

# FIRNS End of Project Reporting: Community Benefit Certification Plug In

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## Overview

This project was funded by FIRNS (The Facility for Investment Ready Nature in Scotland), FIRNS is a joint initiative between Scottish Government, NatureScot, and the National Lottery Heritage Fund, supporting the development of environmental projects in Scotland. The partners listed below worked in collaboration from October 2023 to March 2024 to develop the following outputs:

- Best Practice Literature Review: Community participation for community benefit
- Business Case and Route to Market
- Community Benefits Standard: Draft Criteria
- Best Practice Guide: Community Inclusion for Community Benefit

### Project Lead:

- Deciding Matters

### Delivery Partners:

- Finance Earth
- James Hutton Institute
- Scottish Land Commission
- Scottish Wildlife Trust
- Soil Association Certification Ltd
- University of Strathclyde

### Pilot Sites:

- Anstruther Improvements Association: Dreel Burn Catchment
- Bioregioning Tayside: River Ericht Catchment
- City of Edinburgh Council: Edinburgh New Gardens – Water of Leith Catchment
- CreditNature: Drumadoon Farm
- Dumfries and Galloway Council: Solway Coast and Marine Project
- Highlands Rewilding: Tayvallich Estate
- NorthWest 2045: Kinlochbervie NW2045 Land+ Futures
- Perth and Kinross Countryside Trust: Almond Headwaters

### Advisory Group:

- BSI
- Community Benefit Advisory Group
- Community Woodlands Association
- Federated Hermes
- Foundation Scotland
- National Finance Certification Alliance
- National Parks Partnership
- Peatland Code
- SRUC
- Woodland Carbon Code

Throughout the project, progress and draft outputs have also been shared regularly with stakeholder groups through forums including NFCA and the Nature Finance Pioneers, creating opportunities for discussion and feedback to ensure this document aligns with the wider sector, emerging policies, and existing guidance.

## Purpose

Delivery partners proposed to establish an outline business case for a new UK-wide standard for community participation and how this would translate to a clear set of community benefits, under a clear set of community wealth building principles. We intended to develop and test the commercial viability of a certification product that would provide buyers of ecosystem service credits assurances on the approach taken to generating place-based community benefits. As a cross-cutting, thematic, “plug-in” certification, it would complement market/ecosystem focused nature investment standards, enabling project developers to sell credits that reflect the additional value placed into local communities and businesses.

A key output of the development phase work was to be a Best Practice Participation Guide: Community Inclusion for Community Benefit. Co-designed with key stakeholders from each of the pilot sites identified, with deliberative input from their wider communities as well as broader stakeholder networks, and critical feedback from an expert advisory board. A prototype certification product would then be derived from this Guide.

Alongside development of the Guide and prototype certificate, we relied on University of Strathclyde to critically explore existing frameworks, policies and academic research to compile a Best Practice Literature Review. This review would identify key elements which should be taken forward into the Guide and certificate.

## Delivery

### Locations

Our geographical scope for this development project was across Scotland, along the principle of ‘piloted in Scotland, applicable across the UK’. To ensure join-up with UK-wide developments, we sought, and secured, the participation of BSI on our project, who have identified our work as one of the seven priority actions on ‘nested thematic standards’ to be delivered by March 2024.

Within Scotland, this 'Phase 1' project focused on working with community and project leaders drawn from 6 place-based projects (with lead partner organisation and related programmes in parentheses):

- Tayvallich Estate (Highlands Rewilding / FIRNS)
- Drumadoon Estate (CreditNature / Civtech)
- Dreel Burn Investment Readiness (Fife Coast & Countryside Trust / Civtech / FIRNS)
- River Ericht Catchment Restoration Initiative (Bioregioning Tayside / Riverwoods Investment Readiness Pioneers)
- Edinburgh Garden City Programme – Water of Leith Catchment (Edinburgh City Council / FIRNS)
- Kinlochbervie NW2045 (Assynt Development Trust / FIRNS)

Through this approach of connecting with place-based projects, we covered the following broad categories of natural capital:

- Native woodland restoration
- Riparian Zone restoration
- Peatland restoration
- Water quality management

Many of these projects were being funded through FIRNS, with all demonstrating a strong commitment to high quality delivery and a community focus.

