

Voluntary Nature and Carbon Markets: Domestic Scheme Endorsement Criteria

**Technical Document for Scheme Operators and
Comformity Assessors**

Version 1.0



**Ministry for Cities, Environment,
Regions & Transport**

New Zealand Government
Te Kāwanatanga o Aotearoa

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1. Introduction

Aotearoa New Zealand faces increasing challenges from climate change and biodiversity loss. Voluntary nature and carbon markets (voluntary markets) can help address these challenges by directing private investment towards activities that deliver measurable, independently verified environmental outcomes.

To support confidence in these markets, the government recognises high-integrity voluntary markets schemes and project methodologies. This occurs through one of two pathways:

- **the international pathway**, which recognises schemes and methodologies approved or accredited by specified international bodies¹
- **the domestic pathway**, through which other voluntary markets schemes operating in New Zealand may seek government endorsement.

Information about the international pathway can be found on the [Ministry for Cities, Environment, Regions and Transport's \(MCERT\) website](#).

1.1 Purpose and scope

This document sets out the criteria and requirements for government endorsement of schemes under **the domestic pathway**. The document is structured as follows:

- scheme endorsement criteria ([section 2](#))
- voluntary markets integrity principles ([section 3](#))
- requirements for conformity assessors assessing schemes seeking endorsement ([appendix 1](#))
- requirements for project validation and verification providers ([appendix 2](#)).

This technical document is intended primarily for scheme operators and conformity assessors.² It may be updated from time to time. Any changes will be communicated to the market in advance.

1.2 Context and overview

Government endorsement

Government scheme endorsement provides an opt-in impartial assessment of the integrity of voluntary markets schemes operating in New Zealand. It is intended to support confidence in those schemes and the nature and carbon project credits they issue.

¹ The government recognises existing accreditations and approvals from Integrity Council for the Voluntary Carbon Market (ICVCM), Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), and Paris Agreement Crediting Mechanism (PACM).

² **Conformity assessors** assess conformity of schemes with these endorsement criteria, having met requirements outlined in [appendix 1](#) and listed by the Ministry for Cities, Environment, Regions and Transport (MCERT). Conformity assessors are distinct from **scientific and technical expert reviewers** (engaged by MCERT) who assess and approve project methodologies, and **validators/verifiers** (approved by the scheme) who are qualified to undertake validation and verification of projects.

To support the integrity of voluntary markets activities, three distinct mechanisms apply.

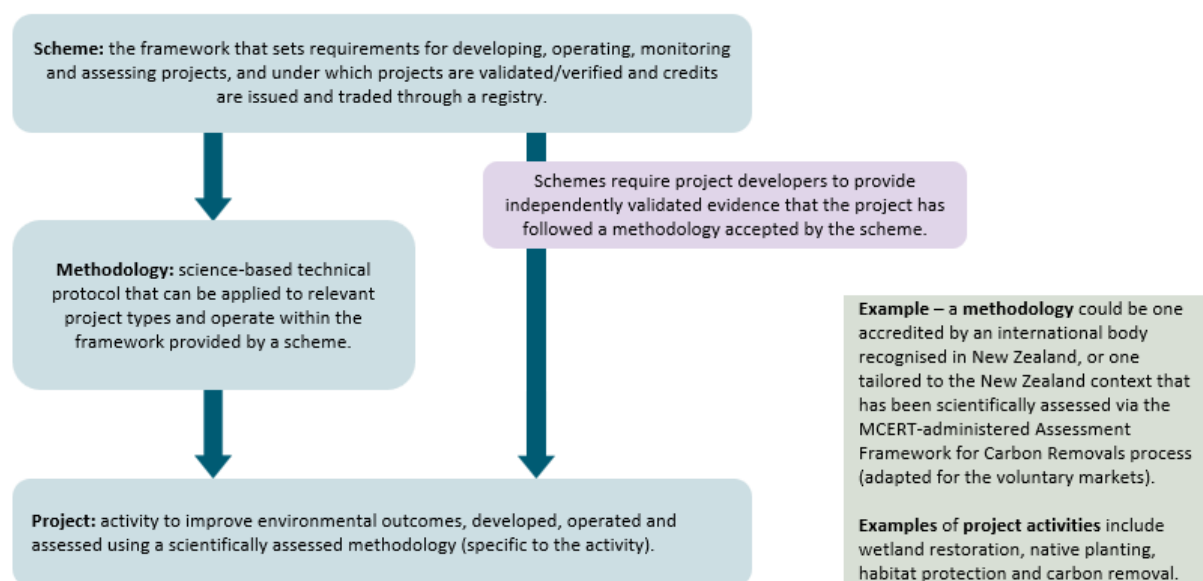
1. **Scheme endorsement** confirms that a voluntary markets scheme meets the government's endorsement criteria, as having the governance, rules and systems necessary to operate with integrity. This document provides the reference criteria for government endorsement of schemes under the domestic pathway.
2. **Methodology approval** confirms that a project methodology is scientifically robust and suitable for generating stated nature and/or carbon outcomes. Methodologies are approved via separate processes, either through the MCERT [Assessment Framework for Carbon Removals](#), or via approval by a recognised international body (see section 1 reference to the international pathway)
3. **Project validation and verification** provide independent assurance that projects are designed and implemented in accordance with scheme and methodology requirements, and that reported project outcomes have been achieved. Validation and verification requirements are set by the scheme according to criteria in this document.

For a project to claim government endorsement, it must be certified by an **endorsed scheme**, use an **approved methodology**, and undergo independent **validation and verification** in accordance with scheme requirements.

Where these requirements are met, the scheme may issue nature and/or carbon credits that buyers can purchase with confidence.

The relationship between schemes, methodologies and projects is illustrated in [figure 1](#).

Figure 1: Distinctions and relationships between voluntary markets schemes, methodologies and projects



Domestic scheme endorsement process

MCERT administers the government scheme endorsement process.

To obtain government endorsement for a scheme, a scheme operator must:

1. engage an independent conformity assessor (as described in [appendix 1](#)) to assess the scheme against the criteria in this document
2. consent to the conformity assessment being submitted to MCERT as part of its endorsement application.

MCERT reviews the application to confirm that it is complete, that the conformity assessment has been undertaken by a suitably qualified assessor, and that the scheme meets the endorsement criteria. Where those requirements are satisfied, MCERT will endorse the scheme.

Figure 2 outlines the key stages in the scheme endorsement process.

Figure 2: High-level overview of the scheme endorsement process



MCERT maintains documented processes for:

- receiving and assessing endorsement applications
- making endorsement decisions
- managing complaints and appeals.

An endorsement remains valid for five years from the date of the endorsement decision unless it is suspended or withdrawn earlier (see [section 2](#)).

Disclaimer: effect and limitations of scheme endorsement

Government recognition or endorsement of voluntary markets schemes operating in New Zealand, is intended solely as a quality signal, subject to the scope and limitations set out below.

Endorsement does not constitute a Crown guarantee or warranty, or acceptance of responsibility or liability for a scheme or participation in it. In particular, endorsement does not warrant or guarantee:

- the performance of a scheme, methodology or project
- that environmental outcomes will be achieved or maintained
- the quality, value or future use of any credit
- financial returns or market performance
- claims made by scheme operators, project developers, sellers, purchasers or secondary market users of credits.

Assessments undertaken for the purpose of the government scheme endorsement shall be conducted by an MCERT-listed independent conformity assessor. Neither endorsement nor an assessment report is legal, financial, or investment advice, and should not be treated as a substitute for independent professional advice.

The scheme endorsement requirements are expressed as 'shall', 'should', 'may' and 'can' statements.³

Market participants remain responsible for undertaking their own due diligence and making their own assessment of quality and credibility of endorsed schemes and associated credits. To the extent permitted by law, the Crown accepts no responsibility or liability for any loss, damage or claims arising from reliance on an endorsement, assessment report, or any voluntary markets scheme.

MCERT may review an endorsement at any time if it becomes aware of information that indicates that a scheme may no longer meet the endorsement criteria or comply with a condition of endorsement. Following a review, MCERT may suspend or withdraw the endorsement, if it determines that a scheme no longer meets the requirements for endorsement, or complies with a condition of endorsement, including by operating in a manner that is inconsistent with the integrity principles.

