Biodiversity Programme

Cercarbono's Biodiversity Certification Programme Procedures

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Biodiversity: no one should be left behind.

Version 1.0

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Acronyms and abbreviations

BCP	Biodiversity Crediting Project
CBCP	Cercarbono's Biodiversity Certification Programme
IEP	Independent Experts Panel
iVBC	Innovation Voluntary Biodiversity Credit
NBSAP	National Biodiversity Strategy and Action Plan
PMP	Project Management Plan
VBC	Voluntary Biodiversity Credit

Terms and definitions

Terms and definitions guiding the understanding of these procedures have been deposited in the document *Terms and Definitions of the Cercarbono's Biodiversity Certification Programme*, available at www.cercarbono.com.

Foreword

Cercarbono has developed this document as a general guideline to the procedures governing its Voluntary Biodiversity Certification Programme. This document has been endorsed by both the Cercarbono Chairman and the Chief Executive Officer (CEO).

Cercarbono's Biodiversity Certification Programme (CBCP) is designed to encourage a united effort towards sustainable biodiversity conservation practices. By recognizing and rewarding positive actions both on a small and large scale, we strive to make a meaningful and long-lasting impact on global biodiversity priorities.

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For a transparent and consistent approach to the certification of projects, the procedures presented here in complement the guidelines of the CBCP Protocol.

1   Introduction

The CBCP recognises the importance of establishing clear and effective procedures to ensure the robustness and transparency of our certification process.

This document is designed to provide detailed insights into the procedures governing the certification of biodiversity credits and sets the basis for administrative, legal, and technical processes involved in certifying biodiversity credits.

By adhering to these guidelines, we aim to uphold the highest standards in certifying biodiversity credits, contributing to the global efforts towards environmental conservation.

2   Certification cycle procedures

Figure 1 presents the stages and people in charge of the project certification cycle. Section *Project certification cycle* of the *Cercarbono's Biodiversity Certification Programme Protocol* (*CBCP Protocol*) presents an overall certification description.

Figure 1. Overview of the project certification cycle.
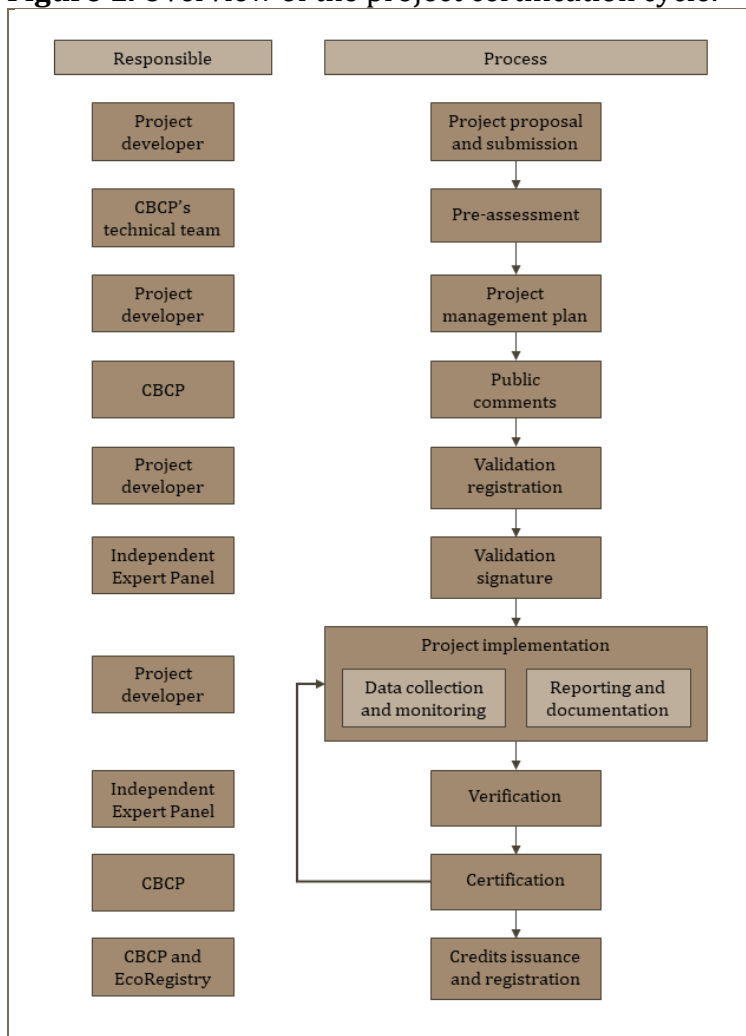
This section presents specific information on the procedures required at each stage.

2.1   Project proposal

The Biodiversity Crediting Project (BCP) developer shall draft a short project proposal, using the *Project Proposal* template, available at www.cercarbono.com, indicating its overall description, the project promoters and partners, justification, objectives, preliminary assessment of additionality, activities, expected results, and metrics for biodiversity credits. The project proposal can be written in English or Spanish.

2.2   Submission and pre-assessment

The project proposal must be submitted to info@cercarbono.com with the subject "Biodiversity project proposal".

The CBCP Director shall review the project proposal and will give one of the following opinions:

- If the project proposal is accepted, the project can proceed to the next stage.
- If accepted with a revision request, changes must be incorporated into the Project Management Plan (PMP).
- If the proposal is rejected, it may only be resubmitted with significant modifications and not in the same terms.

2.3   Development of the Project Management Plan

After the project proposal has been approved (with or without modifications), the developer is required to create an account in EcoRegistry, providing the following documents:

- Certificate of formation.
- Shareholder's certificate of the company.
- Business references.
- Photocopy of CEO or legal representative's ID card.
- Bank certification.

If additional information is required beyond what is specified on the platform, EcoRegistry will contact the user who created the account to request this information and initiate a Know Your Customer (KYC) process.