## Best Practice Literature Review

The University of Strathclyde set out to deliver a stand-alone academic literature review into best-practice participatory approaches for the creation of lasting community benefit. As the process unfolded, it became clear that in order to answer the initial question of “which participatory methods are best suited to creating lasting community benefit”, the team needed to explore and explain other terms, including what we mean by community, community benefit, community wealth building, as well as broader terms of governance, justice and participation. Without these explanations, the overview and critique of participatory approaches made little sense. In short, the team delivered a report that went much deeper and broader than initially anticipated.

The Best Practice Literature Review: Community Participation for Community Benefit explores the following topics:

- Defining community and community benefits
- Connecting community benefits with broader strategic priorities
- Governing community benefits
- Participatory approaches for community benefit

The full Literature Review will be published by University of Strathclyde on their website.

## Community Engagement and Best Practice Guide

Deciding Matters has worked collaboratively with the six other key delivery partners, eight pilot site project leads, and a range of industry experts (including Foundation Scotland, CBAG, NFCA, and more) to co-design the Best Practice Guide: Community Inclusion for Community Benefit. This guide is a practical set of steps identifying the actions a nature-based project can take to engage their community (geographic or of interest) in a meaningful way to agree on community benefits. The guide is complementary to wider policy and guidance (including the GFI Community Engagement Toolkit and SLC's Community benefit Guidance).

Deciding Matters hosted the following events and engagement activities to support the co-design process:

Date	Activity	Audience & Purpose
Oct 2023	Interviews	<b>Pilot Site Project Leads</b> Project leads were interviewed one-to-one to understand the community engagement processes they deliver and the challenges they encounter throughout this delivery.
14 Nov 2023	Workshop 1	<b>Pilot Site Project Leads</b> Project leads came together to share learning and identify priority challenges that they would like a best practice guide to address.
20 Nov 2023	Training	<b>Pilot Site Project Leads</b> Project leads were taken through a Deliberative Processes training sessions to further develop knowledge of defining scale and scope for community engagement processes.
21 Nov 2023	Workshop 2	<b>Pilot Site Project Leads</b> Project leads identified draft solutions which, when actioned, would address their priority challenges and form the basis of the best practice guide.
13 Dec 2023	NFCA Session	<b>Advisory Group</b> The NFCA (National Finance Certification Alliance) was presented with progress to date, including draft solutions, and asked for comments/feedback.
18 Dec 2023	Support Session	<b>Pilot Site Project Leads</b> Pilot sites were asked to undertake their own community engagement session with their target audience to understand whether the solutions the identified would meet community need. This session offered additional support and guidance on how to adapt and tailor the engagement session for different audiences and delivery methods.

16 Jan 2024	Advisory Group Workshop	<b>Advisory Group</b> Advisory Group members were invited to review draft challenges and solutions and add comments. They were also asked for examples of relevant case studies and resources.
17 Jan 2024	Advisory Group Workshop	<b>Advisory Group</b> Advisory Group members were invited to review draft challenges and solutions and add comments. They were also asked for examples of relevant case studies and resources.
15 Feb 2024	Partners Input	<b>Delivery Partners</b> All delivery partners came together to utilise a range of expertise to feed into the draft guide, including ensuring alignment across all outputs.
21 Feb 2024	CBAG Session	<b>Advisory Group</b> CBAG (Community Benefit Advisory Group) was presented with progress to date, including draft solutions, and asked for comments/feedback.
28 Feb 2024	Workshop 3	<b>Pilot Site Project Leads</b> Project leads were asked to review all comments and feedback from Advisory Groups and Partners, and to then refine final recommendations for the Guide.
21 Mar 2024	Certification Translation	<b>Advisory Group</b> The Advisory Group was given an opportunity to review the final guide and make suggestions regarding its translation into an auditable certificate.

## Financial Feasibility Study

FE has delivered a business case for a Community Benefits Certification outlining both domestic and international contexts for a code, results of stakeholder engagement, a commercial viability assessment, key considerations for code development, and project next steps enroute to market. This business case was developed based on the outputs of interviews with stakeholders as well as deliverables provided by other project partners.

Finance Earth conducted 11 interviews across buyer (Heathrow Airport and withheld), broker (Forest Carbon, Highland Carbon), investor (Scottish National Investment Bank, Aviva), developer (National Parks, Trees for Life) and community association (Community Land Scotland, Community Woodlands Association, Development Trust Association Scotland) stakeholder groups.

This business case is a qualitative only report, rather than the financial analysis initially proposed. More detail is provided in the challenges section below.

## Prototype Certificate

A team of three staff from SACert's Climate and Landscape team with appropriate expertise delivered project activities.

