



**Reply to comments to the public
consultation on Cercarbono's
Biodiversity Certification
Programme Protocol**

Version
1.0

Medellín, 14 June 2024

Reply to comments to the public consultation on Cercarbono's Biodiversity Certification Programme Protocol Version 1.0

Addressed to: Participants of the public consultation.

Dear participants,

This is to thank you for your participation in the first public consultation of the ***Cercarbono's Biodiversity Certification Programme Protocol Version 1.0***, held from 01 December 2023 to 15 January 2024.

All the comments received from the staff of the participating entities are particularly important, as they will allow us to strengthen our Biodiversity Programme and generate spaces for participation of current and new actors who wish to contribute to biodiversity conservation.

The ***Cercarbono's Biodiversity Certification Programme Protocol Version 1.1.1*** is now available at www.cercarbono.com. The table below details the comments received in the consultation and their respective replies. For privacy reasons, comments received are listed anonymously.

Once again, thank you very much for your valuable input.

Sincerely yours,



Alex Saer
CEO Cercarbono

No.	Comment	Reply
1	<p>This methodology is brilliant. Simply written, easy to understand, logical, and building on existing work. That is perhaps its greatest achievement over other certifiers' programs especially in the context of IPLC inclusion and market fairness.</p> <p>The Innovation phase is perhaps the best move by any climate certifier in the last ten years. It allows for risk-averse buyers to distinguish between established and novel methods, and for funding for market development to be deployed across a wide variety of actions to stimulate market refinement.</p> <p>Having an Independent Experts Panel is a massive improvement on carbon crediting programs reducing delays, and exclusionary costs for IPLC.</p> <p>The 2-month Time calculation is integral to market adoption.</p> <p>The category for ecosystems of Bronze, Silver, Gold, or Platinum will be a massive improvement on market fairness and targeted planet-wide action.</p> <p>Would like to see indigenous rights listed in the Alignment principle.</p>	<p>Thank you for your thoughtful and encouraging feedback.</p> <p>We are delighted to hear that you find our methodology to be straightforward, logical, and a significant step forward, particularly regarding IPLC (Indigenous Peoples and Local Communities) inclusion and market fairness. Your recognition of these aspects is very much appreciated, as they are core to our mission.</p> <p>We are particularly pleased that you see the 'Innovation Phase' as a key development. By distinguishing between established and novel methods, this approach aims to balance risk while stimulating market growth and refinement through diversified funding.</p> <p>Having an Independent Experts Panel indeed streamlines processes and reduces costs, making it more accessible for IPLCs—this is a crucial improvement over traditional carbon crediting programs.</p> <p>We are also glad to hear your positive feedback on our ecosystem categories (Bronze, Silver, Gold, and Platinum). This tiered approach is designed to enhance market fairness and promote targeted actions for global environmental sustainability.</p> <p>Your suggestion to explicitly list indigenous rights in the Alignment principle is noted and highly valued. We are committed to continually improving our framework, and your suggestion will be taken into serious consideration as we refine our principles to ensure they comprehensively reflect the rights and perspectives of all stakeholders.</p>
2	<p>Dear partners in biodiversity conservation, I would like to be part of the ongoing external consultation and reviewing to help with the creation of a successful VBC as part of your Biodiversity Certification Program.</p> <p>I am a Dutch Peruvian biologist, with 20+ years working on biodiversity research and community-based conservation in the Tropical Andes and Amazon. My experience includes the evaluation of the biodiversity in these areas, as part of conservation programs.</p> <p>I am co-founder and president of a Peruvian ngo, working and living in Peru's thus far biggest community-owned private conservation area, ACP Los Chilchos (46 kha) which is part of a Key Biodiversity Area of global importance. The</p>	<p>Thank you for expressing your interest in our Biodiversity Certification Programme and its Voluntary Biodiversity Credit (VBC). We are excited to include experts like yourself in our consultations and reviews. Your insights, particularly from your experience working with indigenous communities and managing conservation areas, would be highly valuable. That is why we would like to invite you to participate in our call for experts for the Independent Experts Panel.</p> <p>We fully agree that a well-designed VBC should prioritize direct funding to forest-dwelling communities, minimizing overhead costs to have the maximum impact on the ground.</p>