Once the necessary documents have been satisfactorily received, a contract is signed with Cercarbono, and the account is opened.

Inquiries about this procedure may be addressed to info@cercarbono.com.

At this stage, the project developer must present a complete PMP based on the *Project Management Plan* template, available at www.cercarbono.com.

BCPs can be developed using an approved methodology available on www.cercarbono.com, propose a new methodology if there is a significant deviation from approved CBCP methodologies, or be designed without an approved methodology during the

CBCP 'Innovation Phase' (in those cases, the PMP should contain all elements listed in *Annexe 2* of the *CBCP Protocol*). Additionally, BCPs can request methodological deviations based on a registered methodology with a complete PMP. For more information on CBCP methodologies, refer to section *Methodologies* of the *CBCP Protocol*.

The following documents and data are required:

- Proof of ownership or tenure of the project area or facility or authorisation to act in the project area.
- Power of attorney (if applicable).
- Mandate orders (if applicable).
- For area-based projects, geo-referenced map (*.shp or *.kml)[1].
- For projects developed on community land, a governance analysis document.

The governance analysis shall be developed in an additional document. It shall detail, with due support, the ownership of the territories, the governance structure that governs them, the scope and validity of the legal representation concerning the community and the territories, as well as the scope of the mandate contract that may exist between the community(ies) involved and the project developer. This document must be uploaded to the EcoRegistry platform along with the other documents of this stage.

Based on these documents, the CBCP shall review compliance with the project requirements and a non-overlapping and non-double counting check. The initial review of the PMP is only general and does not involve a detailed review of the technical aspects, which is the responsibility of the Independent Expert Panel (IEP) at the validation stage. If there are any comments or requirements resulting from the review, these will be recorded on the registry platform to be resolved by the project before moving on to the next stage.

2.4 Public comments

After the initial review, the project information is posted on the Cercarbono website, which links to the project file on the EcoRegistry platform for public comments. This stage remains open for 30 calendar days.

After the conclusion of the public comment period, all received comments and their corresponding responses will be published on the Cercarbono website, which is linked to the comments on the EcoRegistry platform.

2.5 Validation registration

If the BCP received comments during the previous stage that imply a modification in the PMP or cartography, these must be corrected by the developer and the updated documentation must be uploaded to the EcoRegistry platform.

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[1] Must be submitted in accordance with the guidelines outlined in the *Guidelines for Mapping Presentation and Analysis* available at www.cercarbono.com.

2.6 Validation signature

Based on the information accessible on the EcoRegistry platform, the IEP will conduct the validation assessment, adhering to the CBCP guidelines. In particular, the assessment will cover the following critical elements:

- **Documentation review:** the technical area of the CBCP shall check that the required project documentation is complete, including the PMP, objectives, methodology (if any), governance document (if applicable), and ancillary tools.
- **Compliance with the programme's core principles:** during its review, the IEP shall assess the compliance of the projects with each of the CBCP core principles, as listed in section *Principles* of the *CBCP Protocol*.
- **Biodiversity baseline assessment (if applicable):** the IEP shall assess if the baseline scenario suits the proposed project activity and reference period and if it was developed using a credible, documented, and repeatable process.
- **Laws and regulations compliance check:** the IEP shall verify compliance with relevant regulations and laws relevant to the implementation of the project.
- **Key biodiversity metrics evaluation:** the IEP shall assess the key biodiversity metrics and indicators used to measure the project's impact on local ecosystems.
- **Threats and risks analysis:** the IEP shall identify and assess potential threats and risks to the project's success, along with proposed mitigation strategies.
- **Budget and resource planning:** the IEP shall review the budget allocation to ensure efficient and effective use in achieving project objectives, especially for compliance with *Principle 6* of the *CBCP Protocol*.

The additionality of projects shall be analysed according to section *Additionality* of the *CBCP Protocol*. If projects use a specific methodology, the methodology may set supplementary conditions on additionality.

The CBCP team, with the support of the IEP if required, meticulously evaluates potential overlaps between BCP and carbon crediting projects. This methodical analysis entails utilizing a range of consultation methods and databases to guarantee compatibility and integrity in project implementations[2]. Although the presence of a carbon project in the same area does not inherently suggest an incompatible overlap with biodiversity activities, it is crucial to conduct a thorough assessment of both the biodiversity and carbon projects to verify the absence of any activity overlap in each specific case.

To ensure that BCPs do not have a net negative impact on the environment, society, and economy, they must adhere to the guidelines set forth in the *Safeguarding Principles and Procedures of Cercarbono's Certification Programme*, available at www.cercarbono.com. When a BCP is being developed in an area with a local population or where

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[2] The methods include consulting the CBCP information and EcoRegistry platform, reviewing official national emissions reduction registers, and evaluating potential biodiversity project registries. Additionally, the team searches the repository of results-based payment schemes of organizations such as the Forest Carbon Partnership Facility (FCPF), Biocarbon Fund, REDD Early Movers (REM) Programme, and Green Climate Fund (GCF). They also examine the climate action reporting pages of the German, Norwegian, and UK governments, consult the Ecosystem Marketplace project database, and refer to other carbon and biodiversity certification standards.

the BCP activities may impact the environment, society, or economy, a public consultation by the BCP with relevant stakeholders is necessary. The objective of this consultation is to guarantee that all stakeholders are adequately informed and engaged in the decision-making process, promoting a community-based approach, and ensuring equitable benefit-sharing. The public consultation should be conducted during either its formulation or validation stage, with detailed documentation provided to stakeholders, validated by the IEP, and reviewed during verification events as outlined in section *Public consultation* of the *CBCP Protocol*.