Before any action is taken, MCERT will give the scheme operator a reasonable opportunity to respond.

³ **'Shall'** indicates a strict requirement that must be followed for conformance with the scheme endorsement criteria and integrity principles.

'Should' indicates a recommendation; justification is required for non-conformance.

'May' indicates permission to do something.

'Can' indicates that it is possible to do something.

2. Scheme endorsement criteria

This section sets out the criteria used to assess whether a scheme meets the integrity principles.

2.1 Scheme governance

The organisation operating the scheme shall have an effective governance structure (eg, a board, a group of people, or a person) with overall authority and responsibility for scheme operations. Requirements for the governance structure include:

- being fully accountable to the shareholders and/or beneficiaries of the organisation operating the scheme
- having appropriate policies and procedures to operate the scheme and manage members' and/or trustees' interests
- ensuring implementation of scheme policies and processes
- ensuring impartiality of scheme operations, including conformity assessment against the endorsement criteria and project assessment⁴
- ensuring adequate resources and competency for project-assessment activities
- ensuring that risks to scheme operations are identified and managed
- ensuring transparent decision-making, reporting and dispute-resolution processes
- ensuring that the scheme upholds the integrity principles.

The governance structure may be supported by an independent advisory body with scientific and technical expertise relevant to the types of project that the scheme registers.

2.2 Scheme operations

The scheme shall have suitable quality management and administrative systems with policies, processes and procedures covering:

- financial management to ensure that there are sufficient funds to operate the scheme, including appropriate professional indemnity and public liability insurance
- engagement and contracting with project developers and owners
- development and maintenance of scheme requirements and standards, including how the scheme will require registered projects to demonstrate they have the safeguards in place required to meet the 'respectful of rights' integrity principle (see [section 3.5](#))
- secure record keeping and information management
- competency requirements and performance monitoring of independent validators and verifiers
- project certification, renewal, suspension and withdrawal procedures

⁴ 'Project assessment' in this context means suitably qualified independent validation and verification.

- issue of nature and/or carbon credits, registry and buffer arrangements
- receiving and handling of complaints and appeals.

2.3 Project registration

When registering a project, the scheme shall collect information and evidence from the project developer or owner, including:

- project name and description
- project location (maps, grid reference, etc), area and description
- land ownership and legal rights to carry out project activities, including consent for any project aggregation arrangements
- rights to the anticipated nature and/or carbon outcomes
- project implementation date (when work starts on site) and anticipated end date, if any (eg, 25, 50 or 100 years after start date)
- project method(s) or standard(s) for development of the nature and/or carbon projects, whether these methods have been scientifically assessed and approved, and what body has provided that assessment and approval
- predicted nature and/or carbon outcomes expected over the project lifetime
- definition of the units that will be used to measure project outcomes; carbon shall be quantified and reported as tonnes of carbon dioxide equivalent (tCO₂e), nature outcomes shall be based on physical measures (eg, area of land restored)
- description of the method(s) that will be used to quantify nature and/or carbon project outcomes
- expected project validation and verification requirements and standards
- proposed monitoring and reporting requirements for project performance
- information as to how the project meets the integrity principles.

2.4 Project development, operation and monitoring

The scheme shall have clear requirements and rules for the development and operation of projects, that are proportionate to project scale, complexity and risk, demonstrated by:

- provision of requirements and procedures for project owners to develop and operate a project
- provision of requirements that bar project owners from clearing, degrading, or removing indigenous vegetation, natural habitats, or existing ecosystems prior to a project's launch to artificially lower their environmental baseline
- requiring project development to be based on a project methodology that has been independently assessed as having appropriate scientific rigour
- having requirements in place for developing, approving, reviewing, updating and/or retiring project methodologies
- requiring project design and projected (*ex ante*) outcomes to be (independently) validated

- having requirements in place regarding how projects are to achieve and maintain compliance with the ‘respectful of rights’ integrity principle (see [section 3.5](#)).

The nature-based and/or carbon (*ex post*) outcomes shall be robustly and conservatively quantified, monitored and reported, demonstrating that the scheme has requirements for project developers to:

- quantify the nature and/or carbon baseline and outcomes
- apply appropriate quantification methodologies that are reliable and accurate, based on conservative⁵ approaches and sound scientific methods (including technologically enabled methods such as remote-sensing measurement), and guided by uncertainty assessments for the methods used, where appropriate
- define the units for nature and/or carbon outcomes
- monitor and report regularly on project performance and outcomes.

2.5 Project outcome assessment

The scheme shall have robust requirements (standards) for independent verification of the project outcomes that relate to the project methodology and application of the integrity principles, requiring the project to demonstrate – proportionate to project scale, complexity and risk – that:

- project design is based on a scientifically assessed project methodology
- project design and projected outcomes have been independently and adequately validated during the ‘project development, operation and monitoring’ step (see [section 2.4](#))
- actual nature and/or carbon project outcomes have been independently verified by a suitably qualified verification provider
- the translation of nature and/or carbon project outcomes to nature and/or carbon credits has been confirmed by the verification provider
- project design, development and operation of the project, and of measurement and reporting project outcomes, have complied with the integrity principles.

Suitable verification standards include (but are not limited to) ISO 14064-3,⁶ ISO 14019-2,⁷ and ISSA (NZ) 5000.⁸ In assessing technology-based evidence, verifiers should ensure outputs are transparent, have documented accuracy and are verifiable.

The scheme shall, as part of its project-assessment standard, specify the expected qualifications and competency for project validation and verification provision, being one of:

⁵ A ‘conservative approach’ protects against quantification of project outcomes being overstated.

⁶ International Organization for Standardization (ISO). 2019. *ISO 14064-3:2019 Greenhouse gases – Part 3 Specification with guidance for the verification and validation of greenhouse gas statements*. Geneva: ISO.

⁷ International Organization for Standardization (ISO). 2026. *ISO 14019-2:2026 Sustainability information – Part 2: Principles and requirements for verification processes*. Geneva: ISO.

⁸ New Zealand External Reporting Board (XRB). 2026. *ISSA (NZ) 5000. 2026. International Standard on Sustainability Assurance (New Zealand) 5000: General Requirements for Sustainability Assurance Engagements*. Wellington: XRB.

- an accredited validation and verification body (VVB) (eg, accredited to ISO 14065⁹ or ISO 14019-1¹⁰)
- a registered assurance practitioner with active membership of a recognised professional body
- an organisation or person that holds appropriate technical qualifications and relevant knowledge and experience to undertake validation and verification using the validation and verification standards specified by the scheme (see [appendix 2](#)).

2.6 Other non-scientific attributes

MCERT endorsement covers schemes that certify nature and/or carbon projects and issue nature and/or carbon credits. Schemes issuing credits with other non-scientific attributes to a nature and/or carbon project shall not claim that MCERT endorsement covers these attributes.

Schemes issuing credits which are, or are proposed to be, described as having particular non-environmental attributes shall:

- collect and compile information and evidence from project developers and owners regarding the policies and procedures each project will use to ensure credits generated by that project genuinely have those attributes
- ensure that there is no double counting of attributes with the nature and/or carbon credits
- have robust requirements (standards) for independent verification that credits generated by projects registered with them genuinely have those attributes
- specify the expected qualifications and competencies for organisations or people undertaking project validation and verification to be able to assess whether credits genuinely have those attributes
- ensure that any marketing claims related to credits with these attributes are accurate.

2.7 Project data and reporting requirements

The scheme shall have effective and conservative rules for compiling and reporting project information and project outcomes, proportionate to project scale, complexity and risk, demonstrated by:

- publishing project documentation (eg, via a registry) including, as a minimum, (subject to any privacy, sensitive information and data-protection restrictions)¹¹ project design, details of project location and area
- disclosing the boundary for the project activity (physical, administrative, geographic, jurisdictional) in a machine-readable format, and demonstrating that it is conservative and robust, accounting for all significant aspects of the project

⁹ International Organization for Standardization (ISO). 2020. *14065:2020 General principles and requirements for bodies performing validation and verification of environmental information statements*. Geneva: ISO.

¹⁰ International Organization for Standardization (ISO). 2026. *14019-1:2026 Sustainability information – Part 1: General principles and requirements for validation and verification*. Geneva: ISO.