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	<p>creation of this conservation area was the result of a project I initiated 20 years ago in this farmers' community of which I am an active member. Our most important current project is situated in an area of more than 200 kha (in a second stage up we will include another 500 kha) of extraordinary biodiversity value (we already have proof of many IUCN Red List species) in the still scarcely investigated Andean Tepuis of Peru. The two indigenous communities with whom we work now, are the area's guardians and hold the official landtitle of 60% of the total area. For the remaining 40% we are now working to obtain additional landtitling. A part of the area is inhabited by uncontacted indigenous groups, living in voluntary isolation, and we are committed to help secure their well-being. I consider that a well-designed VBC can be a valuable tool to help forest dwelling communities to keep being the guardians of their forests and associated biodiversity. In my opinion, such a tool should deliver funds from donators to these communities as directly as possible and with overhead costs as low as possible.</p> <p>Thanks I advance for getting back to me. Best regards from Chachapoyas, Peru.</p>	<p>Once again, thank you for your interest, and we are truly looking forward to collaborating with you.</p>
3	<p>1. Are there additional projects that require a second phase of execution after financing; e.g., maintenance, follow-up and monitoring of tree species in restoration projects? What technical components are contemplated in the reinvestment of 80% of the resources in the same project; e.g.: project operation, payment of inputs, professional payments, resource management, utility, etc.</p> <p>2. Does the Panel of Experts act as the VVB and is it part of Cercarbono or is it an independent company? More information about the biodiversity expert panel is required.</p> <p>3. As evidenced in the protocol the credit is a dimensionless measure, has it been contemplated to standardize in a unit of measurement of the credit?</p>	<p>1. The criteria for demonstrating the additionality of projects have been reviewed and adjusted in Section 6 of the Protocol. Additionally, a new methodology for evaluating additionality across different dimensions has been proposed. The criterion referenced in your question does not apply in the new version of the Protocol.</p> <p>2. The Independent Expert Panel is an autonomous body, separate from both Cercarbono and the project proponents, designed to ensure transparency, impartiality, and robustness of the processes. On www.cercarbono.com, you can find the document 'Rules of Procedure of the Independent Experts Panel', which details the benefits of having such a body for project validation and verification, the selection processes for its members, their functions, and other pertinent information.</p> <p>3. The Voluntary Biodiversity Credit is a commodity introduced in the Cercarbono biodiversity standard to quantify and compare the positive impacts among various biodiversity initiatives. Its calculation is based on a standardized scale that allows for the comparison of results across different initiatives and activities.</p>

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4	<p>Page 15, section 3.1 advises, "The CBCP does not allow the use of exotic species in restoration activities."</p> <p>The term exotic species isn't defined in the definition section and is semi-arbitrary. If an exotic species is part of the makeup of a given area - and ongoing restoration of that area yields an increase in procreation, then that should be permitted as a marker.</p> <p>If good reason exists to exclude exotic species, then the term should be defined and reasoning explained.</p>	<p>This particular issue has been reviewed and your suggestion has been incorporated into the latest version of the Protocol. In this version, we state that it is preferable to undertake restoration actions using native species, but we also leave the door open to using exotic species, provided that a satisfactory justification is provided for doing so.</p>
5	<p>Dear CERCARBONO team,</p> <p>we would first of all like to thank you for the possibility to review the documentation. And accordingly, we would like to submit some comments or request for clarification on the Biodiversity Standard document.</p> <p>1. Chapter 3 we would like to have a clear definition and justification for not using biodiversity credits for offsets.</p> <p>2. Chapter 4 - Principles. We feel that the justification of the benefits of each principle is confusing and sometimes inconsistent with other sections of the document. For example: It is justified that transparency will help to find sources of funding, however, no more than 80% of external funding sources are allowed. In this same principle of transparency, there is a reference to the adaptability of projects, when in later sections it is mentioned that no changes are allowed.</p> <p>3. Chapter 5 Additionality.</p> <p>3.1. The requirement of not having more than 50% external financing is difficult to meet given that the projects require a very high CAPEX. The argument behind the requirement is not understood and closes the door to many possibilities for the private sector.</p> <p>3.2. Positive list: it is necessary to clarify in which type of activities 80% of the proceeds from the sale of credits can be used. These projects require a very high investment, which can be executed with the sale of biodiversity credits. If it is not possible to finance implementation and monitoring with these revenues, again, there will be projects that cannot be implemented. This is not realistic.</p> <p>3.3. In addition, it is very difficult to demonstrate the requirement in the validation phase when the sale price is not known.</p> <p>d) On the other hand, it is not clear whether to be considered part of the positive list it is enough to</p>	<p>1. Compensation is not accepted in the Cercarbono Biodiversity Certification Programme for several important reasons. First, many compensations requested by states or through voluntary financial agreements do not comply with the mitigation hierarchy. Companies tend to bypass the avoidance and mitigation phases, heading straight for compensation. This undermines the mitigation hierarchy, as the fact that compensation is the last step disincentivizes companies from following the preceding phases of avoidance and mitigation. As a result, it is cheaper and quicker for companies to pay for compensations instead of avoiding or mitigating biodiversity loss. Evidence shows that 'no net loss' of biodiversity is not being achieved, as two-thirds of biodiversity compensations fail to meet this objective. Identified problems include the scarcity of credits, ineffective monitoring, lack of transparency, and considerable costs associated with developing and implementing methodologies to assess 'ecological equivalences'. Additionally, biodiversity compensations can lead to greater degradation at the sites designated for compensation. Since compensations can inject money into conservation initiatives, there is an economic incentive for those developing these conservation actions to demonstrate significant changes in biodiversity. Consequently, baselines created to justify compensation measures may exaggerate positive conservation outcomes by exacerbating biodiversity loss before the projected measure. This problem is exacerbated by the 'shifting baseline syndrome', which tends to over-represent current states of biodiversity instead of reflecting the condition of a healthy ecosystem.</p> <p>2. The 'Principles' section of the Protocol has been revised and adjusted to align with the</p>