Following the assessment, the IEP will offer constructive feedback and recommendations for any required adjustments or enhancements to bolster the BCP's impact. It will indicate whether these should be addressed during the validation stage or as action requests for review during subsequent verification stages. Subsequently, the validation report and validation statement will be issued by the IEP.

CBCP has *Validation Report* and *Validation Statement* templates, available at www.cercarbono.com.

2.7 Implementation, monitoring, and data collection

The implementation of the BCP includes the execution of the planned activities, focusing on the work in favour of the conservation of biodiversity, aiming at the fulfilment of the established goals.

Projects shall collect relevant data on key biodiversity indicators, community involvement (if applicable) and project progress to demonstrate the implementation of the planned activities and the achieved biodiversity gains. It is important to note that projects may have commenced implementation and monitoring before being registered, potentially leading to retroactivity.

Projects shall prepare detailed monitoring reports on their progress, achievements, and challenges during the monitoring period, which shall coincide with the time elapsed since the last verification (or since the start of the project in the case of the first verification).

Documentation shall include the observed changes in all the indicators, the calculation of biodiversity credits, lessons learned, best practices, and recommendations for improvement.

CBCP has a *Monitoring Report* template, available at www.cercarbono.com, which must be submitted by the project.

Projects must report on their contributions to the UN SDGs (*Annexe 4* of the *CBCP Protocol*). Reporting during the CBCP 'Innovation Phase' is optional, but it becomes mandatory for BCPs after the conclusion of the 'Innovation Phase'[3].

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[3] *Biodiversity's Tool to Report Contributions to the Sustainable Development Goals* is available at www.cercarbono.com.

2.8 Verification

Based on the information available in the EcoRegistry platform, the technical area of CBCP shall evaluate the completeness and accuracy of project documentation, including the monitoring report, the monitoring data, maps, and visuals, and supporting documentation. As part of this review, it should be ascertained that the reported monitoring period is within the accreditation period. For its part, the IEP will carry out the verification assessment considering, in general terms, the CBCP guidelines and, specifically, the following elements:

- During the verification, considerations should include conflict of interest checks, expertise balance on the panel, and following principles of accuracy, conservativeness, relevance, completeness, cost-effectiveness, and transparency.
- While verifying the project, the IEP shall cross-check monitoring data and calculations for accuracy, completeness, and methodological conformance, replicating quantitative crediting computations.
- Compliance with the programme's core principles: during its review, the IEP shall assess the compliance of the project activities during the reporting period with each of the CBCP core principles, as listed in section *Principles* of the *CBCP Protocol*. The IEP shall also ensure that the project adheres to the regulations outlined in the CBCP.
- In a grouped project, the IEP shall analyse the additionality conditions for the new areas or participants, according to section *Additionality* of the *CBCP Protocol*. If projects use a specific methodology, the methodology may set supplementary conditions on additionality.
- Data collection and monitoring: the IEP shall review the methods and systems for monitoring and collecting data on key biodiversity indicators. Verify the accuracy and reliability of collected data to ensure it aligns with project goals.
- Comparison with baseline data (if applicable): the IEP shall compare current project conditions with baseline data to assess the project's impact on biodiversity conservation, confirming that the project has resulted in a net positive effect on biodiversity.
- Calculation of voluntary biodiversity credits: the IEP will conduct a thorough review of the calculation of voluntary biodiversity credits to accurately assess the project's contribution to biodiversity conservation efforts. This analysis will help determine the project's potential for generating biodiversity credits and demonstrate its positive impact on biodiversity conservation.
- Stakeholder engagement: the IEP may consult with local communities, Non-Governmental Organizations (NGOs), and other stakeholders to gather additional perspectives on the project's outcomes and effectiveness and address any concerns or feedback raised by stakeholders.
- Risk assessment: the IEP shall assess how the project managed any potential risks or uncertainties associated with the project's implementation and impact on biodiversity.
- Documentation of verification process: maintain thorough documentation of the verification process, including findings, methodologies used, and any recommendations or corrective actions.

- Public disclosure: ensure transparency by making verification results accessible to the public, stakeholders, and interested parties.
- Site inspections: the IEP will conduct selective site visits to verify that on-the-ground conditions align with reported data, engage with stakeholders through interviews, and observe practices and outcomes.

Based on the previous review, the IEP shall provide constructive feedback and recommendations for any necessary adjustments or improvements to enhance the project's impact, indicating whether they should be resolved at the current verification stage or as requests for further action to be reviewed during the subsequent verification and proceed to issue the verification report and the verification statement.

CBCP has *Verification Report* and *Verification Statement* templates, available at www.cercarbono.com, which must be submitted by the IEP.

Under the CBCP, joint validation and verification of BCPs could be conducted.

2.9   Certification

Based on the validation and verification reports and statements from the IEP and the information available in the EcoRegistry platform, the technical area of CBCP shall assess the pertinence of the certification of the results reported by the BCPs and endorsed by the IEP according to the following procedure:

- **Cross-check registry information**: CBCP shall confirm that all information in the registry matches details in the project, validation, and verification documents, including project developers, project stakeholders, description, dates, areas, and locations, among others, as specified in the *CBCP Certification Report* template.
- **Review of the validation and verification reports and statements**: CBCP shall review the IEP Validation and Verification Reports and Statements, including assessing any discrepancy between project information and the corresponding reports and statements, whether there were requests for clarification or correction and whether the project duly addressed these. If any discrepancies or inconsistencies are found, they will be reported through the platform to the IEP or the project, as appropriate.
- **Quantify credits for issuance**: BCP holder/developer quantifies the number of credits, which is then verified by the IEP and included in the verification report. Subsequently, Cercarbono certifies the issuance of biodiversity credits for the verification period, applying necessary deductions as specified for the long-term reserve and guarantee buffer.
- **Credits approval and issuance**: CBCP shall formally approve the issuance of the quantified and verified biodiversity credits into the project account holder's name in the registry system. Credits are assigned unique serial numbers and issued with the relevant vintage years.
- **Publicly disclose information**: CBCP shall review that relevant non-confidential project documents, validation/verification reports, and issued credit details are publicly accessible on the EcoRegistry platform. The corresponding **biodiversity credit issuance certificate** shall be publicly available on Cercarbono website.