SACert participated in project discussions across the first 3 months of the project whilst Deciding Matters stakeholder engagement work and Uni of Strathclyde report development occurred. Once drafts were available from these two workstreams, SACert were able to analyse their results, together with other best practice guides on community engagement and benefit from the Scottish Land Commission and Green Finance Institute, and commence work on our outputs. These documents were analysed for content which could be extracted, either verbatim or amended, and used to form criteria/requirements in an auditable standard.

SACert are the leading validator/verifier of Woodland Carbon Code (WCC) and Peatland Code (PC) projects and operational and technical teams considered how additional criteria relating to Community Benefits can be included in the assessment process. Various project meetings also considered the application of a community benefit assessment to projects at landscape scale and at varying points in the project timeline, e.g., retrospective assessments. This work informed the application for continuation funding to the FIRNS scheme. The incorporation of these project outputs into the crediting schemes (WCC, PC) was considered in the project workshop on 21st March, with Scottish Forestry WCC manager present, and will be key to test in the phase 2 of the project.

The content was aggregated in a single 'checklist' document which then fed into a drafting process to produce a first draft of a Community Benefits Standard, with criteria segregated into 3 categories; shall, should and could. This segregation aims to facilitate levels of compliance which are appropriate for projects at different scales/size. The draft standard was then workshopped at the 21st March event with comments collated to inform further iterations during phase 2 of the project.

All project outputs have been reviewed regularly as part of a bigger piece, ensuring cohesion and alignment.

## Partnership Working

Throughout delivery (October 2023 to March 2024), funded partners met fortnightly and all partners came together monthly. Fortnightly check-ins were utilised as a time to explore project management requirements, including identifying and mitigating risks, overseeing budgets, and sharing relevant updates. Monthly check-ins were utilised as an opportunity to review progress and share expertise. Insights from colleagues at James Hutton Institute and Scottish Land Commission were particularly useful at these monthly meetings, to ensure alignment between project outputs

and wider policy context/best practice. Scottish Wildlife Trust ensured transparency throughout the project by capturing updates which were suitable to share across online forums.

## Learning and Reflections

### Extent to Which the Project has Met its Aims and the Intended Outcomes

The project outputs have been achieved as intended: a co-designed Best Practice Guide is now available and will be shared publicly via the NFCA website. Deciding Matters was able to engage with a diverse range of stakeholders including practitioners, policy influencers, advisors, and indirectly with communities via the pilot site project leads.

It has become apparent that the Best Practice Guide will need to go through a testing phase to ensure the steps and actions identified are clear and achievable for nature-based projects diverse in both geography and scope.

FE has successfully completed our intended project outcomes, which include:

- 11 stakeholder engagements across a diverse group of voluntary carbon market actors and used these interviews to assess commercial viability of a Community Benefits Certification. The insights from the meeting were summarised in a mid-project update and within the business case.
- Business case and route to market, which assessed the indicative commercial viability of the certification based on information gathered from stakeholder interviews.

The literature review went above-and-beyond what we initially expected needed to be covered. As the process unfolded, it became clear that in order to answer the initial question of “which participatory methods are best suited to creating lasting community benefit”, the team needed to explore and explain other terms, including what we mean by community, community benefit, community wealth building, as well as broader terms of governance, justice and participation. Without these explanations, the overview and critique of participatory approaches made little sense.

In short, the team delivered a report that went much deeper and broader than initially anticipated, with a corresponding uptick in value associated with the end output.

The certification component of the project broadly met its aims to draft an initial framework to inform the assessment of community benefits delivered by natural capital projects. Further development is needed to refine language, a tier system, and identify types of evidence which will be required for auditing purposes.



## Challenges Encountered

**Timing:** it has been challenging to engage with a wide range of voices across a rapidly evolving sector over this time of year (with the project running across winter when many people take holidays and many projects are unable to deliver community elements due to harsh weather conditions. In instances where pilot sites were unable to engage with the geographic community, communities of interest or relevant stakeholders were identified to ensure diverse voices with a range of perspectives were still being heard and their insights captured in this process.

**Developing market:** the nature credit market is rapidly evolving and changing, which means it is currently hard to place numerical value on the added value of community engagement and community benefit. Further testing, including identification of resourcing required for delivery and success measures, will support further market engagement from the guide and certification.

**Concurrent workstreams** and delays to earlier deliverables which were ideally required to feed into other workstreams. For FE, this meant that all of the stakeholder engagement was conducted prior to having, for example, a full list of community benefits, prototype certification design or implementation strategy. Despite this, FE produced a list of interview questions which produced insightful, albeit relatively high level results, from which a qualitative analysis could be undertaken to complete the business case.