¹¹ Refer to [table A2.3](#), under 'Confidentiality'.

- specifying duration and permanence of the project outcomes and mechanisms to achieve permanence
- confirming compliance with the ‘respectful of rights’ integrity principle (see [section 3.5](#))
- disclosing the methodology used to calculate project outcomes
- assessing all sources of uncertainty in the project outcomes associated with both project baseline and eligible project activities, and identifying the methods used to assess uncertainty (based on reputable peer-reviewed sources or considered to be rigorous by validators and verifiers)
- requiring projects to have procedures for determining buffers or other reversal mitigation measures (based on levels of uncertainty at levels deemed acceptable by validators and verifiers)
- having measures in place, as relevant, to manage and account for leakage, including:
 - procedures for assessing the likelihood of project activities leading to an increase in emissions or loss of nature outcomes elsewhere (leakage), including measures for identifying, mitigating and accounting for any unavoidable leakage¹²
 - material levels of emissions or loss of nature-based outcomes resulting from leakage have been ‘netted off’ when determining the number of credits that can be issued
 - procedures for ensuring that any reversals in nature outcomes are replaced by nature projects capable of generating similar nature outcomes
 - processes for monitoring and mitigating leakage for the duration of the crediting and permanence periods
 - estimation of leakage is robust and conservative, and that it documents assumptions, models, parameters, data sources and measurement methods
- providing evidence that demonstrates that all the integrity principles have been met
- publishing project progress-monitoring reports.

2.8 Credit issuance

The scheme shall have robust processes for issuing and tracking the credits it issues, demonstrated through:

- credits being issued only after independent validation of projected outcomes (*ex ante* credits) or independent verification of ‘actual’ project outcomes (*ex post*), and credits being listed on the scheme nominated registry where they are identified as *ex ante* or *ex post*
- specific rules and limitations for the issue and use of *ex ante* credits (eg, ‘the use and/or retirement of *ex ante* credits is prohibited’), although they may be pre-sold to support early stage project investment – rules should cover:
 - the basis for setting *ex ante* issuance volumes against projected outcomes
 - the timing and method for reconciling *ex ante* issuance against verified outcomes
 - where the obligation sits if verified outcomes fall below *ex ante* issuance

¹² Integrity Council for the Voluntary Carbon Market (ICVCM). 2024. [Core Carbon Principles, Assessment Framework and Assessment Procedure. Version 1.1](#). London: ICVCM.

- specific and transparent rules concerning what nature and/or carbon credits can be used for, and what claims can be made to support well-informed participation by sellers and buyers
- specification of the crediting period and criteria for renewal of crediting periods including reassessment of baselines and whether eligibility criteria (eg, integrity criteria) for the issuance of nature and/or carbon credits can still be met
- evidence that the seller of the nature and/or carbon credits has the legal ownership rights to the project outcomes.

2.9 Credit tracking

The scheme shall identify and use a public registry to uniquely identify, record and track project activities and credits issued, and shall ensure that credits can be identified securely and unambiguously, by requiring:

- project documentation (subject to privacy / sensitive information / data-protection restrictions),¹³ credits, assignments and retirements to be publicly listed on the (scheme) registry
- identification of vintage and validity of the credits issued
- identification of the entity on whose behalf the credit was retired
- identification of the purpose of the credit retirement
- procedures to be in place to address erroneous issuance of credits, including remedial identification of measures and the entities responsible for implementing these
- the length and number of crediting periods to be proportionate to the type of project activity, confidence in measurement technique, reliance on modelled outcomes and risk mitigations such as buffers.

2.10 Transparent public information

The scheme, subject to any privacy, sensitive information, and data-protection restrictions,¹⁴ shall provide comprehensive and transparent publicly available information on all credited project outcomes, including:

- project design document
- validation and verification reports
- monitoring reports
- credit-tracking information.

2.11 Selling credits

Sellers shall be responsible for the integrity of credits sold, and for demonstrating that integrity to buyers and clearly describing the use cases of those credits. Marketing of credits, including any claims about the origin and quality of the credits, shall comply with the Government's *Guidance for Voluntary Climate Change Mitigation*.¹⁵

¹³ Refer to [table A2.3](#), under 'Confidentiality'.

¹⁴ Refer to [table A2.3](#), under 'Confidentiality'.

¹⁵ Ministry for the Environment. 2026. [Guidance for Voluntary Climate Change Mitigation](#). Wellington: Ministry for the Environment.

3. Demonstrating the scheme meets the integrity principles

This section outlines the Government's agreed integrity principles, with additional explanation of how a scheme can demonstrate conformity with the integrity principles, noting that the principles may apply differently depending on the type of environmental activity or outcome being generated and credited. The principles may also need to be applied differently to be proportionate to project scale, complexity and risks, provided the integrity of activities, outcomes and claims are maintained.

The integrity principles apply to scheme operators and all the scheme activities leading to the creation of nature and/or carbon credits. They enable participants in the voluntary markets to have confidence in the quality and integrity of the projects and project outcomes.

A scheme can achieve government endorsement only if it has clear guidance, tools and procedures (with supporting evidence) to ensure that projects registered under the scheme can provide evidence that they are operating in conformance with the integrity principles.

The integrity principles are outlined below, along with examples of how a scheme can demonstrate its application of the principles.

3.1 Additional

Integrity principle: Additional

Credits (including other comparable instruments such as insetting) deliver positive environmental outcomes that are due to a specific activity and would not have occurred in the absence of the credit. For example, the activity is not required by regulation, or other policy measures.

In some circumstances, credits could apply to maintenance activity.

Schemes shall have procedures in place that demonstrate that the project activity (and associated outcome):

- is not an activity required by regulation or other obligatory policy measures
- would not have taken place in the absence of the credits issued
- is not an activity that represents business-as-usual management.

The application of the additionality principle will vary depending on the type of environmental activity or outcome being credited. For carbon activities, additionality is typically demonstrated through a baseline and/or counterfactual scenario showing that the carbon sequestration or reduction would not have occurred in the absence of the activity.

In a biodiversity context, additionality may include the restoration, creation or extension of ecosystems, as well as activities that avoid biodiversity loss or improve the condition, function or services of existing ecosystems. This may include, for example:

- pest and weed management where the activity is expected to prevent biodiversity decline or ecosystem degradation

- enrichment planting in indigenous forest, or the transition of exotic forest to indigenous forest, where the activity is evidenced to improve the condition, function or services of ecosystems.

In such cases, additionality should be demonstrated by showing that:

- the nature outcomes would not reasonably be expected to occur under business-as-usual management
- without the activity, biodiversity loss, degradation, or a lower ecological condition would likely result.

3.2 Durable and permanent

Integrity principle: Durable and permanent

Activities recognised through credits contribute to long-lasting or permanent outcomes. Voluntary activity demonstrates permanence and states how a project will be managed if, in unforeseen circumstances, the voluntary activity is reversed. This will differ depending on the activity being claimed.

Schemes shall have project requirements that demonstrate that credits created by the scheme represent long-lasting or permanent project outcomes.^{16,17}

The following provisions for managing permanence should be considered.

- What aspects of the project or methodology make permanence more or less likely (ie, is permanence technically feasible)?
- What legal instruments or other mechanism may be required to maintain the project and ensure durability (eg, QEII National Trust covenants,¹⁸ Ngā Whenua Rāhui kawenata for Māori land¹⁹)?
- What monitoring will be undertaken over time to ensure permanence obligations are met?
- What processes are in place to return to compliance where permanence obligations are not met?
- What contingencies are in place, and where do the liabilities rest, to rectify project failure or reversal arising from natural events (eg, wildfires, extreme weather events), or poor management (eg, intentional land clearing, or failure to maintain pest or weed control)?
- What management strategies are proposed to address risks that are variable or difficult to predict (ie, well-understood tools such as buffer credit pools or insurance)?

¹⁶ Integrity Council for the Voluntary Carbon Market (ICVCM). 2024. [Core Carbon Principles, Assessment Framework and Assessment Procedure](#). Version 1.1. London: ICVCM.

¹⁷ QEII National Trust. Unpublished. *Enduring gains: key insights into meeting the permanence principle in voluntary biodiversity markets*. Prepared for the QEII National Trust by Mātaki Environmental. Wellington: QEII National Trust.