Before generating the **credit issuance certificate**, Cercarbono shall confirm the information related to the number of credits per year, ensuring that the biodiversity credits are correctly qualified according to their attributes.

Based on the *CBCP Certification Report* template, a certification report is generated once compliance with the requirements has been assessed. Based on the verification statement, Cercarbono shall generate the biodiversity credit issuance certificate, and EcoRegistry shall generate the corresponding registration.

The certification report and the biodiversity credit issuance certificate shall be publicly available on EcoRegistry's website.

2.10 Project status outside the certification process

The following is a list of the statuses in which projects can be found outside the certification cycle.

2.10.1 Terminated projects

After reaching the end of their lifespan, projects within the EcoRegistry platform are designated as Terminated and are not eligible for renewal or any further certification actions. Following termination, the long-term reserve is released as VBCs with a vintage matching the year of termination.

2.10.2 Cancelled projects

Projects deciding not to proceed with their implementation must formally request their cancellation by filling out the *Project Cancellation* form. Once received by Cercarbono, the project status is registered as **Cancelled** in the EcoRegistry platform. Cancelled Projects lose their long-term reserve and cannot be reactivated or re-entered into the programme as new projects.

2.10.3 Withdrawn projects

If the project withdraws from the CBCP without terminating or cancelling it (e.g., to migrate to another standard), it must complete the *Project Withdrawal* form indicating the destination standard, among other things. Once received by Cercarbono, the project status is registered as **Retired** in the EcoRegistry platform. Withdrawn Projects lose their accumulated long-term reserve and cannot be reactivated or re-entered into the programme as new projects.

2.10.4 Suspended projects

Projects that commit serious misconduct due to non-compliance with programme rules or legal irregularities may be sanctioned. The sanction may be the unilateral cancellation of the project by Cercarbono or a temporary suspension. Cercarbono Board of Directors has the exclusive power to establish sanctions, which must be recorded in the meeting board minutes.

2.10.5 Abandoned projects

Projects that exceed five years without verification become **Abandoned**, and their status is registered in the EcoRegistry platform. If force majeure has prevented the verifications from being carried out, the project may fill in the *Application for Delayed Verification* form and attach the corresponding evidence to request a postponement of the subsequent verification.

2.11 Other certification cycle procedures

2.11.1 Change of company name

If a BCP developer or any of its participants changes its corporate name, it shall fill in the *Change of Company Name Declaration* form, available at www.cercarbono.com, and attach the legal support of the change (Certificate of Existence and Legal Representation or corresponding, depending on the country).

2.11.2 Project session

If a BCP developer assigns its rights and implementation to a third party, the *Transfer Declaration* form, available at www.cercarbono.com, must be filled in, and the requested documentation must be attached.

3 Guidelines for remote validation/verification and audit deferral

3.1 Remote procedures

In situations where on-site assessments are not feasible or safe to conduct, remote evaluations may be utilized to ensure the continuity of the certification process. The following guidelines outline the procedures for conducting remote assessments.

3.1.1 Technology requirements

Ensure that the essential technological infrastructure is available to facilitate remote assessments, including secure video conferencing platforms, document sharing capabilities, and communication channels for real-time interactions between IEP members and project developers.

3.1.2 Assessment preparation

Before the remote assessment, IEP members must communicate with the project developers to define the scope, objectives, and requirements of the assessment. Project developers should be ready to provide electronic access to relevant documentation, records, and data for review by the IEP.

3.1.3 Documentation review

The IEP should conduct a thorough review of all essential documentation provided by the project developers, ensuring alignment with the certification standards and

requirements. Any discrepancies or missing information should be promptly addressed during the remote validation and/or verification processes.

3.1.4 Remote interviews

Conduct virtual interviews with key project personnel, stakeholders, and other relevant parties to gather information, clarify details, and verify compliance with certification criteria. These interviews should be conducted in a structured manner to ensure all necessary information is obtained.

3.1.5 Remote site visits

Utilize video conferencing capabilities to conduct virtual site visits, allowing IEP members to visually inspect project sites, facilities, and activities remotely. Project developers should provide live video feeds or pre-recorded footage to facilitate the virtual site inspection process.

3.1.6 Data verification

Verify the accuracy and integrity of the data provided by project developers through remote access to relevant databases, monitoring systems, and electronic records. The IEP should adhere to established protocols to ensure data security and confidentiality during the data verification process.

3.1.7 Reporting and documentation

Consolidate assessment findings, observations, and recommendations into a comprehensive report that clearly delineates the results of the remote validation and/or verification. Ensure that all documentation is securely stored and readily accessible for future reference and certification purposes.

3.2 Audit deferral procedures

If conducting a remote validation and/or verification is not feasible, or if project developers are unable to submit the necessary documentation for certification, the option of audit deferral may be considered. The following procedures outline the guidelines for audit deferral in such cases.

3.2.1 Communication

Project developers are required to formally communicate their request for audit deferral to the CBCP Director. This should include valid reasons for the deferral and suggested alternative timelines or arrangements for the completion of future validation and/or verification processes. The request for audit deferral must be submitted in writing and supported with relevant documentation, where applicable.

3.2.2 Audit deferral assessment

The CBCP Director will review the request for audit deferral and evaluate the validity of the reasons provided by the project developers. The decision to defer the validation

and/or verification will be made based on the merit of the request and the potential impact on the certification process.

