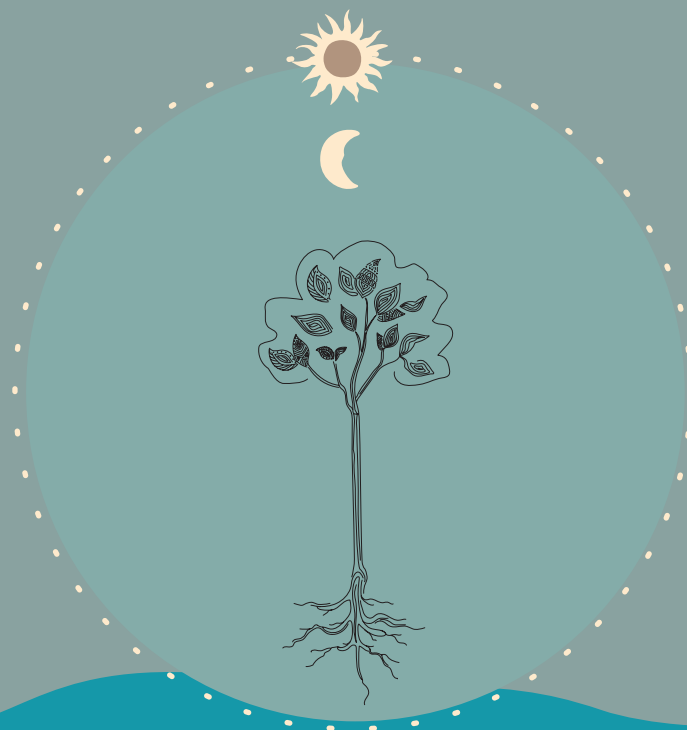




Project
NESTING





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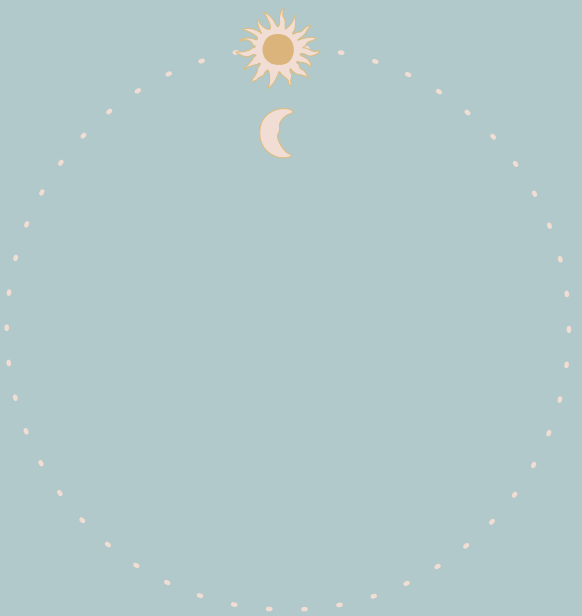
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Project NESTING