¹⁸ QEII National Trust. [Home | QEII National Trust](#). Retrieved 15 September 2026.

¹⁹ Department of Conservation. [Ngā Whenua Rāhui: Funding](#). Retrieved 15 September 2026.

3.3 Real, measurable, and verifiable outcomes and risk mitigation

Integrity principle: Real, measurable and verifiable outcomes and risk mitigation

Credits, and the projects they represent, deliver the tangible outcomes described, and have interventions and outcomes that are appropriate for the project area.

Credits are supported by evidence from credible and robust monitoring and reporting, and should be verified by a suitably qualified independent third party to a reputable and publicly disclosed standard. Requirements for evidential rigour in monitoring, reporting and verification are balanced with considerations of practicality, cost-effectiveness and proportionality to project scale, complexity and risk, while maintaining the integrity of project outcomes and claims.

The risk of any negative impacts, unintended consequences and spillover effects (including leakage) is managed.

The scheme shall demonstrate that it has appropriate requirements in place to deliver tangible project outcomes as described in the project methodology and project design, and the project methodology is appropriate for the project area.

Measurement may combine various approaches – for example, remote-sensing, authoritative datasets and expert ecological review.

The scheme shall demonstrate that it has appropriate standards in place to provide:

- project baseline, monitoring and reporting information at appropriate time intervals
- evidence that the project has been assessed as being appropriate for the project area
- evidence that the project design has been validated
- evidence that project outcomes have been verified
- evidence that validation and verification were undertaken by suitably qualified independent parties
- details of the publicly available validation and verification standards used
- explanation of how risk of any negative impacts, unintended consequences, including leakage, are identified and managed
- explanation of how risk of over-estimation and/or over-crediting is managed.

Leakage

Leakage may arise from:

- **activity shifting**, where project actions in one area cause negative outcomes elsewhere
- **market effects** arising when changes in supply and demand for credits from a project lead to higher negative outcomes in other regions
- **input/output leakage** occurring when resource use and services required to run the project indirectly cause negative outcomes elsewhere
- **investment leakage** when capital is diverted from activities and technologies elsewhere that would have created more positive outcomes

- **ecological leakage** – that is, unintended environmental consequences, such as spread of pests or increased pressure on neighbouring ecosystems due to conservation work in the project.

Where leakage occurs and cannot be mitigated, it is assessed and compensated (eg, by adjusting the number of credits issued, or through deduction of verified credits already issued).

3.4 Transparent

Integrity principle: Transparent

There is transparency over how all integrity principles are being met.

All stakeholders – including credit buyers, project developers, iwi, communities and third-party verifiers – can see and understand how credits are created, verified, traded and retired, and what claims are being made.

While meeting this principle, standards will ensure that the public disclosure of information includes safeguards around sensitive information (including, but not limited to, locations of threatened species or culturally sensitive information).

To demonstrate conformity with the principle, the scheme shall make information about projects and their outcomes (detailed in [table 1](#)) publicly available and accessible.

Table 1: Minimum project data disclosure

Core project-level data category	What is included
Project identification	Project name and unique project identifier.
Project type / activity classification	Project category (eg, nature-based activity, carbon reduction/removal). Project method and how it was scientifically assessed. Explanation for any sensitive information that is not publicly reported.
Project crediting and issuance	Information about the credits issued, in relevant units of measurement, which are: • tonnes of carbon dioxide equivalent (tCO₂e) • extent / land area (eg, hectareage) with improved nature attributes or condition. Additional nature-based metrics could include condition and contribution to species and ecosystem representation and services. Issuance, that is: • date of issue, vintage and validity • volume of credits. Operational status – volumes active/retired. How project outcomes are converted into a quantity of credits.
Project validation, verification and reporting	Confirmation projects are subject to third-party validation and verification. Validation and verification identities. Standards used for validation and verification. Project monitoring, validation and verification reports and audit/assurance opinion.
Project location	General location (eg, region-level data) is publicly disclosed. As a condition of endorsement, GIS-location-specific data to be provided to the government for monitoring (held in confidence).

Core project-level data category	What is included
Risk proxies (where applicable)	Buffer pool contributions, reversals covered / not covered (for some standards). Disclosure of the total buffer account and, where applicable, buffer account units have been subsequently drawn down and cancelled in the registry.

The scheme shall demonstrate that it requires projects to document project outcomes at appropriate time intervals, using appropriate data protocols.

Data protocols

Schemes encourage projects to use recognised standards for ecosystem classification, extent and condition (eg, National Ecosystem Typology, Taskforce on Nature-related Financial Disclosures LEAP approach,²⁰ and relevant condition indices), and to apply authoritative taxonomic references (eg, New Zealand Organisms Register)²¹ for species identification.

Schemes encourage projects to publish species occurrence records through recognised biodiversity data platforms (eg, Global Biodiversity Information Facility)²² for species records, where appropriate.

3.5 Respectful of rights

Integrity principle: Respectful of rights

Safeguards are in place to ensure the rights and interests of all people (including Māori and local communities) are respected and upheld, in alignment with recognised international practice.^{23, 24, 25}

Schemes shall require projects to demonstrate they have policies and procedures to meet this principle. Those policies and procedures should demonstrate that the organisation or person proposing to deliver, or delivering, a project has assessed which rights and interests their project would or could impact and put policies and procedures in place to ensure they respect and uphold those rights and interests. That should include, but would not necessarily be limited to, demonstrating that:

- appropriate engagement has taken place with relevant Māori groups and local communities, prior to project registration, and engagement will continue throughout the project, commensurate to project implications for rights and interests

²⁰ Taskforce on Nature-related Financial Disclosures (TNFD). 2026. [Guidance on the identification and assessment of nature-related issues: the LEAP approach](#). v1.1. London: TNFD.

²¹ New Zealand Organisms Register. [New Zealand Organisms Register](#). Retrieved 11 September 2026.

²² Global Biodiversity Information Facility. [Global Biodiversity Information Facility](#). Retrieved 11 September 2026.

²³ United Nations Framework Convention on Climate Change (UNFCCC). 2011. The Cancun Safeguards set out in paragraph 71(d) of the decision 1/CP.16. [The Cancun Agreements: Outcome of the work of the Ad Hoc Working Group on Long-term Cooperative Action under the Convention](#). Bonn: UNFCCC.

²⁴ International Civil Aviation Organization. 2026. [CORSIA Eligible Emissions Units](#). Retrieved 11 September 2026.

²⁵ United Nations Framework Convention on Climate Change (UNFCCC). Undated (live). [Paris Agreement Crediting Mechanism \(PACM\) methodologies](#). Retrieved 11 September 2026.

- informed consent of relevant Māori groups has been obtained for any aspects of the project which affect those groups' rights and interests (eg, rights in relation to their whenua, under the Marine and Coastal Area (Takutai Moana) Act 2011, or under a Treaty settlement and customary fishing rights), and will be honoured throughout the project
- all reasonable steps have been taken to identify sites of significance to Māori or other cultural heritage sites located within the project site, and the project will ensure that there are no adverse effects on the sites themselves, access to those sites, or cultural activities undertaken at those sites – or that those effects will be minimised and addressed
- the project will appropriately treat and recognise third-party intellectual property rights (including the rights of Māori groups to mātauranga Māori) and ensure that Māori groups have access to any data collected in areas where those groups exercise rights and interests
- they comply with all relevant domestic and international labour laws that New Zealand is party to (including those in international trade agreements)
- they have clear and transparent processes to address any grievances in relation to the project that Māori groups or local communities raise over the life of the project.

This principle is not intended to form the basis for an assessment of cultural attributes for credits (see section 2.6 Other non-scientific attributes).

3.6 Not double counted and support accurate claims

Integrity principle: Not double counted and support accurate claims

Organisations using credits to make claims should:

- a. use accurate wording when stating the environmental outcomes of their credit
- b. ensure the positive environmental outcomes represented by a credit are only used once for a claim.

Schemes should avoid double issuance and double use of credits, and, in cases where multiple credits are generated from the same project, they will have clear demarcation.