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	<p>demonstrate only section 5.2, or this section is the minimum and in addition it is necessary to demonstrate the specific conditions according to the type of project.3.</p> <p>4. Chapter 6.1 Retroactivity. The monitoring requirement for community-led projects is not clear. It is detailed that in the rest of the projects it is mandatory to show evidence of monitoring of the retroactivity period, but in community projects it is not clear how to justify such retroactivity.</p> <p>5. Chapter 12.1. It is established that the monitoring system can only be changed if the institutional or policy framework is modified. This situation is not realistic, and projects, and therefore their monitoring systems, undergo changes for a variety of reasons (new technologies, system failures, accidents, human error, continuous improvement, etc.). In other standards there is the possibility of requesting deviations or changes. It would be convenient to do the same in this case.</p> <p>Sincerely.</p>	<p>contents of this and other normative documents of the Programme.</p> <p>3. The criteria for demonstrating the additionality of projects have been reviewed and adjusted in section 6 of the Protocol. Additionally, a new methodology to evaluate additionality across different dimensions has been proposed. The criterion referenced in the question does not apply in the new version of the Protocol.</p> <p>4. The section on 'Retroactivity, period of accreditation, and permanence' of the Protocol has been reviewed and adjusted. In this regard, all projects must demonstrate tangible actions that have significantly contributed to biodiversity conservation to access retroactivity. This requires providing monitoring data and evidence supporting their conservation initiatives.</p> <p>5. The comment has been addressed, and modifications related to the monitoring of projects have been made.</p>
6	<p>The standard mentions the inclusion of an independent panel of experts for biodiversity projects and their methodologies. However, there is no provision for these reports to undergo review by the VVB. In contrast, other standards such as Cercarbono's voluntary carbon certification programme employ a two-step process where initial reports undergo scrutiny by an independent VVB, followed by review by an Registry experts panel. This approach ensures a comprehensive evaluation and introduces a double-check mechanism for projects. Omitting the VVBs in this evaluation process could impede the validation and verification process. It is crucial to incorporate provisions for VVBs with biodiversity experts in their roster, allowing their reports to undergo additional review by an independent experts panel.</p>	<p>In the Cercarbono Biodiversity Program, the Independent Expert Panel (IEP) serves the role of Validation and Verification Bodies (VVB). At least one member of the IEP, the expert in community ownership and governance, is expected to provide detailed support concerning land ownership, governance structures, legal representation issues, and contractual agreements between communities and project developers. This expert may also be part of a VVB.</p> <p>The Program incorporates a triple-review mechanism. Once the Project Management Plan or a new methodology proposal is received, the Program Director, along with the Cercarbono technical team, conducts an initial review of the documents. Upon approval, these documents go through a public consultation process. Following this, the IEP reviews all documentation during the validation and verification processes for projects or new methodology reviews, generating a detailed report with recommendations. This report is submitted to the Program Director, who is responsible for the final approval or rejection of the project or methodology.</p>
7	<p>1. We foresee challenges ahead for each Credit design projects to be 'auditable' by third party, to prove and verify each credit is real and comprises the 'quantity' that it claims. It is also difficult for biodiversity projects to assign prices by valuing different aspects of nature, where knowledge and</p>	<p>1. Indeed, ensuring that each credit is fully auditable by third parties to verify the authenticity and quantity of credits poses significant challenges. This is why, at Cercarbono, we have invested considerable effort not only in the design of our Voluntary</p>

