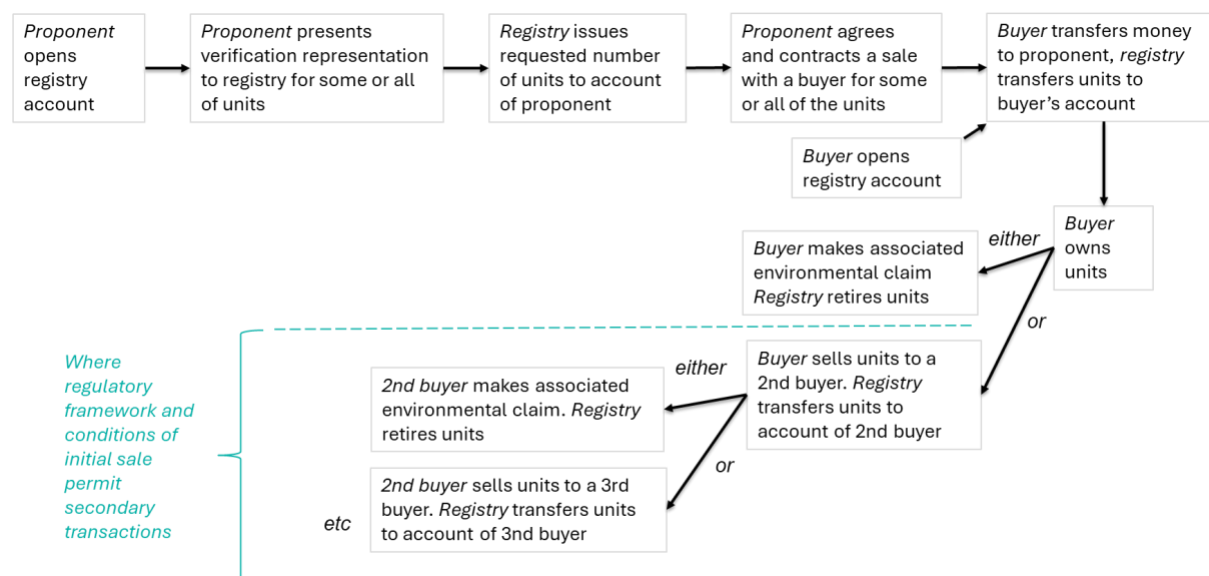
Any comments should be submitted by stakeholders within the 30-day comment period, with the exception that a longer period may be defined for local stakeholders if required to enable sufficient participation where logistics or other factors are challenging. Stakeholders should include their name, organization, contact information, and any other relevant information in their comments, unless doing so might lead to a risk of retaliatory action by other stakeholders.

At the end of the comment period, the Project proponent shall compile and publish an anonymized public summary of all comments received. Each comment should be addressed by the proponent either by updating the project documentation/design or by some other response.

4.3 Unit issuance, sale and retirement

Figure 4-4 outlines the main steps in issuance, sale and retirement. The steps can be adjusted where the transfer of units and funds is part of a more complex financial transaction than a simple ‘over-the-counter’ sale.

Figure 0-4 The processes of unit issuance, sale and retirement



After a Project is listed as verified on the Project Database, the Project proponent may request issuance of all or some of the units that relate to the verified period, at their discretion, into their account on the registry, subject to payment of applicable fees. Once HIFOR units are listed in the registry, they can be transacted.

Upon unit sale, the proponent will submit a unit transfer request to the manager of the registry. The registry manager will then transfer the Unit(s) to the account of the buyer.

At any point the owner of units can submit a retirement request to the registry manager, who will then permanently change the status of the specified number of units in registry to 'retired'. This will usually be done in connection with a specific public claim that the owner wishes to make relating to the units.

The onward transaction of HIFOR units from one buyer to another is not excluded by the HIFOR Guide & Standard, as long as it is not forbidden by applicable laws and regulations, and as long as no previous seller, including the proponent, has excluded it in the terms of a sale. Each subsequent transaction that takes place shall be tracked in the registry in the same way as the initial transaction.