Schemes shall have measures in place to prevent double claiming (while recognising that carbon outcomes may be counted in the national carbon accounts and international commitments),²⁶ double issuance and/or double use of credits, and shall use accurate wording when stating project outcomes.

Where different credit types or outcomes are generated from the same project, this should be clear – for example:

- stacked credits (eg, separate nature and carbon credits created from the same project) should have clear demarcation, with no double counting between the two types of credit
- bundled credits, which include specific co-benefits (eg, carbon with additional attributes such as nature co-benefits), should convey claims about project outcomes proportionate to evidence and should not be sold unbundled

²⁶ Ministry for the Environment. 2026. [Guidance for Voluntary Climate Change Mitigation](#). Wellington: Ministry for the Environment.

A scheme that issues *ex ante* credits, which are sold ahead of the benefits being materialised, shall demonstrate that they have appropriate standards in place to mitigate risk, such as:

- using a conservative method to calculate gains (future likely credits)
- prohibiting retirement of *ex ante* credits until promised gains are realised and verified
- provision for adjustment to match realised outcomes.

Further guidance on disclosure of nature and carbon-related risks and dependencies includes:

- MfE's *Guidance for Voluntary Climate Change Mitigation*²⁷
- Taskforce on Nature-related Financial Disclosures²⁸ and IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information*.²⁹

²⁷ Ministry for the Environment. 2026. [Guidance for Voluntary Climate Change Mitigation](#). Wellington: Ministry for the Environment.

²⁸ Taskforce on Nature-related Financial Disclosures (TFND). 2023. [Recommendations of the Taskforce on Nature-related Financial Disclosures](#). London: TFND.

²⁹ International Financial Reporting Standards Foundation (IFRS). 2026. [IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information](#). London: IFRS.

Appendix 1: Scheme endorsement process

This section outlines the qualifications and experience that are needed to independently assess a scheme against the criteria and integrity principles, which MCERT could rely on to endorse a scheme, along with the assessment and endorsement process.

The scheme endorsement process is designed to ensure that the assessment of a scheme's conformity with the endorsement criteria will deliver a consistent level of scheme quality for projects, project outcomes and credit issuance. The integrity principles apply to schemes and, by extension, project outcomes and their representation via credits and claims issued/approved by schemes.

The process involves three key parties, which undertake specific roles in the process, as outlined in [table A1.1](#).

Table A1.1: The agreement model between MCERT, the conformity assessor and the scheme

Party	Role	Controls
MCERT	Sets criteria, lists conformity assessors that can be used, receives assessment report from assessor, makes endorsement decision.	Controls scope, conflict requirements, decision record and publication.
Independent conformity assessment organisation	Performs conformity assessment of an applicant scheme against the endorsement criteria and integrity principles, prepares report with recommendations.	Must be impartial, competent, evidence based and free from unmanaged conflicts, as required by the standards under which the conformity assessment is undertaken. Must nominate a competent lead individual.
Applicant scheme	Engages a conformity assessor, provides evidence as required, responds to information requests from the assessor.	May correct factual errors but cannot control findings, report conclusions or recommendation.

A1.1 Who can seek endorsement?

Operators of schemes that issue nature credits or carbon credits intended for trading on the voluntary markets can apply for MCERT endorsement.

An organisation that develops a specific scheme to implement nature and/or carbon interventions within its supply chain may seek endorsement to support investment decisions and insetting-related claims. Where credits are created as a result of supply chain interventions or insetting, the scheme shall demonstrate that no double claiming has taken place between the organisations claiming the inset credit and the supplier with the project that generated the credit.

A1.2 Who can provide a scheme assessment for endorsement?

Assessment is undertaken by a suitably qualified and experienced independent conformity assessment body listed by MCERT.

MCERT endorsement is neither a formal assurance engagement nor an ISO scheme accreditation, but suitable scheme conformity assessors may be ISO conformity assessment bodies or suitably qualified assurance practitioners. The attributes of the two types of assessment body are compared in [table A1.2](#).

Table A1.2: Attributes of assessment bodies that may undertake conformity assessment

	ISO accredited body path	Assurance practitioner path
Institutional oversight	Maintain active institutional accreditation under ISO/IEC 17029, ³⁰ a recognised International Accreditation Forum (IAF) signatory (eg, Joint Accreditation System of Australia and New Zealand, JASANZ).	An authorised audit firm subject to statutory oversight by a national accounting regulator, which maintains active membership with a recognised professional accounting body.
Standards	ISO 14064-3, ISO 14065 ³¹ (specific to greenhouse gas and environmental information) and/or ISO 14019-1 ³² and ISO 14019-2 ³³ (specific to sustainability information, including wider environmental impacts, nature-based metrics, and social and governance criteria).	ISSA (NZ) 5000. ³⁴
Quality management	Ongoing conformity to ISO/IEC 17029.	Evidence of a functioning quality management system that is monitored (eg, under Professional and Ethical Standard PES 3). ³⁵
Ethics	ISO/IEC 17029 clause 5.3 impartiality management, including a functioning impartiality committee.	Professional and Ethical Standard PES 1. ³⁶
Professional indemnity (PI)	Active PI insurance policy, including specific extensions for environmental auditing and technical data validation risks.	Active PI insurance matching Auditor Regulation Act 2011 benchmarks for assurance practices.

³⁰ International Organization for Standardization (ISO). 2019. *ISO/IEC 17029:2019 Conformity assessment – General principles and requirements for validation and verification bodies*. Geneva: ISO.

³¹ International Organization for Standardization (ISO). 2020. *ISO 14065:2020 General principles and requirements for bodies validating and verifying environmental information*. Geneva: ISO.

³² International Organization for Standardization (ISO). 2026. *ISO 14019-1:2026 Sustainability information – Part 1: General principles and requirements for validation and verification*. Geneva: ISO.

³³ International Organization for Standardization (ISO). 2026. *ISO 14019-2:2026. Sustainability information – Part 2: Principles and requirements for verification processes*. Geneva: ISO.

³⁴ New Zealand External Reporting Board (XRB). 2026. *ISSA (NZ) 5000. 2026. International Standard on Sustainability Assurance (New Zealand) 5000: General Requirements for Sustainability Assurance Engagements*. Wellington: XRB.

³⁵ New Zealand External Reporting Board (XRB). 2021. *PES 3 – Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*. PES 3 is issued under [section 12\(b\)](#) of the Financial Reporting Act 2013 by the New Zealand Auditing and Assurance Standards Board.

³⁶ New Zealand External Reporting Board (XRB). 2018. *PES 1 – International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)*. PES 1 is issued under [section 12\(b\)](#) of the Financial Reporting Act 2013 by the New Zealand Auditing and Assurance Standards Board.

All conformity assessment organisations shall demonstrate that they either hold internally, or have arrangements with partner organisations to ensure they have:

- technical expertise or sector competency relevant to:
 - carbon schemes, including in-depth knowledge of greenhouse gas accounting, baseline setting and life cycle assessment
 - nature schemes, including specific capability in biodiversity metrics, ecosystem services and habitat restoration
- an appropriate level of understanding of Māori rights and interests.

For both pathways, suitable conformity assessors shall:

- have proven capacity and expertise to evaluate the endorsement framework, including the core integrity principles
- be able to deploy a lead assessor (with extensive tenure, typically five or more years) for each scheme application
- be able to deploy a suitably qualified assessor to undertake a peer/technical review of the assessment
- provide documented evidence of independence and absence of conflicts of interest (ie, the conformity assessor must not have been involved in designing the scheme, drafting its methodologies, undertaking project validation and/or verification activities, or consulting for applicant schemes or projects).

To identify and assess suitably qualified conformity assessors for public listing, MCERT may issue periodic calls for applications, as well as considering applications received outside those periods. Inclusion on the list is at MCERT's discretion and will be subject to applicants meeting the eligibility requirements for assessors.

Eligibility criteria for scheme conformity assessors are outlined in [table A1.3](#).