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	<p>experience of IPs and LCs are intercepted with technology deployment. Yes, at this juncture, most methodology apply qualitative variables or an index to measure biodiversity quality to a unit of nature (for example, one hectare). Several schemes also use distributed ledger technology (DLT) for data processing, and even for payments. It is fairly simplified for now. We do not know what the future holds for next methodologies.</p> <p>2. The 'stack' approach is still unclear and how Biodiversity Credits is to be treated when sold to separate offtaker buyers of Carbon Credit from the same nature or land assets. This is even more complex when Biodiversity Credit and Carbon Credit have same type of scope of claims, such as climate outcomes. Also, there must be clear key motivation for buyers of biodiversity credits to be able to transfer various types of claims based on the possession of those credits such as for abatement, offsetting, beyond-value-chain, of global biodiversity framework aligned contributions. It is unknown at this juncture, we hope that the development will only evolve with more projects globally.</p> <p>3. The compulsory requirement for credits to sit only its registry Ecoregistry may be seen as a rigid by some project proponents as some jurisdictional have their own preferred registry platforms.</p>	<p>Biodiversity Credit (VBC) but also in developing a robust and comprehensive framework. This framework encompasses all steps, from the approval of new methodologies developed by third parties to the validation and verification processes. Additionally, we have implemented stringent monitoring and reporting protocols to ensure the integrity and transparency of every project. We recognize that assigning accurate prices to VBCs is inherently complex due to the multifaceted value of different aspects of nature. The intersection of Indigenous Peoples' (IPs) and Local Communities' (LCs) knowledge with technology deployment adds another layer of complexity. However, it is important to note that Cercarbono does not set these prices; instead, we function solely as a certification body, ensuring that each credit meets rigorous standards. The use of Distributed Ledger Technology (DLT) for data processing is an emerging trend that holds substantial promise in terms of enhancing transparency and traceability. We are enthusiastic about the potential approval of new methodologies that incorporate these technologies, which will improve the robustness and quantifiability of measures while seamlessly integrating traditional ecological knowledge with modern technological tools. At Cercarbono, we remain committed to continuously refining our processes and methodologies to address these complexities and uphold the highest standards of credibility and reliability in the field of biodiversity credits. Thank you for highlighting these important considerations as we navigate this evolving landscape.</p> <p>2. At Cercarbono, we are committed to developing clear guidelines and methodologies to address these complexities. We are actively working on frameworks to ensure transparent and distinct treatment of Biodiversity Credits and Carbon Credits, even when they originate from the same resources. Our goal is to avoid double counting and ensure that each credit type maintains its unique value and claim scope. Additionally, we recognize the importance of providing clear motivations for buyers of Biodiversity Credits. Our efforts include ensuring that these credits can be used for a variety of claims and aligning with global biodiversity frameworks. These motivations need to be transparent and well-defined to attract and assure buyers. We understand that this is an evolving field and that continuous improvements will be necessary as more projects are developed globally. We are committed to staying at the forefront of these developments and ensuring</p>

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		<p>that our standards reflect best practices and address the complexities you're concerned about.</p> <p>3. We understand your concern regarding the mandatory requirement for credits to be listed exclusively in EcoRegistry. However, Cercarbono works solely with EcoRegistry because we have placed our full trust in this platform and are confident in its commitment, robustness, and transparency. While we acknowledge that some jurisdictions may have their own preferred registry platforms, EcoRegistry's stringent standards align with our mission to ensure the highest level of credibility and reliability for our projects.</p>