3.2.3 Approval and rescheduling

If the audit deferral request is approved, the CBCP Director will communicate the new timeline or arrangements to the project developers. Both parties should agree on revised validation and/or verification dates, deadlines, and any additional requirements for rescheduling the assessment.

3.2.4 Documentation update

Project developers are responsible for updating any relevant documentation, records, or information that may have changed during the deferral period. All updates should be communicated to the IEP to ensure accurate and up-to-date certification data.

3.2.5 Follow-up assessment

Once the audit deferral period expires, the IEP members will conduct a follow-up review to assess the project's compliance with certification standards and requirements. Project developers should collaborate with the IEP to streamline the assessment process and resolve any outstanding issues identified during the initial deferral. The follow-up review will focus on verifying the project's progress, addressing concerns, and ensuring full compliance with all certification criteria.

3.2.6 Audit completion

After successfully completing the follow-up assessment, the certification process will continue as scheduled, and the project may be certified based on the findings. Project developers should comply with any additional requirements or recommendations provided during the follow-up assessment to ensure full adherence to certification standards.

3.2.7 Certification decision

Following the completion of the follow-up assessment, the CBCP Director will review the findings and make a certification decision based on the project's adherence to the certification requirements. The project developers will be notified of the certification outcome and furnished with the essential documentation for certification issuance.

3.2.8 Documentation retention

All documentation pertaining to the audit deferral process, follow-up assessment, and certification decision should be securely retained for record-keeping and auditing purposes. This documentation will serve as evidence of the comprehensive assessment and decision-making process conducted during the audit deferral period.

4   VBC procedures

4.1   Issuance

The issuance of the credits is part of the certification stage. Projects must have completed their formulation, public comments, validation, and verification stages.

For the issuance of the VBCs, the project certifier issues a *Certification Report*, which considers the main elements contained in the PMP, the monitoring report, and the validation and verification reports. The supporting documentation and additional information ensuring compliance with the programme and the goals set out in the PMP are also reviewed. As the primary responsibility for verification lies with the IEP, this review focuses more on possible inconsistencies and other possible errors.

During the review process, the certifier may identify facts that need to be documented, justified, or corrected. As appropriate, these findings must be notified to the project and corrected in the corresponding instance to generate the final certification report. Once the certifier ensures that all the project documentation is complete and the identified corrections have been made, the certifier issues a duly completed and signed report.

Once the report has been issued, a VBC certificate signed by Cercarbono CEO is generated, covering the serial codes, the 'long-term reserve', and the 'guarantee buffer' allocation.

The certification report and the VBC issuance certificate shall be publicly available on EcoRegistry's website.

4.2   Registration

Once biodiversity projects are validated and verified under the CBCP rules and the associated biodiversity credits are issued, they shall be registered on the EcoRegistry platform. Each issued credit, long-term reserve, and guarantee buffer shall have a unique serial code and be registered into the account of the relevant biodiversity project developer. The structure of the serial codes is explained in section *Credit serials* of the *CBCP Protocol*. The credit issuance certificate issued by Cercarbono shall have a list of the unique serial codes, allowing stakeholders to identify all project and credit attributes.

The EcoRegistry platform shall ensure smooth interfaces and dashboards so all actors, from project developers to policy makers, can seamlessly access pertinent information on registered biodiversity credits and their associated projects.

4.3   Serials

See sections *Credit serials* and *Guarantee buffer and long-term reserve serials* of the *CBCP Protocol*.

4.4   Retirement

Retirement is the permanent allocation of an amount of certified biodiversity credits in favour of an end-beneficiary, it is deducted from the total available certified credits

generated by the project, so it cannot be used anymore (i.e., retired status of a credit is permanent; it cannot be reactivated).

To initiate withdrawals, the user holding custody of the VBCs must log into the EcoRegistry platform using their username and password and follow the specified process, entering the required information to authorize the withdrawal of certificates. This includes:

- The name of the BCP holder.
- The BCP from which the VBCs are being withdrawn.
- The year in which the VBCs were generated (referred to as Vintage in EcoRegistry).
- Serial number of the VBCs to be withdrawn.
- Quantity of VBCs to be withdrawn.
- Accreditation period of the BCP.
- Language preference for the certificate.
- End-user details: country, name, and type and identification number (individual or company).

The EcoRegistry registration platform transparently documents the process of withdrawing VBCs from each BCP, publicly displaying the number of certificates issued, withdrawn, and available for each year of generation.

Retirement of credits by buyers shall be reflected in the registry to prevent double counting, enabling full traceability and transparent accounting of issued credits as they get traded, bought/sold, or retired.

4.5 Transfer

The credits owner in the EcoRegistry platform transfers biodiversity credits among CBCP's client's accounts, logging in with valid credentials to the platform and clicking the Transfer certificates button.

The transaction can be confirmed via the Transfer history tab, which records the following information on all transfers sent and received by the user:

- The type of transaction: sending or receiving biodiversity credits.
- The project that generates the credits.
- The serials of the transferred credits.
- The number of biodiversity credits transferred.
- The transfer interaction user.
- The transfer dates.

Each transfer and its related information, including the holders of each credit, is traceable by the platform through blockchain technology. Historical transfer reports can be generated automatically by the EcoRegistry administrator.

4.6 Cancellation

Biodiversity credits registered on the EcoRegistry platform can be turned off to participate in further CBCP-supported transactions before they are retired.

CBCP determines the cancellation of credits according to the specific situation in which a credit cancellation is required. The corresponding due procedures are presented in *Table 1*.

Table 1. Situations requiring cancellation of VBCs.