4.4 Project update and correction processes

4.4.1 Project updates

If at any point after validation there are material changes to important aspects of the Project, the Project proponent shall submit documentation to the Global Administrator outlining these changes. The Global Administrator shall make a decision as to whether these require (a) no action; (b) minor action, such as an information note on the Project Database; or (c) significant action. Significant action, which could take many forms, could be triggered by, for example, a change of proponent, changes to the HAA boundaries, new legal approval for a major damaging activity within the HAA, or a significant breach of the safeguards. The Global Administrator will determine the appropriate course of action on a case-by-case basis, having particular regard for the rights and well-being of any IPs&LCs who may be affected, as well as the credibility of the HIFOR system as a whole. Significant action could include changes to a previously validated PDD or verified PPR, and, in extreme cases, could include a decision that the Project should be suspended pending resolution of the issue, or terminated.

4.4.2 Project corrections

The Global Administrator reserves the right to review validated or verified projects and issued HIFOR units at any time if it identifies prima facie concerns regarding a project's conformance with HIFOR requirements and/or the correctness of an issued unit.

A review may be initiated by any of the following events, or for another reason:

- 1) during the process of verifying a Project, a VVB identifies an issue from a previous validation/verification,
- 2) a Project proponent discovers and raises an error or quality issue about its own project
- 3) a stakeholder provides evidence that raises concerns about a Project,
- 4) the Global Administrator identifies an error or quality issue through routine operations.

If the Global Administrator decides to conduct such a review, which will be at its own expense, it will notify the Project proponent and the relevant VVB and at its discretion may suspend further HIFOR unit issuances from the Project, and/or sales of units already issued on the registry, until the review is complete. The Global Administrator will endeavor to complete the review during a

reasonable period of time and with the minimum necessary disruption to the Project, whilst ensuring that the review is of sufficient quality to fully assess the concerns identified and that the overall credibility of the HIFOR system is maintained.

Depending on the outcome of the review, the Global Administrator may make several determinations, including (but not necessarily limited to):

- 1) whether Project proponents need to update any project documents and/or repeat any element of a previous validation/verification process, noting that any such changes will be subject to approval by the Global Administrator before being deemed complete;
- 2) whether unit issuance and/or sales will remain suspended or not;
- 3) whether any sanctions will be taken against the VVB(s).

Once a review has been completed by the Global Administrator, the Project proponent shall be notified in writing, specifying the issues that need to be resolved and a deadline for completion. The outcomes of the actions taken by the proponent will then be reviewed and approved (or returned to the proponent for further action) by the Global Administrator.

If the relevant validation report and/or verification report(s) are required to be modified as part of this process, it may be found that either a cancellation or a modification of issued units (or both) may also be required (see following section).

4.4.3 Unit cancellations and modifications

If revision of a verification report shows that a Project has overestimated the number of units eligible to be issued, and if any of those units found to be in error have already been issued, then they shall be cancelled. A cancellation is the removal from the registry of a unit that has already been issued there (and may also have been sold or retired).

If revision of a verification report shows that a Project has overestimated the number of net CO₂ removals associated with a given set of HIFOR units, and if any of the units found to be in error in this way have already been issued, then they shall be modified. A modification is the alteration in the registry of the number of net CO₂ removals associated with a unit that has already been issued (and may also have been sold or retired).

If a unit cancellation and/or modification is required, the Project proponent shall submit a cancellation or modification request (or both) to the registry. The Project proponent must initiate this step within four weeks of receiving approval by the Global Administrator of any changes made to the verification report(s). If this step is not initiated within this time, the Global Administrator is then empowered to initiate this step unilaterally with the registry, so as to protect the overall credibility of the HIFOR system, whilst informing the Project proponent that the step has been taken.

Owners of cancelled or modified units shall be formally notified of this change by the registry manager and are encouraged to publicize the fact of this change where it significantly changes the nature of a past claim.