2025



BROCHURE 5

Project Nesting

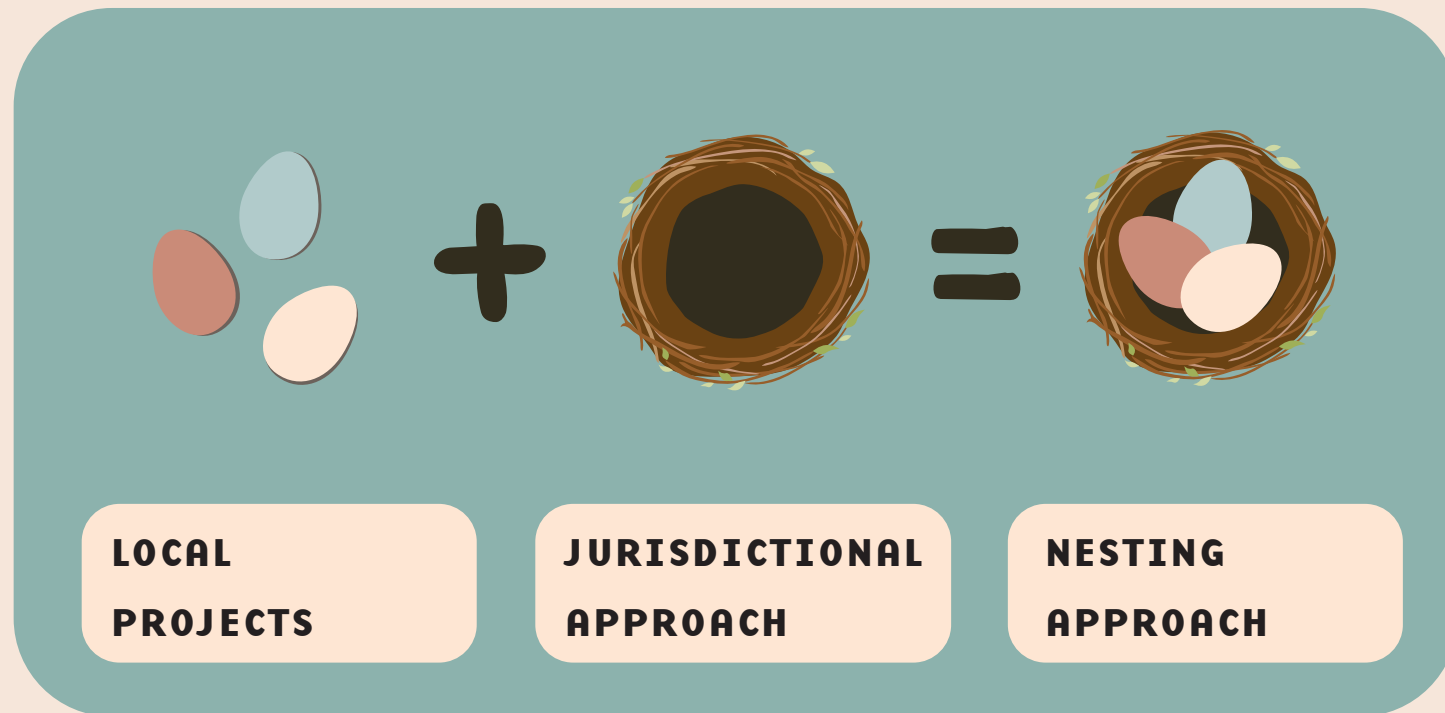
This brochure aims to explain what REDD+ (Reducing Emissions from Deforestation and Forest Degradation) project nesting is, how it works in practice, its principles and challenges, and how this approach can contribute to the integration of local forest conservation initiatives and jurisdictional programs (which are REDD+ projects carried out by governments).

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Introduction to project nesting

In the previous booklet, we learned about the LEAF Coalition and the ART TREES standard, which enable financing and certification, respectively, for the implementation of **jurisdictional REDD+ programs**. In this booklet, we will learn how local projects can be integrated into these larger-scale programs through a process called **nesting**.



To understand what nesting is, it is important to know the difference between local, standalone projects and those that choose to nest within the context of jurisdictional REDD+.

Independent projects, or local initiatives, are created and run **autonomously** by communities, associations, NGOs, or companies, who are responsible for the entire process, from calculating avoided emissions to certifying and selling carbon credits on the voluntary market. While these projects enjoy greater freedom to decide how they operate, these projects may face challenges, such as a lack of recognition from governments, the risk of having their carbon dioxide (CO₂) emission reductions counted twice at the national level (double counting), and limited connection to public policies.



Nested projects, on the other hand, **integrate local-scale REDD+ projects into broader jurisdictional programs**, such as those at the state, provincial, or national level. Choosing this approach helps ensure that local efforts are aligned with regional or national emission reduction goals and prevents issues such as double counting, leakage, and lack of permanence—which we will examine in more detail later—as well as limited integration with public policies.