Situation	Responsible and action	Procedure
Conversion of VBCs to another standard.	VBCs holder requests CBCP.	The holder sends an email to info@cercarbono.com requesting the conversion, including the following information: - Project name and ID. - Number of credits to be cancelled with their respective serial numbers. - Letter of the holder requesting the cancellation.
Migration of a project with available credits from CBCP to another standard.	The project developer requests CBCP.	The project developer sends a formal letter to CBCP requesting the migration of the project from CBCP to another standard, clarifying the need to cancel the credits. The holder must duly sign the letter.
Double counting event.	CBCP notifies the project holder.	In the event of double credit accounting from a project, CBCP assesses the possibility of cancelling such credits, which will be duly communicated to the project holder.
Post-certification adjustments.	Cercarbono informs the BCP holder. In certain cases, notification may also come from either the IEP or the holder/developer.	If there is evidence of an overestimation of VBCs following a verification event, Cercarbono activates its post-certification procedures to assess the possibility of cancelling such credits.

If credits were previously transferred to other accounts, requesting cancellation is impossible.

5 Double counting

Double counting can pose a significant challenge in the realm of biodiversity credits, as there is a risk that credits from BCPs may be mistakenly counted or claimed multiple times. This practice hampers the effective allocation of resources for biodiversity conservation and underscores the critical need for robust control and prevention measures. CBCP play a pivotal role in safeguarding the integrity and credibility of biodiversity credits. Double counting typically involves instances of double issuance, double use, and double claiming. It is essential to differentiate and address these

manifestations distinctly to combat this issue effectively and ensure accuracy in the distribution of biodiversity credits.

5.1 Mechanisms to avoid double issuance

To prevent double issuance, BCPs seeking certification must furnish detailed information regarding all project proponents and precise spatial boundaries in an acceptable digital format for review by the CBCP and the IEP. Additionally, proponents of BCPs must sign a declaration confirming that the credits have not been certified or claimed under any other standard or purpose. During project audits, Cercarbono will verify the exclusivity of ownership, location, and benefit claims to ensure that biodiversity credits are issued solely to the entitled project proponent. The transparent reflection of any credit ownership transfers in the registry helps maintain the integrity of the process.

5.2 Mechanisms to avoid double claiming

Double claiming, which occurs when the same benefit is claimed multiple times within the same income stream, is a crucial issue that must be meticulously addressed to uphold the credibility and integrity of BCPs. BCP holders/developers can implement various measures and controls to prevent double claiming, including:

- **Clear attribution:** BCP developers need to clearly attribute benefits to specific funding sources and ensure that activities funded by biodiversity credits do not overlap with those claimed through other payment schemes. Each intervention should be explicitly linked to its funding source to avoid any confusion in benefit allocation.
- **Documentation and verification:** the maintenance of comprehensive documentation is essential to track the allocation of benefits and prevent double claiming. Independent validation and verification processes conducted by the IEP can help confirm that benefits are accurately attributed to the appropriate funding sources.
- **Transparent reporting:** transparency in reporting plays a crucial role in identifying and addressing instances of double claiming. Regular reporting on benefit allocation and funding sources can help detect and resolve potential issues proactively.

By implementing these mechanisms to avoid double claiming, BCPs can ensure transparency, accountability, and adherence to best practices in benefit allocation, thereby ensuring that resources are utilized effectively and ethically to support biodiversity conservation initiatives.

5.3 Mechanisms to prevent double use

Certified biodiversity credits by CBCP are not intended for offsetting and are issued once per conservation outcome. Each credit is assigned a unique serial number on the registry platform for traceability. Upon retirement from circulation, credits are securely transferred to an inaccessible burn address on the blockchain, preventing any future use. A public certificate indicates the details of credit retirement, ensuring transparency throughout the process.

5.4 Overlaps

The CBCP technical team assesses potential overlaps between BCPs during the approval of PMPs and reports findings to the IEP. An overlap is considered to exist, for instance,

when projects are operating in the same area with the same eligible biodiversity activity.

In the case of a non-compatible overlap between two BCPs, the second project to be formulated will be unviable if the first project is already registered in any of the previously listed standards and databases.

If CBCP detects overlapping situations between two projects, CBCP will invite the overlapping projects to resolve their differences directly to determine which has the authority over the area, activities, or period in dispute.

If the projects do not reach an amicable solution, they may go to the competent authorities to settle the differences or put the situation on hold.

If, for some circumstance, 'overlapping' credits have been issued for two projects, both credits will be backed up by allocating Guarantee buffers. The buffer amount allocated to compensate for the overlap situation will be deducted from the future certifications of the projects involved (from non-overlapping areas). If the overlap situation is resolved in favour of one of the two projects or partially in favour of both projects after the buffer allocation, the buffer will be reallocated to Cercarbono 'Guarantee Buffer'.

The disputed area, activities, or period cannot be validated, verified, or certified until the dispute is resolved.

6   Long-term Reserve and Guarantee Buffer management

As stipulated in the *CBCP Protocol*, the CBCP establishes a 'Long-term Reserve' to promote lasting benefits, consisting of 5% of the issued credits allocated to each project. An additional 5% of credits is allocated as a 'Guarantee Buffer' to address post-verification issues such as false documentation or stakeholder/interested parties' complaints.

6.1   Buffer accounting

The 'Long-term Reserve' and the 'Guarantee Buffer' accrue during project verification, each assigned a unique serial code and registered on the EcoRegistry platform. The 'Long-term Reserve' is released in full at the end of each 10-year interval from the project's start date, contingent upon a verification event. In the event of project abandonment, the unreleased 'Long-term Reserve' is transformed into a collective 'Guarantee Buffer' for CBCP utilization.

The 'Guarantee Buffer', which is non-refundable, stays in place throughout and beyond the accreditation period to ensure consistent compliance with programme standards.