5. Validation and verification body rules

5.1 Selection of validation and verification bodies for HIFOR Projects

This section sets out current requirements for the selection of third-party validators and verifiers (collectively called validation and verification bodies or VVBs).

5.1.1 Requirements for qualification of validation and verification bodies

Qualifying requirements are the same for the validation and verification stages.

The VVB is paid by, or on behalf of, the Project proponent. The selection of a VVB is the responsibility of the Project proponent and may be done by direct solicitation, published requests for proposals or other methods at the discretion of the proponent. For the pilot Projects this will be done in consultation with WCS as the Global Administrator.

A Project may use the same VVB on no more than two successive occasions (e.g., validation and first verification, or first and second verifications but not validation, etc.) after which a different VVB must be used on the next occasion. The compensation and other arrangements between Project proponents and VVBs must not incentivize VVBs to improperly validate and/or verify the Project.

All VVBs and their audit teams must be approved by the Global Administrator prior to entering into contracts for validation or verification services. Required information to enable this approval is set out in the VVB application form template. The Global Administrator shall use all the criteria listed in Table 5-1 to determine eligibility of individual VVBs. Approved VVBs will be listed on the HIFOR website www.hifor.org as a transparency measure.

Once approved, a VVB must sign a formal agreement with the Global Administrator that specifies the terms under which validation and verifications shall be conducted. This may introduce requirements additional to those set out in the Guide & Standard or Methodology.

Table 0-1. Eligibility criteria for VVBs

| Categories | Criteria |
|---------------------------------------|---|
| Accreditation by a recognized program | <p>Acceptable forms of accreditation are</p> <ul style="list-style-type: none">- Accreditation by an International Accreditation Forum (IAF) member body for both ISO14065:2020 and ISO17029:2019 <p>The accreditation shall not have expired or been withdrawn or suspended.</p> <p>Other accreditation programs may be added to this list. Project proponents and/or VVBs may request that the Global Administrator investigate and decide whether to approve additional accreditation routes. The decision to conduct this investigation is at the discretion of the Global Administrator.</p> <p>VVBs shall notify the Global Administrator of any inconsistency between the requirements set down by the accreditation program through which they seek to qualify and those outlined in the HIFOR VVB requirements. The Global Administrator shall advise the VVB on the course of action.</p> |

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| Legal status | <ul style="list-style-type: none"> - A VVB shall be an entity registered under applicable national or international law so that it can function legally, enter into contracts, make decisions independently and be sued in its own name. - A VVB must demonstrate that it has no financial interest in and no conflict of interest with HIFOR or any HIFOR Project (save for the provision of validation/verification services), and that none of the staff or consultants involved in specific validation or verification contracts themselves have a conflict of interest. - If a VVB has been found guilty of, or is currently the subject of, any judicial process relating to malpractice, fraud and/or other activity potentially incompatible with functions as a VVB, it shall disclose this to the Global Administrator at the time of the application or upon becoming aware of the situation, together with any remedial measures that have been taken to prevent recurrence of this issue, to allow the Global Administrator to assess on a case-by-case basis whether this information makes the VVB ineligible to provide services in relation to HIFOR. |
| Size | <ul style="list-style-type: none"> - A VVB must have at least ten full-time employees. |
| Insurance | <ul style="list-style-type: none"> - A VVB must have professional liability insurance in place with coverage of at least USD 5 million |
| Good standing with HIFOR | <ul style="list-style-type: none"> - A VVB shall not have unresolved corrective actions in place under a warning from the Global Administrator (see 5.2.1, below). - A VVB shall not be suspended by the Global Administrator (see 5.2.2, below). |
| Sectoral expertise | <ul style="list-style-type: none"> - The VVB shall document that it has sufficient sectoral expertise on tropical forest conservation, biodiversity and the assessment of greenhouse gas fluxes in forests. This shall include, but not be limited to, conformance with the requirements of ISO14066. - VVBs shall ensure the audit team includes experts with subject-matter expertise in all areas relevant to the proposed Project activity and location. VVBs may contract external experts where needed to meet this requirement. - The audit team must demonstrate knowledge and expertise in: country-specific knowledge/language skills; technical knowledge in the specific sector of the Project activity; culturally-appropriate methods for interviewing, listening, and observing; and sensitivity towards socio-economic matters and environmental and social safeguards. - The team for each validation or verification shall include at least two Lead validators/verifiers, one to serve as the Lead Auditor and one to serve as the Senior Internal Reviewer. The audit team may also include additional validators/verifiers, local experts, content experts, and/or translators. Each validation/verification team must specify a Lead Auditor who is the main contact person for the HIFOR contract. |