Under the nesting approach, the connection between local forest conservation projects developed by communities, non-governmental organizations, or companies can contribute to the jurisdiction's goals, while also **maintaining their identity and certification, and ensuring they receive the achieved benefits**. The main objective of this process is to harmonize methodologies and the accounting of emission reductions so that local and jurisdictional results are consistent.



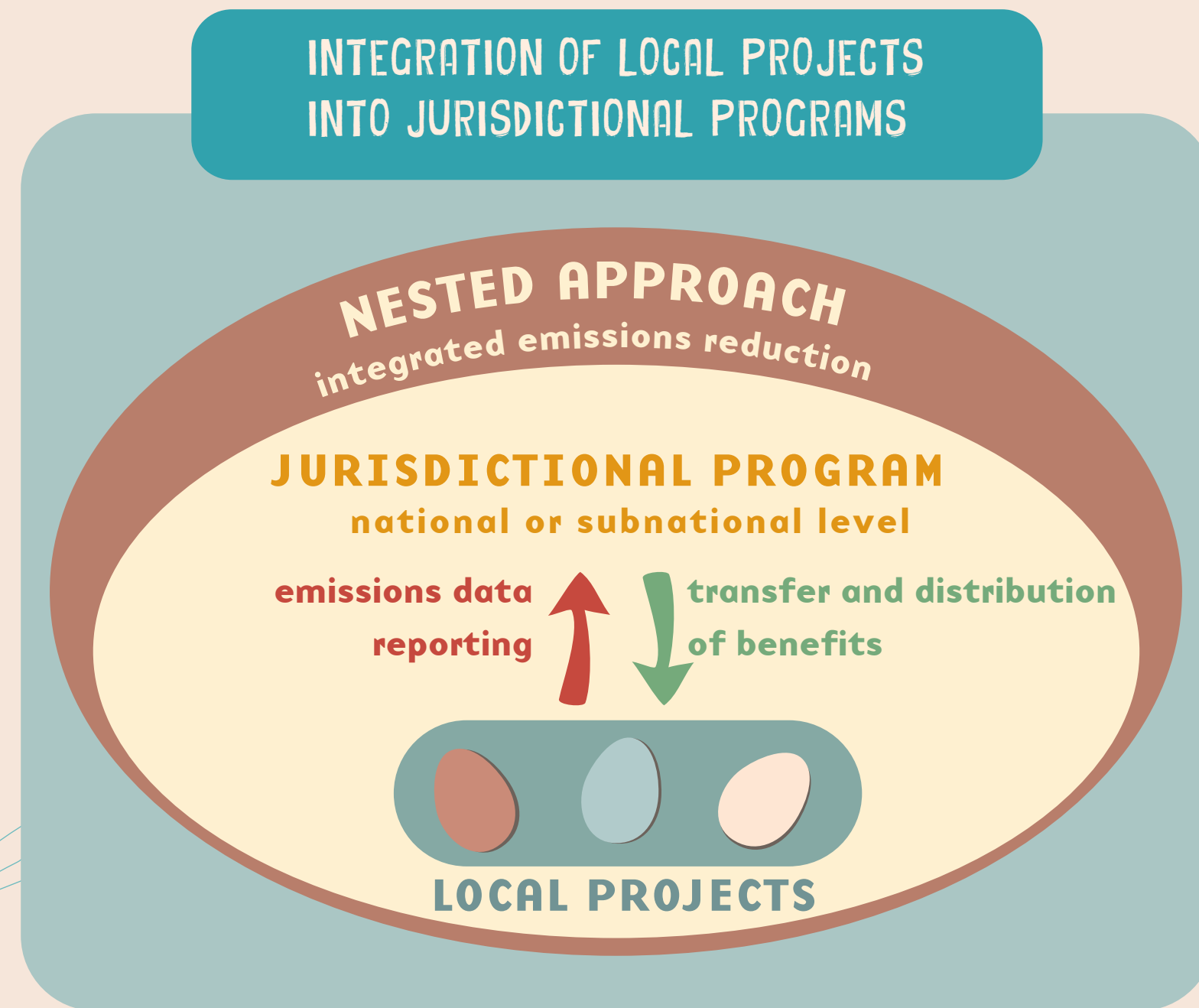
This model allows for **more effective accounting, encourages participation in carbon markets, and promotes alignment between various scales of action**. To work, nesting requires solid governance, with agreements on benefit sharing, integrated monitoring, and safeguards that guarantee the rights of Indigenous Peoples and Local Communities (IPs & LCs).