6.2   Periodic evaluation of buffer performance

Every five years of operation of the CBCP, Cercarbono shall assess the performance of the 'Guarantee Buffer', considering the total number of projects that required its use, the number of credits issued, the total size of the buffer, and the number of projects that have been abandoned before the end of their lifespan or crediting period.

The buffer performance analyses shall be publicly available and serve as the basis for adjusting subsequent versions of the *CBCP Protocol*.

7 Independent Experts Panel

The structure, functioning and procedures of the IEP are detailed in the document *Rules of Procedure of the Independent Experts Panel*, available at www.cercarbono.com.

8 Confidentiality

To ensure the confidentiality of non-public documents supporting certification and any information that may become accessible to staff, Cercarbono, EcoRegistry, and the IEP due to the certification process, personnel are required to annually sign a confidentiality agreement. Temporary or specific personnel must sign the agreement when assigned.

The management and control of information stored on the registration platform are detailed in the *EcoRegistry User Guide Registry Platform*. This protocol must be adhered to by EcoRegistry and Cercarbono personnel, IEP members, and all personnel involved in certification processes. The guide includes a section on information confidentiality and outlines a monitoring and quality control mechanism for the content within each account.

9 Conflicts of interest

Cercarbono seeks to ensure that the outcome of the service it provides is not undesirably affected by factors external to the certification process; for this reason, it establishes procedures to understand, identify, and appropriately manage conflicts of interest that may arise.

The principles and procedures described are useful for board members, directors, registry administrators, and Cercarbono employees, as well as third parties, to identify situations that may represent a conflict of interest, directly or indirectly affecting the interests of the parties involved in the provision of the certification service offered by Cercarbono.

The regulations specified are mandatory for board members, executives, employees, IEP members, project developers, registry platform, external consultants, and all those persons or companies involved in the certification and registry process of biodiversity crediting initiatives.

9.1 Situations creating conflicts of interest

The following are some situations or actions that may create conflicts of interest:

- **Use of confidential information**

Information and documentation related to the project certification activity and potential business must be managed within the organisation and may not be used for personal gain or for the benefit of a third party.

Misuse of confidential company information occurs when any of the following situations is present:

➢ Information is published without prior authorisation.
➢ Company information is used or concealed for personal gain or for the benefit of a third party.
➢ Providing information to persons who are not authorised to have it.

- **Business activities and shareholdings in companies**

Related conflicts of interest occur in cases where any employee, board member, or director has direct (as a legal representative, partner, employee, or officer) or indirect (as a consultant) involvement in a supplier company that is related to CBCP.

- **Outside employment and investments**

Employees of CBCP must not work for a company that has the same corporate objectives; they must not serve on boards of directors or be consultants to companies that are direct competitors, regardless of whether remuneration is received or not.

Investments outside the company that represent a financial interest that may influence the judgement of employees are considered a conflict of interest.

- **Economic activities of related persons**

If any employee, Board of Directors member, supplier, or consultant identifies a familial relationship with an individual involved in a company currently doing business with or intended to do business with CBCP, they must disclose and declare any such connection and its potential impact on their work at CBCP.

The degree of kinship that may generate a conflict of interest includes persons who are in the first, second, third, or fourth degree of consanguinity and affinity with respect to another. Also, the spouse or permanent partner as presented in *Table 2*.

Table 2. Degrees of kinship considered in determining conflicts of interest.

Grade	Consanguinity	Affinity
First Grade	Father and mother.	Father and mother of the spouse.
	Children.	Children of the spouse.
Second Grade	Grandfathers and grandmothers.	Grandfathers and grandmothers of the spouse.
	Grandsons and granddaughters.	Grandchildren of the spouse.
	Siblings.	Spouse's brothers and sisters.

Grade	Consanguinity	Affinity
Third Grade	Great-grandfathers and great-grandmothers.	Spouse's great-grandfathers and great-grandmothers, and great-grandfathers.
	Great-grandchildren.	Spouse's great-grandchildren and great-great-grandchildren.
Fourth Grade	Cousins, cousins, nephews, nieces, aunts, and uncles.	Cousins, cousins, nephews, nieces, aunts, and uncles of the spouse.

- **Corporate opportunities**

An employee, external consultant, or a member of the Board of Directors may not personally take advantage of an opportunity generated in the process of conducting his or her work at CBCP.

9.2 Managing conflicts of interest

CBCP expects all employees to report and declare, both during the hiring process and afterwards, any identified conflicts of interest. Board members are responsible for managing these when they arise and for identifying potential conflicts.

9.2.1 Conflict of interest management procedure

If a conflict of interest is identified in CBCP, the due process is as follows:

- When the conflict is identified, all direct or indirect actions and interventions by the person(s) involved in the activities related to the conflict should be suspended until it is determined that such conflict has ceased.
- Inform the immediate superior in a timely manner and as soon as possible, submitting the *General Declaration of Conflict of Interest* form.
- Provide all necessary information and documentation to enable the superior and subsequently the members of the Board of Directors to understand the matter in detail.
- The members of the Board of Directors shall decide whether a conflict of interest exists.
- If a conflict of interest exists, the members of the Board of Directors shall indicate the action to be taken in writing, as well as the person appointed to assess the case.
- There should be written evidence of the notification and management of the conflict by the person involved and the board of directors.
- If it is concluded that the person involved is presenting a permanent conflict of interest that constantly affects the exercise of his or her functions, it should be analysed whether the conflict is a cause for termination of contract, due to the impossibility of exercising the position.

9.2.2 Management of stakeholders' conflict of interest

In the CBCP certification process there are several actors involved and as part of the process of prevention and management of potential conflicts of interest that may arise,

the following procedures are carried out with each of these actors where a declaration of conflict of interest is requested depending on the activity that each one carries out.