| | |
|-------------|---|
| Outsourcing | <ul style="list-style-type: none"> - A VVB shall not rely on outsourcing (i.e., to other organizations, in the sense used by ISO17029) for delivery of its validation or verification services under HIFOR. This does not preclude the use of external experts under individual contracts. |
|-------------|---|

5.2 VVB sanctions

The Global Administrator may apply sanctions on VVBs if they are found by Global Administrator to be non-conforming with the governing accreditation body and/or HIFOR Program rules, or if they are assessed by the Global Administrator to be performing their services below the expected level. VVB sanctions issued will be noted on the HIFOR website www.hifor.org, to ensure transparency.

5.2.1 Warning

If the Global Administrator determines that sanctions are merited, it may first issue a warning report to the VVB and require it to undertake steps to assess the issue and identify corrective actions. The conditions necessary to ameliorate those issues (e.g., timeline) may be outlined in the warning report issued by the Global Administrator to the VVB. The Global Administrator will then assess whether the VVB has satisfactorily addressed the issues of non-conformity outlined in the warning report.

5.2.2 Suspension

The Global Administrator may suspend (i.e., withdraw or withhold approval from) a VVB at any time, subject to the terms of the formal agreement between Global Administrator and VVB. If a suspension is issued, the Global Administrator will provide the VVB with a detailed report outlining the reasoning for the suspension. Suspended VVBs are not permitted to conduct HIFOR validation or verification audits or issue validation or verification reports.

Suspended VVBs may be reinstated if they demonstrate to the satisfaction of the Global Administrator they have appropriately addressed the issues that led to suspension and have paid the necessary reinstatement fees, if any, to the Global Administrator and/or the governing accreditation body.

6. Complaints and grievance redress mechanism

Complaints, grievances and other similar issues that arise in relation to a specific Project shall be handled by the local grievance redress mechanism (GRM) specific to that Project, which must be set up in conformance with the Methodology.

Complaints, grievances and other similar issues that cannot be attributed to a single Project (e.g., covering multiple projects, or relating to wider elements of the HIFOR system such as the Methodology or registry) or that were submitted to a specific Project and reached a resolution that was not satisfactory to the complainant, shall be handled by the WCS global institutional GRM, described here: <https://grievance.wcs.org/en-us/>.

In general, issues submitted to the global GRM that are found to pertain to a single Project will be passed on to the local GRM specific to that Project for handling.

7. Safeguards

Social and environmental safeguards are a critical component of the HIFOR system. The Methodology provides a comprehensive set of safeguards for HIFOR projects.

8. Bibliography

The following documents from carbon standards were reviewed and inform this Program Guide:

- Verra – Verified Carbon Standard (VCS)
 - [*VCS Program Guide, v4.4*](#)
 - [*VCS Standard, v4.7*](#)
 - [*VCS Methodology Requirements, v4.4*](#)
 - [*VCS Program Definitions, v4.5*](#)
 - [*Complaints and Appeals Policy, v1.0*](#)
 - [*Registration and Issuance Process, v4.6*](#)
 - [*Methodology Development and Review Process, v4.4*](#)
- Gold Standard for the Global Goals
 - [*Principles and Requirements, v1.2*](#)
 - [*Stakeholder Consultation and Engagement Requirements, v2.1*](#)
 - [*Stakeholder Consultation and Engagement Guidelines, v2.0*](#)
 - [*Safeguarding Principles and Requirements, v2.1*](#)
 - [*Gender Equality Requirements and Guidelines, v2.0*](#)
 - [*Claims Guidelines, v2.0*](#)
- Plan Vivo
 - [*Project Requirements, v5.1*](#)
 - Other documents listed under [*Standard V5.0 - Guidance and Manuals*](#)

9. Document History

This is version 1.0 of the Guide & Standard. It is the first publicly available version.