Table A1.3: Eligibility criteria for conformity assessors

Criterion	Minimum expectation
Independence and impartiality	Documented conflict of interest policy, no material conflict with likely applicant schemes, projects developers or validation and verification providers to the projects.
Conformity/assurance capability	Experience in audit, assurance, certification, compliance review, technical due diligence or comparable assessment. Evidence of repeatable assessment abilities using standardised procedures.
Environmental market expertise	Competence or demonstrated access to experts relevant to the scheme covering carbon markets, nature markets, registries, claims, project methodologies, validation/verification.
Governance and systems assessment	Capability to assess governance, data systems, records, registry controls, credit calculation, and complaints and appeals processes.
Lead conformity assessment capability	Named lead individual with assessment/assurance experience and suitable competence for the scheme type.
New Zealand context	Knowledge of New Zealand environmental policy, land systems and voluntary markets settings.
Quality management	Document control, reviewer independence, complaints handling, confidential information controls.
Capacity and timeliness	Named team, delivery timetable, escalation process.

Criterion	Minimum expectation
Rights and safeguards	Knowledge and expertise necessary to assess whether a scheme's processes and procedures would provide sufficient confidence that projects registered with the scheme would ensure the rights and interests of Māori, local communities and other groups affected by the project would be respected and upheld in a manner consistent with recognised international practice.
Professional risk controls	Appropriate liability arrangements, professional indemnity or equivalent protections.

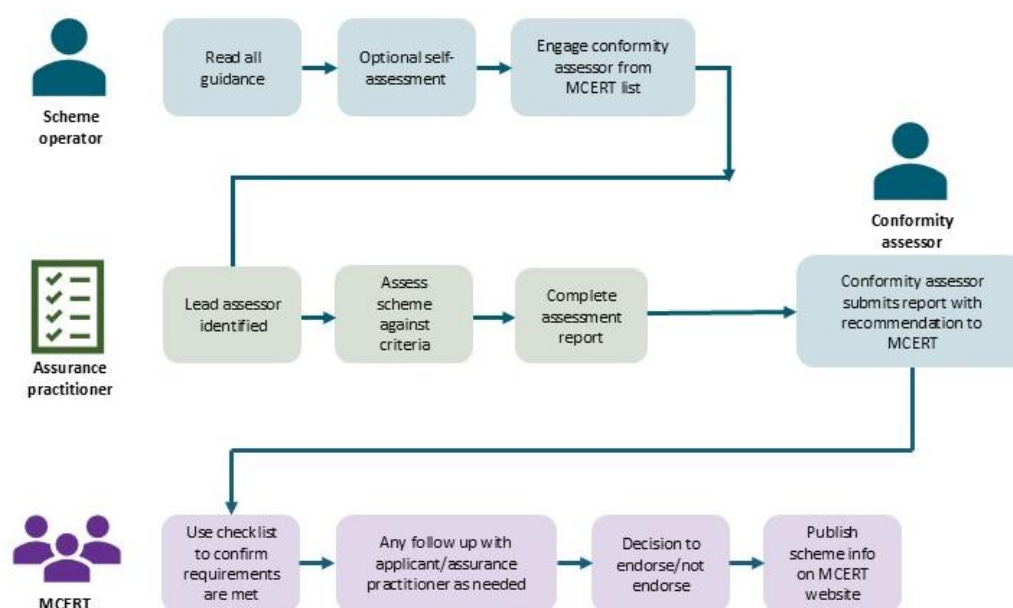
A1.3 What is the process for a scheme seeking endorsement?

At a basic level, the process is as follows.

- Scheme operators may consider undertaking a readiness self-assessment.
- An applicant scheme may then engage a conformity assessor from MCERT's list to undertake an independent conformity assessment of the scheme against the endorsement criteria.
- With the scheme operator's approval, the conformity assessor reports the results of the assessment to MCERT.
- MCERT reviews the assessment report and makes a decision on whether the scheme meets the scheme endorsement criteria or refers a recommendation to a governance panel established by MCERT to make a decision.
- The scheme application and assessment are kept confidential. Once endorsement has been confirmed, certain scheme information is publicly listed on the MCERT website.

Figure A1.1 illustrates the scheme endorsement process.

Figure A1.1: Scheme endorsement process



A1.4 What should an assessment report cover?

The assessment shall confirm that the scheme has appropriate procedures, systems and competency to certify projects in conformance with the endorsement criteria and integrity principles. The assessor's report should be set out using the following headings:

- **Recommendation**
- **Scope and limitations of assessment**
- **Standards or frameworks applied to undertake the conformity assessment** (including ISO/IEC 17029, ISSA (NZ) 5000 or equivalent where relevant)
- **Scheme documents and evidence reviewed**
- **Applicant and scheme overview**
- **Fit and proper person findings** (in relation to the scheme operator)
- **Governance and conflict management**
- **Conformance with the scheme endorsement criteria**
- **Conformance with the scheme integrity principles**
- **Methodology approval status** (methodology or methodologies' approved by MCERT or one of the MCERT-recognised international pathways)
- **Project registration and operating controls**
- **Data, quantification and credit calculation controls**
- **Validation and verification requirements** (in relation to projects)
- **Registry and credit tracking**
- **Claims and anti-greenwashing controls**
- **Treatment of pending credits (*ex ante*), issued credits (*ex post*), stacking, bundling and reversals**
- **Risk assessment** (in relation to the conformity assessment)
- **Scoring model** (in relation to the conformity assessment)
- **Lead assessor competence and independence statement** (in relation to the conformity assessor)
- **Conformity assessor declaration of independence**

Appendix 2: Project validation and verification providers

The intention of this section is to set out how schemes should select organisations or practitioners to validate project design and verify project outcomes.

Schemes shall:

- require validation of project design before project activity is implemented
- require verification of delivered outcomes before verified credits can be issued or retired
- allow *ex ante* credits only if clearly distinguished from verified *ex post* credits – *ex ante* credits should not be capable of retirement or final outcome claims before verification
- require every project validation or verification engagement to have a named lead verifier, assurance practitioner or technical reviewer as outlined in table A2.2.

Table A2.1 outlines key functional definitions and their timing in a project's process.

Table A2.1: Validation and verification roles

Function	Purpose	Timing
Validation	Assesses whether project design, baseline, methodology application, monitoring plan and projected outcomes are plausible and conform to the approved method. This may include assurance over assumptions, processes or forward-looking sustainability information where appropriate.	Before project registration or before crediting period commences.
Verification	Assesses whether reported outcomes actually occurred and are truthfully stated, quantified and supported by evidence.	Before issue or conversion of verified credits, and at monitoring intervals.
Assurance review	Broader assessment process that may apply to scheme systems and provide confidence but should not be described as a guarantee.	As specified by scheme, project method or MCERT.

A2.1 Suitable qualification and experience considerations for validation/verification

To balance rigour and flexibility, validation and verification may be undertaken by either:

- an accredited validation and verification body (VVB) (eg, accredited under ISO 14065 or ISO 14019-1³⁷) or
- organisations and people qualified to use ISSA (NZ) 5000³⁸ as an assurance pathway (eg, registered assurance firms)

³⁷ International Organization for Standardization (ISO). 2026. *14019-1:2026 Sustainability information – Part 1: General principles and requirements for validation and verification*. Geneva: ISO.

³⁸ New Zealand External Reporting Board (XRB). 2026. *ISSA (NZ) 5000. 2026. International Standard on Sustainability Assurance (New Zealand) 5000: General Requirements for Sustainability Assurance Engagements*. Wellington: XRB.

- technical reviewers with satisfactory technical qualifications and experience, as described in [Table A2.2](#).

Table A2.2: Recognition pathways

Pathway	When suitable	Evidence required
Accredited VVB	Nature and/or carbon projects where relevant accreditation exists.	Accreditation scope, personnel competence, conflict of interest declaration.
ISSA (NZ) 5000 assurance provider	Where sustainability, nature and/or carbon information is subject to assurance by an auditor or assurance practitioner.	Assurance credentials, assurance methodology, ethics/independence systems, technical specialist capability, named lead practitioners.
Accredited assurance body with specialist team	Complex cross-domain projects needing assurance systems plus technical experts.	Accreditation/assurance credentials, technical qualifications, method-specific capability.
Qualified specialist organisation	Nature projects where accreditation pathway is immature.	Ecological credentials, verification experience, quality procedures, independent review.
Multidisciplinary competency	Integrated nature-based carbon projects.	Lead accountable entity, team roles, conflicts, quality assurance process, lead practitioners.
Case-by-case approval	Emerging methods, remote locations, specialist knowledge gaps.	Assessment against minimum competence and independence criteria.