Despite its potential, challenges remain, such as coordination between different actors, the technical complexity of integrated accounting, and the assurance of fair distribution of the resources generated by the projects.

Although the nesting of REDD+ projects can take different forms and scales, including arrangements between community projects, private initiatives,



and voluntary national mechanisms, this booklet focuses primarily on the nesting of local projects in jurisdictional REDD+ programs, such as programs led by governments (local, regional, or national), which are responsible for defining a common baseline, monitoring rules, and establishing a criteria for benefit distribution.





Principles of project nesting

Nesting is built on fundamental principles that seek to ensure environmental integrity, social justice, and economic viability:

- **Unified carbon accounting:** avoids double counting by integrating local project credits with jurisdictional accounts. For example, in the state of Pará, local projects contribute to the state baseline without duplicating avoided emissions.
- **Leakage prevention:** stops deforestation from being displaced to other areas by integrating regional control policies.
- **Social and environmental safeguards:** require, among others, respect for the rights of IPs & LCs, protection of biodiversity, and transparency in resource management.
- **Equitable distribution of benefits:** ensures that communities and other stakeholders receive fair compensation for the results achieved.

In order for the principles of nesting to be put into practice, the use of robust Measurement, Monitoring, Reporting, and Verification (MRV) systems is essential. These systems allow for transparent and verifiable monitoring of

greenhouse gas emission reduction results, both in local projects and in larger-scale programs. At the project level, this involves the use of forest inventories, field measurements, and satellite imagery, which provide accurate data on avoided deforestation and forest regeneration. At the jurisdictional level, platforms or national monitoring systems are used to aggregate territorial information to assess the overall performance of the jurisdiction and establish the calculations for the baseline and carbon stock in forested areas.

Another key component of nesting in REDD+ programs is the certification of projects by internationally recognized standards, which validates the methodology used and ensures the resulting carbon credits can be traded with credibility.

After completing all these steps, and with local projects choosing to participate in the nesting process, the jurisdiction responsible for the JREDD+ program will be in charge of distributing the generated benefits according to a model agreed upon by all stakeholders.



TYPES OF BENEFITS FOR NESTED PROJECTS



DIRECT PAYMENTS TO COMMUNITIES AND LOCAL ORGANIZATIONS

PES – Payment for Environmental Services



ORGANIZATIONAL STRENGTHENING

support for associations, actions of councils, and territorial governance



LOCAL REINVESTMENT IN INFRASTRUCTURE

schools, health posts, community centers, among others



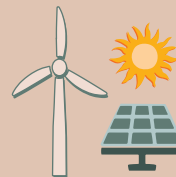
RECOGNITION OF TERRITORIAL RIGHTS

support for land demarcation and regularization processes



SUPPORT FOR SUSTAINABLE VALUE CHAINS

cooperatives, socio-bioeconomy, agroforestry



INFRASTRUCTURE

clean energy, sanitation, and connectivity (internet)



RESOURCES FOR COMMUNITY MONITORING AND OVERSIGHT

equipments and infrastructure for monitoring, fire control and others



FOOD SECURITY

support for traditional farming plots and systems, agroforestry, and seeds



TECHNICAL TRAINING

satellite monitoring, financial management, and territorial governance



CULTURAL PROTECTION

strengthening memory and teaching of languages, intercultural education, and transmission of knowledge

ADDITIONALITY, PERMANENCE, AND LEAKAGE PREVENTION

In REDD+ projects, three fundamental principles guarantee the environmental integrity of results: additionality, permanence, and leakage prevention. These principles help ensure that the carbon credits generated by these projects represent real and verifiable benefits.