Annex – Definitions

Terms marked with * are suggested to be capitalized when used in formal documentation, to minimize the risk of ambiguity or confusion. Listed terms that begin with 'HIFOR' can also be used freely in formal documentation without that element included, in cases where this does not create a risk of confusion or ambiguity. Further information on many of these terms can be found in the Methodology.

- **Ecological integrity:** A definition favoured by the Convention on Biological Diversity is used: 'an ecosystem is generally understood to have integrity when its dominant ecological characteristics (e.g. elements of composition, structure, function, and

ecological processes) occur within their natural ranges of variation and can withstand and recover from most perturbations'⁴.

- **Forest:** in the case of operational measurements and eligibility requirements for HIFOR, the definition of forest is that used in the creation of the Forest Landscape Integrity Index⁵, namely tree cover taller than 5 m with a canopy cover >20%, as mapped by ⁶ and aggregated to 300m resolution.
- **Forest Landscape Integrity Index* (FLII):** a publicly available dataset⁷ that provides an aggregate estimate, at 300m resolution, of the ecological integrity of a forest. The FLII is a continuous index and assigns forest areas scores ranging from 0 (lowest integrity) to 10 (highest integrity).
- **Geographic Scope*:** the combination of the HIFOR Accounting Area, the HIFOR Buffer Zone, and any other areas within the same country that are relevant to the Project because they are used significantly by communities that also use the HIFOR Accounting Area for legally permitted purposes, or because they are otherwise the locations of past or planned Project activities.
- **Global Administrator*:** the organization that oversees the operation of the HIFOR system including general oversight of validations, verifications, unit issuance, registry maintenance and the creation and updating of system documents such as the Methodology.
- **HIFOR Accounting Area* (HAA):** the total extent of one or more management units managed by or on behalf of the Project proponent, within which the Project proponent is eligible to generate HIFOR units.
- **HIFOR buyers:** entities such as companies, governments, foundations and individuals that purchase HIFOR units, allowing them to make well-supported claims about their contributions to protecting high integrity tropical forests and the carbon and biodiversity benefits associated with them. For readability, this includes entities that receive HIFOR units as part of financial transactions other than simple sales, such as bond issuances.
- **HIFOR Buffer Zone* (HBZ):** a 10km zone extending outward from the boundaries of the HIFOR Accounting Area.
- **HIFOR Monitoring Area* (HMA):** the combined area of the HIFOR Accounting Area and HIFOR Buffer Zone.
- **HIFOR Project*:** a program of activities focused on a defined geographical location or locations that is intended to generate HIFOR units developed in accordance with the HIFOR Methodology and other HIFOR documentation.
- **HIFOR unit*:** an asset in the form of a certificate that represents a bundle of climate and biodiversity benefits associated with one hectare of well-conserved high integrity tropical forest within a large landscape, as defined in the Methodology.

⁴ See <https://www.cbd.int/doc/c/e823/b80c/8b0e8a08470a476865e9b203/sbstta-24-03-add2-rev1-en.pdf>

⁵ See Grantham *et al.* (2020) <https://www.nature.com/articles/s41467-020-19493-3>

⁶ See Hansen *et al.* (2013) <https://www.science.org/doi/10.1126/science.1244693> and also www.globalforestwatch.org/map/