[Table A2.3](#) outlines organisational requirements for validation/verification providers.

Table A2.3: Minimum organisation requirements validation/verification

Requirement	Minimum expectation
Legal, accountable entity	Validator/verifier is a legal entity or clearly accountable professional practice.
Impartiality	No unmanaged conflict with scheme, project owner, project developer, credit buyer or methodology proponent.
Competence	Named competent personnel for the project type, method, data and local context.
Lead practitioner	Each engagement has a named lead practitioner responsible for engagement quality, evidence sufficiency and final conclusion.
Quality system	Documented procedures for engagement acceptance, planning, evidence review, sampling, reporting, review and complaints.
Assurance system where applicable	Demonstrated appropriate assurance methodology, ethics, independence and engagement quality management.
Confidentiality	Systems to protect commercially, culturally and ecologically sensitive data such as rare species, fragile habitats, or vulnerable ecosystems that could suffer harm if the information is publicly available.
Professional risk controls	Professional indemnity or equivalent risk controls appropriate to the assignment.
Record retention	Records retained for the crediting and review period specified by the scheme.
Independent peer/technical review	Each engagement has a named lead practitioner responsible for undertaking an independent peer or technical or quality review of the verification process and results, and confirming the final conclusion before issuing validation, verification or assurance statements.

[Table A2.4](#) complements the above requirements, outlining specific expertise required to provide validation and verification for different methodology/project types.

Table A2.4: Competence requirements by project type (non-exhaustive examples)

Competence area	Nature credits	Nature-based carbon credits	Carbon removal / industrial credits
Method and eligibility	Ecological method and site eligibility.	Ecological plus carbon method.	Carbon/engineering method.
Quantification	Nature-based/ecosystem metrics, sampling, condition scoring.	Carbon plus ecological indicators.	CO ₂ e, energy/process data, removals.
Baseline/additionality	Ecological counterfactual/common practice.	Ecological and carbon baseline.	Carbon baseline / project scenario.
Monitoring design	Sampling, remote sensing, field ecology, data quality.	Field ecology plus carbon monitoring.	Metering, sampling, modelling, data systems.
Leakage/spillover	Ecological displacement and pressure shifting.	Ecological and emissions leakage.	Carbon leakage / activity shifting.
Durability/permanence	Management durability, land tenure, threats.	Reversal and ecological durability.	Reversal risk and operational control.
Specific technical expertise	Sensitive ecological data such as rare species, fragile habitats, or vulnerable ecosystems.	Same as nature credits, plus carbon attribute rights.	Carbon attribute rights.
Rights and safeguards	Ability to assess whether a project would uphold, or is upholding, the rights and interests of Māori, local communities and other groups affected by the project in a manner consistent with recognised international practice.	Same as nature credits, plus carbon attribute rights.	Project rights and impacts where relevant.

Table A2.5 outlines specific reference standards for validation and verification for different methodology/project types.

Table A2.5: Recommended standards hierarchy

Use case	Relevant references
Carbon project quantification	ISO 14064-2:2019, approved project methodology, programme rules.
Carbon validation and verification	ISO 14064-3:2019, ISO 14065:2020, ISO/IEC 17029:2019.
Sustainability assurance including carbon information	ISSA (NZ) 5000, especially where assurance is provided over sustainability or carbon information.
Nature validation and verification	MCERT-assessed nature credit methodology, ISO 14019-1, ISO 14019-2, ISSA (NZ) 5000.
General conformity assessment body competence	ISO/IEC 17029:2019, ISSA (NZ) 5000, assessing principles: competence, consistent operation and impartiality.

A2.2 Selection process for validators/verifiers

Scheme operators should maintain a published procedure for selecting validators/verifiers, which could comprise the following elements.

- Project owner or scheme proposes validator/verifier from a scheme-approved list or by case-by-case application.
- Validator/verifier submits competence statement, conflict declaration and proposed validation/verification/assurance plan appropriate to the scope of the validation or verification.
- Validator/verifier organisation nominates a named lead practitioner for the engagement.
- Scheme reviews organisation competence, lead practitioner competence and project-type suitability. Scheme records acceptance decision and conditions.
- Validator/verifier performs engagement appropriate to the approved project methodology and uses relevant standards.
- Validation/verification/assurance report and statement are submitted to the scheme.
- Scheme monitors validator/verifier performance and may suspend acceptance for poor performance, conflict breach, or material errors.

Table A2.6: Lead practitioner requirements

Requirement	Minimum expectation
Named individual	A single named individual leads each engagement and is responsible for engagement direction, review and conclusion.
Professional standing	Relevant professional membership, accreditation, assurance role, audit role, technical professional standing, or equivalent demonstrated competence.
Audit competence	Experience in audit, assurance, validation, verification, evidence evaluation, sampling, materiality and reporting.
Technical competence	Competence relevant to the project type, or demonstrable access to and supervision of specialists with relevant competence.
Carbon competence where relevant	For carbon projects, competence in carbon accounting, baselines, removals, uncertainty and leakage.
Nature competence where relevant	For nature projects, competence in ecology, biodiversity measurement, ecosystem condition, restoration monitoring, or equivalent specialist support.
New Zealand context	Understanding of New Zealand land systems, Māori rights and interests, community safeguards and sensitive data obligations, or access to appropriately qualified New Zealand-context expertise.
Independence	No unmanaged conflict with project owner, scheme operator, developer, buyer or methodology proponent.
Accountability	Lead individual signs, approves or is identified in the final report.

A2.3 Validation/verification project report scope

A validation/verification project report should follow the requirements of the validation/verification standard used (eg, ISO 14064-3:2019 or ISSA (NZ) 5000), including but not limited to:

- **Engagement scope and criteria**
- **Project description and method used**
- **Independence and competence declaration**
- **Lead validator/verifier practitioner identity, role and competence statement**
- **Validation/verification/assurance plan**
- **Evidence reviewed, including site visits, remote assessment performed, data and sampling**
- **Baseline and additionality assessment**
- **Quantification and uncertainty assessment**
- **Leakage and reversal risk assessment**
- **Safeguards and rights checks**
- **Findings and non-conformities**
- **Corrections and residual limitations**
- **Validation, verification or assurance conclusion, including credit issuance recommendation**
- **Restriction on use of the validation/verification or assurance statements.**

A2.4 Prohibited arrangements

Practices that would not be considered appropriate as constituting independent and transparent processes include:

- a scheme operator verifying their own project outcomes
- a project developer validating their own project design
- a credit buyer controlling the verifier's conclusion
- a validator/verifier providing material design advice and then verifying the same design without safeguards
- use or trading of pending credits (*ex ante*) before outcomes are delivered and verified.

Glossary

Term	Definition
Baseline	A baseline represents the starting point or reference scenario used to measure future changes. It establishes the environmental conditions that exist or would reasonably be expected to occur if the project did not happen. Baselines are used to assess additionality and quantify changes in carbon stocks, greenhouse gas emissions, biodiversity, ecosystem condition or other environmental outcomes attributable to a project. Carbon projects: The baseline calculates the greenhouse gases emitted or carbon stored under standard land management. For a reforestation project, the baseline might assume the land remains degraded pasture, storing very little carbon. The carbon credits generated equal the actual carbon stored minus this baseline. Nature projects: The baseline measures, for example, the initial or expected future condition of biodiversity, habitat quality, or ecosystem health without the project. It often predicts ongoing degradation or habitat loss if no intervention occurs. The project must demonstrate a measurable change in outcome or activity that is evidenced as attributable to an outcome.
Biodiversity credit	See Nature credit.
Buffer	In carbon and/or nature markets, a buffer is a form of insurance pool of unsold credits set aside by a registry to cover unforeseen losses in a project's benefits.
Carbon credit	A carbon credit is a verified and tradeable unit representing one tonne of carbon dioxide equivalent (CO ₂ e) reduced or removed from the atmosphere, issued under a recognised carbon standard or registry (MfE, 2026).
Carbon removal	A carbon removal, also known as 'emissions removal' is the process of removing carbon dioxide from the atmosphere and locking it away for decades, centuries or millennia (MfE, 2025a).
Conformity assessment	A conformity assessment is a competent, independent and evidence-based assessment of whether a scheme's governance, operating rules, project controls, validation and verification requirements, registry arrangements, and claims controls conform to MCERT scheme endorsement criteria. It does not imply assurance or a legal guarantee over projects, credits, claims or voluntary markets outcomes.
Credit bundling	Credit bundling occurs when more than one ecosystem service produced on a piece of land is sold as a single credit to a single buyer. A bundle may represent multiple overlapping co-benefits within a supply area, and the level of quantification of each discrete function/service can vary (IEMA, 2023).
Crediting period	A crediting period is the period in which verified nature and/or carbon outcomes attributable to a nature improvement or carbon mitigation activity (project), and can result in the issuance of nature and/or carbon credits.
Credit stacking	Credit stacking occurs when different benefits on a piece of land are sold as separate credits. Each credit type is independent from the other credit types, and separate payments can be received for each. An example would be a carbon credit and a water credit sold separately from the same piece of land (IEMA, 2023).
Credit tracking	Credit tracking in nature and/or carbon markets is the formal, digitised process of monitoring the entire lifecycle of an environmental credit – from its initial issuance to its final retirement – using a central electronic registry. This administrative process relies on assigning a unique, traceable serial number to every single credit. Permanent tracking ensures transparency, verifies