Additionality: *what only happens because of the project*

Additionality means that the emissions reductions achieved would not have occurred without a REDD+ project. In other words, the project must demonstrate that it is preventing deforestation or degradation that would have otherwise occurred. This involves comparing the current situation with a baseline (or reference scenario) that estimates how the forest would have been affected without the project. If it would have otherwise experienced deforestation, but was protected because of the project, then the results are considered additional.

Permanence: *keeping the forest protected over time*

Permanence refers to the durability of the environmental results achieved by a project. For a carbon credit to have genuine climate value, the carbon avoided or stored by the forest must remain out of the atmosphere for an extended period

of time. This means that the conserved forest must remain standing, and be protected from future threats, such as deforestation, fires, or land use changes. REDD+ projects adopt land management strategies, community surveillance, economic incentives, and compensation mechanisms to ensure this continuity over time.

Leakage prevention: *avoiding displacement of deforestation*

Leakage prevention refers to ensuring that deforestation is not simply transferred to another area as a result of project implementation. For example, if a project prevents forest clearing in one region, but the avoided activity (such as agricultural expansion or logging) is displaced to a neighboring territory, the net climate benefit may be zero.

These three principles—additionality, permanence, and leakage prevention—are essential for corroborating that carbon credits from REDD+ projects represent real, long-lasting, and environmentally sound benefits. Without them, it is difficult to guarantee that the results reflect a tangible contribution to combating the climate crisis.



ADDITIONALITY

RESULTS THAT WOULD NOT OCCUR WITHOUT THE PROJECT



PERMANENCE

CARBON REMAINS STORED IN THE LONG TERM



LEAKAGE PREVENTION

ACTIONS TO AVOID DEFORESTATION SHIFTING TO ANOTHER REGION

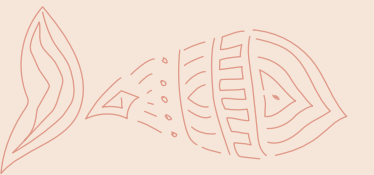


**Nesting
mechanisms**

For nesting to work transparently and effectively, a few key mechanisms need to be adopted:

- **Certification standards:** standards, such as ART TREES, reviewed in Brochure 4, are used to ensure that the carbon credits generated meet criteria such as additionality (i.e., that the results would not have occurred without the project), permanence (the results last over time) and leakage prevention (no displacement of deforestation to other areas).
- **Centralized accounting:** registration systems integrate data from local projects with jurisdiction targets, using common baselines to avoid double counting of emissions.
- **Benefit-sharing agreements:** these agreements define how the financial resources generated by carbon credits will be distributed among governments, communities, local organizations, and other stakeholders.

For these mechanisms to work effectively, strong coordination across all levels of governance—from local communities, to state and federal governments—as well as to internationally recognized standards and guidelines is necessary.





**Practical
implementation**

In practice, nesting requires joint efforts by various actors and attention to multiple technical and social considerations:

- **Coordination between scales:** it is necessary to align the efforts of local projects with state and national programs, and to consider different forms of land use, social dynamics, and institutional capacities.
- **Integrated MRV systems:** technologies such as drones, satellite imagery, and field sensors help monitor forests, but trained professionals and participatory data validation processes are also necessary.
- **Free, Prior, and Informed Consent (FPIC):** it is essential that IPs & LCs are consulted and give their consent before projects are implemented. FPIC strengthens the role of communities and ensures that their rights are respected.
- **Safeguards and fair distribution:** the application of environmental and social safeguards ensures that projects avoid causing harm and that benefits reach people and communities who actively protect the forest.

Why is NESTING Important for IPs & LCs?