⁷ See forestlandscapeintegrity.com

- **High integrity forests:** forest areas largely free from anthropogenic degradation where, as a result, the structure, composition and function are expected to be within or near to natural ranges of variation. Operationally defined for HIFOR purposes as forested pixels with a FLII score above a threshold specified in the Methodology.
- **Management units:** blocks of land formally designated for management, within which the Project proponent is eligible to generate HIFOR units. Management units can include protected areas, Indigenous territories, forestry concessions, and other legal management categories being managed by or on behalf of the Project proponent.
- **Monitoring Period*:** the time period over which Project performance is assessed and documented in a Project performance report in order to generate HIFOR units. Monitoring Periods are ten years in length, except as permitted in certain cases of limited data availability.
- **Project Database*:** a publicly accessible central repository of key descriptive information about each active HIFOR Project.
- **Project description document (PDD):** describes the design of the HIFOR Project and how it complies with the Methodology. It shall be prepared using the HIFOR Project description document template.
- **Project performance report (PPR):** describes the activities and environmental and social outcomes of the Project over one Monitoring Period, demonstrating a Project's continued compliance with applicability and other conditions and describes any changes to Project design planned for the following Monitoring Period. It shall be prepared using the HIFOR Project performance report template.
- **Project Period*:** the time period over which HIFOR Projects take place and HIFOR units can be generated. The Project Period must be at least 30 years.
- **Project proponent:** the entity or entities with control over and responsibility for a HIFOR Project, including the right to transact the HIFOR units generated.⁸ A Project may have more than one proponent, but for ease of reading, documents containing requirements for HIFOR Projects generally only refer to 'proponent' in the singular.
- **Registry:** a publicly accessible central database listing all HIFOR units that have been issued and key descriptive information about them including their purchase and retirement history.
- **Registry manager:** the organisation that manages the registry.
- **Safeguards:** an umbrella term for the essential tools to avoid and mitigate harm to people or the environment during the conservation and development process.
- **Stakeholder consultation:** processes involving stakeholder identification, stakeholder engagement planning, disclosure of information, participation in design decisions, monitoring, evaluation of feedback, and addressing grievances, throughout the life of a HIFOR Project.

⁸ It is acceptable for the proponent to formally empower one or more designees to carry out certain HIFOR functions (e.g. administrative tasks or implementation activities) so where the term 'proponent' is used in this and other HIFOR documents, it can be presumed to imply 'proponent or its legal designee' except where this is evidently inappropriate to the context (e.g. certain legal obligations).

- **Stakeholder:** a person or organization that can affect, be affected by, or perceive itself to be affected by a decision or activity.⁹ User groups who will affect, or be affected by, the Project only in very limited ways need not be defined as stakeholders.
- **Unit cancellation:** the permanent removal of a HIFOR unit from the HIFOR registry for purposes other than retirement.
- **Unit issuance:** formal listing of verified HIFOR units in the registry, making them eligible to be sold or transferred.
- **Unit modification:** changing the number of net CO₂ removals associated with a HIFOR unit in the registry.
- **Unit retirement:** the permanent removal of a HIFOR unit from circulation in the HIFOR registry to indicate it has been used to support a specific claim or otherwise set against an environmental target by an end user.
- **Validation and verification body (VVB):** a qualified third party approved by the Global Administrator to carry out validation and/or verification of HIFOR Projects.
- **Validation:** the process by which a VVB certifies that a HIFOR Project has been correctly designed according to the relevant version of the HIFOR Methodology.
- **Validation report:** certificate confirming that a Project is validated, produced by a VVB in accordance with the HIFOR Program Guide & Standard.
- **Verification:** the process by which a VVB certifies that the Project has correctly reported its performance at the end of each Monitoring Period according to the relevant version of the HIFOR Methodology¹⁰.
- **Verification report:** certificate confirming that the performance of a Project over a given Monitoring Period is verified, produced by a VVB in accordance with the HIFOR Program Guide & Standard. It specifies how many HIFOR units can be issued, and what volume of net CO₂ removals are associated with those units. This enables the units and associated metrics to be added to a registry.

⁹ <https://www.iso.org/obp/ui/#iso:std:iso:9000:ed-4:v1:en>

¹⁰ Verification as used in this Guide & Standard is related solely to HIFOR units and does not include other types of verification in a financial transaction to which HIFOR is part of.

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