Term	Definition
	ownership, and structurally prevents the identical project outcome from being sold or claimed more than once.
Endorsement	Endorsement refers to a decision by MCERT that a scheme meets the scheme endorsement criteria, subject to stated scope, conditions and ongoing monitoring. Endorsement is a quality signal, not a Crown guarantee.
Ex ante	In carbon and/or nature markets, <i>ex ante</i> (a Latin term meaning ‘before the event’) refers to credits that are estimated, issued, or traded before the actual carbon removal or ecological restoration has physically taken place (adapted from ICVCM, 2024).
Ex post	In carbon and/or nature markets, <i>ex post</i> (a Latin term meaning ‘after the event’) refers to credits that are issued, traded, or retired only after the carbon removal or ecological restoration has physically occurred and been independently verified (adapted from ICVCM, 2024).
Insetting	Insetting refers to nature and/or climate change mitigation activities undertaken within an organisation’s supply chain (ie, across the organisation’s operations, suppliers, sourcing regions or downstream activities) to reduce greenhouse gas emissions or enhance removals. Unlike offsetting, which typically involves purchasing credits from projects outside the organisation’s supply chain, insetting focuses on directly addressing emissions where they arise, particularly scope 3 emissions (MfE, 2026).
Integrity principles	Integrity principles, in this document, refer to the government’s core criteria used to assess and endorse nature and/or carbon credit schemes. These principles serve as the minimum standard required to prevent greenwashing and protect buyers from purchasing low-quality credits.
Lead conformity assessor	Lead conformity assessor refers to the named individual responsible for leading the scheme conformity assessment engagement, and signing or approving the assessment report within the assessment organisation. The lead individual must be competent, independent and acceptable under MCERT requirements.
Leakage	Nature projects: leakage is the unintended displacement of environmental threats, resource extraction, or destructive land-use activities from inside a nature project site to an unprotected area outside its boundaries. Carbon projects: leakage is an increase in greenhouse gas emissions outside the boundary of a project activity that occurs as a result of that activity, reducing or negating its climate benefit (MfE, 2026).
Mātauranga Māori	Mātauranga Māori is broadly defined as Māori knowledge, which includes experience, values and philosophy of Māori. It includes the unique knowledge and understanding Māori have of the taiao, the environment (EPA, 2020).
Methodology	A methodology defines the rules and approaches used to measure and assess the outcomes of a particular project type (adapted from ICVCM, 2024).
Nature-based carbon credit	A nature-based carbon credit is a tradeable certificate representing the reduction or removal of one metric tonne of carbon dioxide equivalent (CO ₂ e) from the atmosphere through the preservation, restoration, or sustainable management of natural ecosystems.
Nature credit	Nature credits are units that represent measurable, verifiable improvements in indigenous biodiversity or ecosystem health. They aim to reward ‘nature-positive’ actions through efforts that go beyond legal obligations to enhance biodiversity, restore ecosystems, or strengthen natural water cycles (European Commission, 2026).
Permanence period	Permanence period refers to the timeframe during which a nature and/or carbon project must securely maintain its project benefits to prevent them from being reversed. It serves as a commitment timeframe, ensuring that

Term	Definition
	sequestered carbon remains out of the atmosphere, or that a restored ecosystem thrives, long after the credits have been issued and sold (adapted from Australian Government Clean Energy Regulator, 2026).
Project	A project is an on-the-ground implementation or site-specific undertaking (using an approved methodology) deployed to deliver a carbon removal activity, habitat restoration or biodiversity improvement (MfE, 2025a).
Project outcomes	Project outcomes are measurable, long-term changes that occur as a direct result of a nature and/or carbon project. The outcomes represent the actual success of the project over time, such as the verified volume of carbon dioxide (CO ₂) permanently sequestered or the verified improvement or increase in an ecosystem of local species population.
Project owner	A project owner (also referred to as a project developer, proponent, or sponsor) is the legal entity or individual that holds ultimate accountability for designing, financing, implementing and managing a nature and/or carbon project.
Registry	A registry in nature and/or carbon markets is an official, centralised electronic database that issues, tracks, holds and retires credits. It may be operated by a government agency, an independent international standard-setting body or a scheme. The registry records and tracks the legal ownership of every serialised unit to ensure transparency and prevent double counting or double claiming.
Retirement	Retirement is the act of redeeming the benefit certified by a credit, usually by informing the credit source registry that the credit is to be retired, rendering it no longer available for further trades. The record of its retirement will then be kept on the credit source registry, and some crediting programmes/registries would also provide some certification of the retirement of the credit. Retirement applies to voluntary nature and/or carbon credits and is distinct from the cancellation of New Zealand Units under the New Zealand Emissions Trading Scheme (MfE, 2026).
Reversal	In nature and/or carbon projects, a reversal occurs when restored ecological gains or stored carbon are released or lost. This reverses the nature and/or carbon positive outcomes that may have already been measured, verified and sold.
Safeguards	Safeguards are measures designed to identify, prevent, minimise and remedy adverse environmental and social impacts of projects, maintaining respect for human rights, biodiversity protection, stakeholder participation and sustainable development outcomes.
Scheme	A scheme (or programme) is a formal framework that establishes the governance, rules, methodologies, assurance requirements and registry arrangements used to recognise, quantify, certify and track project outcomes through the issuance of tradable instruments (such as nature and/or carbon credits).
Scheme conformity assessor	A scheme conformity assessor is an independent qualified organisation responsible for assessing a scheme's policies and processes for certifying projects and issuing credits
Scheme operator	A scheme operator is the organisation responsible for the management, governance, legal enforcement, and operational execution of a scheme, ensuring that all registered projects adhere strictly to the rules and issued credits are structurally sound.
Validation	Validation is the process of independent, third-party evaluation of a mitigation activity requesting registration under a carbon-crediting programme by a VVB against the programme provisions of the applicable carbon-crediting programme (ICVCM, 2024).

Term	Definition
Validation and verification body (VVB)	A VVB is an independent third-party entity that is accredited for performing validation and verification audits. VVBs are often also referred to as auditors (ICVCM, 2024).
Validity (of credits issued)	Validity refers to whether the credit remains eligible for actions such as voluntary retirement. Voluntary credits are generally valid for an indefinite period of time, but some credits may have an expiration date specified in the project methodology.
Verification	Verification is the process of periodic independent, third-party <i>ex post</i> evaluation by a VVB or other suitably qualified person or body of requests by a registered mitigation activity to issue credits against the scheme or programme provisions of the applicable crediting scheme or programme.
Vintage (of credits issued)	Vintage refers to the specific year the nature and/or carbon project outcome associated with a credit took place. Because the verification process is conducted after outcomes have occurred, crediting programmes may issue credits after the vintage year.
Voluntary markets	Voluntary markets refer to markets in which nature and/or carbon credits representing verified project outcomes (eg, emissions reductions or removals, improved or restored ecosystems) are issued, transferred and voluntarily retired to support nature and/or climate claims outside of mandatory compliance systems.

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