**Quantitative data relative to pricing premiums and costs were difficult to come by,** limiting the scope of analysis that could be performed. Stakeholders had difficulty providing estimates of pricing premiums. Project developers noted that community engagement costs aren't always quantitatively assessed in the same way capital costs are and cost of delivering community benefits would vary greatly depending on the type of benefit. FE addressed this issue by using quantitative data where it could be provided, desktop analysis, as well as more qualitative methods, to determine an indicative commercial viability.

**UoS input:** Initially, this accounted for 21 days of staff time. However, the unplanned expansion of the literature review resulted in Strathclyde staff spending significantly more time on its work package; in total 30 days. In particular, Prof Hannon alone spent a significant amount more time on this than anticipated, approximately 10 days to final publication versus the original planned three days. Other team members (Roberts and Major) also spent significantly more time in authoring and peer-reviewing the report, whilst we also drafted in expertise from Dr Iain Cairns for an additional day.

**Language and cohesion:** The most significant challenges encountered by SACert were around the language used within the various documents analysed to inform standard development. Values



based language does not suit the development of clear objective criteria which can be assessed for compliance. It is clear that an iterative process during phase 2 will be vital to ensure objective criteria which are also clearly understood by the various actors involved in project activities and processes. The compressed timeline for project delivery was also a challenge, with work occurring in parallel when ideally it might have been sequential.

## FIRNS Outcomes

This project relied on collaboration across a range of voices: communities, project delivery teams, national organisations, buyers, developers, policy-makers, etc., bringing together diverse expertise, experiences, and skill-sets. This project supported the key FIRNS aims of capturing and disseminating lessons learned and best practices, bringing groups together and sharing progress in a transparency way through forums including NFCA and via Basecamp Groups: Scottish Nature Finance Pioneers and Community Benefits Network.

This project raises confidence for communities, with regards to how they might best engage with nature-based financing, to forge their own long-lasting benefits. By extension, policy makers. NDPBs and NGOs will also have a clearer sense about how best to support communities – and prospective partners – to ensure communities are able to benefit from this fast-growing industry.

## Reflections for Further Work

The scope for this project was quickly identified as being larger than initially anticipated, navigating a rapidly evolving market with new resources being published regularly. This initial development phase enabled the delivery partners to understand the current market, policies and guides in place to ensure communities are supported to achieve community benefit. A further phase will need to undertake testing of the Guide and Certification to ensure they are scalable, appropriate and robust. Care will be taken during future phases to ensure that scope of questions is direct and focused, to ensure challenges (such as the above) are not encountered again.

## Additional or Unintended Benefits

It's too early to indicate what impact the guiding principles for participatory approaches to realise long-term community benefits will be. However, this has stimulated an in-depth discussion on the Nature Finance Pioneers Base Camp online community, which has already yielded important feedback and new connections. Once the literature report is live (post proof reading) we will disseminate this far and wide, to ensure we maximize the likelihood of it informing best-practice.

SACert's involvement in other FIRNS projects on a similar theme of assessing concurrent natural capital outcomes has proved useful to the development of synergistic thinking and working towards compatible ways of working.

The project has sparked open discussions amongst the Nature Finance Pioneers Community Benefits network around the detail of identifying and measuring community benefits and exploring possible solutions.

## Next Steps

### Maintenance Plans

We have applied for a further FIRNS grant to allow for further testing and development of the phase 1 outputs. The Best Practice Guide will be hosted on the NFCA website where it will be freely available for project leads and delivery teams to access and utilise. The Best Practice Literature Review will be published on the University of Strathclyde website where it will be accessible to all.

### Further Works

Previously referenced phase 2 bid is essential to develop a market ready standard to demonstrate community benefits for natural capital projects. Delivery of a further phase has been provisionally supported by existing delivery and advisory partners, including: DEFRA, BSI, Foundation Scotland, Scottish Land Commission.

### Acknowledgement of Funding

FIRNS are credited in the acknowledgements of the literature review as the primary funder for the work. The final business case has been acknowledged the project as being FIRNS funded in the project overview and executive summary sections. FE also stated that the project was FIRNS funded during all stakeholder engagements. Project conclusions will be shared externally via the SACert newsletter which is sent to most UK natural capital project developers and a whole range of other actors within the rural economy in the UK and overseas. Funder acknowledgement is also included on the NFCA website and in the Best Practice Guide.