- Ensures that local contributions are officially recognized
- Facilitates access to financing and international markets
- Improves fair benefit sharing
- Strengthens territorial governance and community participation
- Reduces the risk of project exclusion and double counting



Challenges of nesting

Although project nesting offers many benefits, its implementation faces several challenges, including:

- **Technical complexity:** aligning different carbon accounting methodologies—from local projects to jurisdictional targets—requires specialized knowledge, compatible systems, and high-quality data.
- **Benefit distribution:** ensuring that the resources generated by credits reach local communities remains one of the biggest challenges. There remains inequality in the negotiation and definition of transfer criteria.
- **Coordination between multiple actors:** governments, communities, companies, and NGOs need to work together, which can lead to conflicts of interest or disputes over authority, especially in areas with weak governance or land conflicts.
- **Financial sustainability:** maintaining monitoring systems, training local actors, and ensuring project continuity requires ongoing investment. Dependence on external financing can threaten the long-term continuity of interventions.

- **Recognition and respect for territorial rights:** the absence of land demarcation and the pressure from illegal activities, such as land grabbing, mining, and deforestation, weaken the foundation for the success of nesting.
- **Trust and transparency:** the lack of clarity regarding resources, benefit-sharing criteria, and decision making can generate distrust within communities and undermine the legitimacy of the process.
- **Risk of political or corporate capture:** governments or companies may attempt to concentrate benefits or decision-making power, reducing the role of local communities.
- **Integration with public policies:** without alignment with national climate, agriculture, and sustainable development policies, nested projects may lose strength or even create contradictions.
- **External socio-environmental factors:** forest fires, climate change, market pressures, and illegal activities affect the permanence and security of results, even when projects are well structured.

For this system to work in a fair and effective way, it is crucial to ensure transparent coordination among governments, communities, local organizations, the private sector, and technical partners. This guarantees that the different actors are aligned regarding methodologies, rights, and responsibilities, and that benefits are distributed equitably. **The success of nesting depends directly on political, technical, and institutional alignment.**



PARTICIPATORY GOVERNANCE



ACTIVE PARTICIPATION

- Free, Prior and Informed Consent (FPIC) at all stages
- Listening to communities regarding rules, priorities, and benefits

TRANSPARENCY

- Access to information on resources, credits, and results
- Open and easy-to-understand meetings and reports

INCLUSION

- Representation of IPs & LCs in decision-making
- Ensuring space for local leadership, including women, youth, and elders

COLLECTIVE DECISION MAKING

- Councils or committees bringing together government, communities, and civil society
- Clear processes to resolve conflicts and distribute benefits



**Case
study**



Case studies help to understand how nesting works in real-world contexts.

Visión Amazonía (Colombia) was a national program that nested several local conservation projects in the Colombian Amazon into a Jurisdictional REDD+ program. Alignment with national policy enabled access to international financing and contributed to the recognition of Indigenous territories as strategic conservation areas.

This example shows that the success of nesting depends on a combination of **participatory governance, adequate resources, and adaptation to local realities**. They also highlight the importance of integrating traditional and scientific knowledge in the construction of solutions.



**Future
prospects**

Nesting is likely to become increasingly important in the coming years due to:

Carbon market expansion: the entry of nested credits into regulated markets, such as those outlined in Article 6 of the Paris Agreement, may attract growing investments and scale up actions.