If an employee is faced with a conflict of interest in the performance of his or her duties, directly or indirectly, he or she must immediately inform his or her immediate superior by sending an email describing the situation and must attach the *General Declaration of Conflict of Interest* form.

The person receiving this report must notify the Board of Directors to initiate the process. Members should consider different alternatives with their respective consequences and analyse previous experiences to find a solution that ensures fairness and transparency.

9.3 Preventing conflicts of interest

All employees, suppliers and consultants must comply with all decisions and actions taken by the Board of Directors, as well as with what is agreed and signed in the employment contract.

Persons who are shareholders of the company shall not take advantage of the company's business opportunities for their own benefit or for the benefit of third parties. Membership of boards of directors, or similar activities, is acceptable only to the extent that such activities do not interfere with their work for the company.

All applicants for employment with the company must agree that they have read and understood the principles and procedures set out in this section at the time of joining the company and must complete the *General Declaration of Conflict of Interest* form.

All persons involved in the company operations should report, through regular channels of communication, their suspicions of possible conflicts of interest if they have evidence of any that is demonstrable.

9.4 Conflicts of interest related to the registry staff and the IEP members

The members of the IEP and the registry staff must abide by the same conflict of interest principles established for CBCP staff.

IEP's members must complete the *IEP Declaration of Conflict of Interest* form in the validation and verification processes.

10 Grievance mechanism

Cercarbono has a safeguards-related grievance mechanism on its website, accessible to stakeholders and the public, the functioning, and features of which are described below.

10.1 Accessibility

The grievance mechanism can be accessed from the Cercarbono website (www.cercarbono.com), section 'About us'. If the request, complaint, or grievance is related to

Cercarbono, and not to a specific project, the user can directly manage his request on this page. If the request is related to specific projects, the user is redirected to the corresponding section on the EcoRegistry platform.

10.2 Confidentiality

Users of the grievance mechanism can tick the appropriate box on the form available on the website to indicate that they wish their complaints to be treated confidentially.

10.3 Transparency

The grievance mechanism includes a repository (hosted and managed by EcoRegistry) that documents the type and number of grievances received, including details and outcomes of past cases that have not requested confidentiality.

10.4 Complaint handling process

Complaints that are made on the Cercarbono website are first received by the programme's secretary (email info@cercarbono.com), responsible in turn for directing the complaint to the appropriate person(s), according to the following considerations:

- If the complaint does not represent a conflict of interest for the certification staff, it is redirected to the CBCP Director; otherwise, it is redirected to the CEO.
- If it contains elements that may be of a serious nature, such as criminal allegations or violations of codes of ethics, it is directed to Cercarbono CEO, who is responsible for the corresponding management, either in coordination with the technical area, the legal area, or both.
- If the complaint represents a potential conflict of interest for Cercarbono CEO, it will be directed to the exclusive access mailbox by the Board of Directors for this case.
- The information received in this process will be treated with strict confidentiality, if applicable.

The management of each complaint may have different procedures and response times, depending on the characteristics of the complaint. The person to whom the complaint is initially redirected will oversee following up until its resolution, which will be registered in the EcoRegistry platform.

In any case, the response to complaints received must be proportional to the content, seriousness, and urgency of the complaint. Cercarbono has five business days for the initial response to the complaint, except when the seriousness of the case merits urgent attention.

11 Approval of methodologies

See section *Approval of new methodologies* of the *Rules of Procedure of the Independent Experts Panel*.

12 Data management

12.1 Chain of custody

All certification cycle procedures must be performed on the EcoRegistry platform, which makes a registry of all interactions related to certification using blockchain technology, thus ensuring traceability, integrity, and security of the recorded information. All steps performed on the platform by the different actors and each biodiversity credit issued and traded are tokenised and electronically signed through the platform. The platform's rules only allow authorised and identified users to carry out steps related to the certification cycle. Internally, the platform keeps a registry with historical versions of all documents uploaded to the platform, along with all change requests and corresponding responses produced by stakeholders and CBCP's team, fully guaranteeing the chain of custody of the entire certification cycle.

12.2 Documentation

All documentation related to the certification process, including project proposals, project management plans, validation, and verification reports, monitoring reports, certification reports, and biodiversity credit issuance certificates, must be stored securely on the EcoRegistry platform. These documents are electronically signed and timestamped to ensure authenticity and integrity. All stakeholders involved in the certification process have access to the relevant documentation based on their roles and responsibilities.

12.3 Data protection

Cercarbono takes data protection seriously and complies with relevant data protection regulations. Any personal data collected during the certification process is handled securely and confidentially. Only authorized personnel have access to this data, and measures are in place to prevent unauthorized access or disclosure. All data stored on the EcoRegistry platform is encrypted to ensure confidentiality and privacy.

12.4 Backup and disaster recovery

Regular backups of all data stored on the EcoRegistry platform are performed to prevent data loss in case of system failures or disasters. A comprehensive disaster recovery plan is in place to ensure the continuity of data management operations in the event of unforeseen circumstances. This includes backup servers, offsite storage of critical data, and redundancy measures to minimize downtime.

12.5 Monitoring and audits

Regular monitoring and audits of the data management processes are conducted to ensure compliance with data protection regulations and internal policies. These audits include checks on access controls, data integrity, encryption protocols, and backup procedures. Any issues or discrepancies identified during these audits are promptly addressed to uphold the security and reliability of the data management systems.

12.6 Training and awareness

All personnel involved in the certification process receive training on data management best practices, data protection regulations, and the use of the EcoRegistry platform. Continuous awareness programmes are conducted to ensure that employees are informed about data security protocols, the importance of confidentiality, and their responsibilities in safeguarding sensitive information. Regular updates and refresher courses are provided to stay up to date with evolving data management practices and regulations.

13 Document history

Version	Date	Comments or changes
1.0	30.05.2024	Initial version.