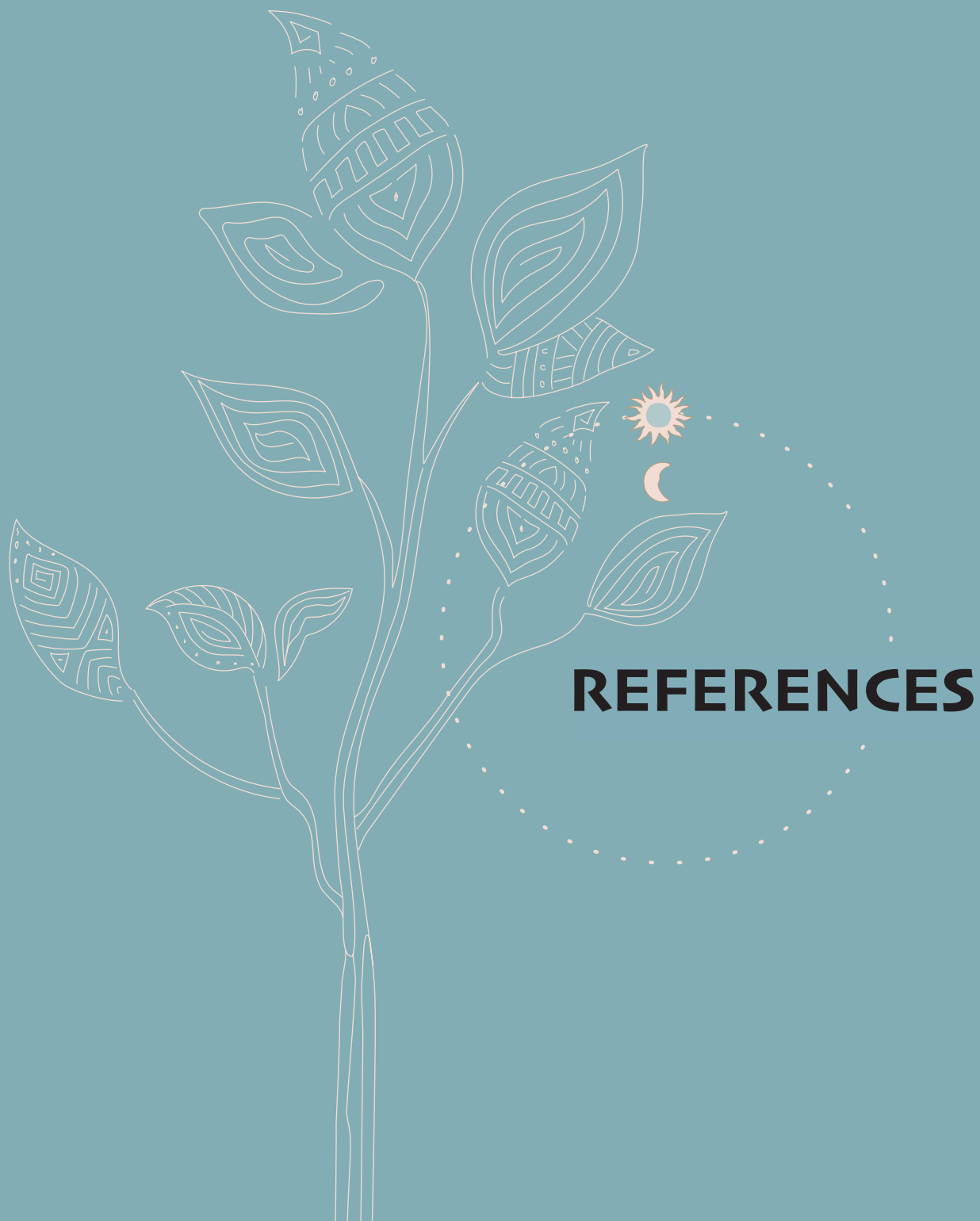
Technological advances: artificial intelligence and remote sensing facilitate monitoring at multiple scales, making MRV processes more efficient and accessible.

Capacity building: investing in technical and political training for communities and local governments will be essential to strengthen governance and ensure greater autonomy in project management.

Integration with public policies: aligning projects with sustainable development, poverty reduction, and socio-biodiversity enhancement programs can amplify the positive impacts of nesting.

The future of successful JREDD+ nesting programs will depend not only on international cooperation and recognition of the rights of IPs & LCs, but also on strengthening governance and increasing community participation, transparency in benefit sharing, and alignment with public policies. These elements will be essential for ensuring that nesting promotes climate justice and lasting results.





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