079 Regulating financing mechanisms based on biodiversity certificates and credits and guarantee positive effects on nature

NOTING that certificates and credits are defined differently, for example, the European Commission defines certificates as proof that a project meets specific independent standards, and credits as tradable units that have been previously verified thanks to these standards;

RECALLING that Target 19 of the Kunming-Montreal Global Biodiversity Framework (KMGBF) calls for the mobilisation of USD 200 billion annually by 2030 from all sources, and that it explicitly mentions, *inter alia*, biodiversity offsets and credits as potential approaches to help achieving the target;

RECALLING ALSO that Target 2 of the KMGBF calls for of 30% of degraded terrestrial, inland water, and marine and coastal ecosystems to be under effective restoration by 2030, and that Target 3 calls for the effective conservation and management of at least 30% of terrestrial and inland water areas and of marine and coastal areas, especially areas of particular importance for biodiversity and ecosystem functions and services;

AWARE of the urgent need to reconcile economic activities with the protection of biodiversity, and the challenges of valuing nature and ecosystem services;

WELCOMING the growing recognition by economic stakeholders of the existence and future values of biodiversity, and the interdependence between humans and nature;

BELIEVING that, if well designed, implemented, and governed biodiversity certificates and credits could bring new opportunities and contribute to scaling up private finance for nature and deliver verified positive outcomes for nature and people;

CONCERNED about the risks of adverse outcomes,-misleading environmental and social claims, low environmental integrity, and potential human-rights violation arising from demand and supply side actions of certificates and credits as exemplified by the carbon market experience;

CONCERNED ALSO that Indigenous peoples and Local communities, who are often the stewards of nature dependent on ecosystems, are not sufficiently involved in designing mechanisms to finance the protection of nature, nor in the fair sharing of their benefits, leading to additional pressures and/or inappropriate projects;

FURTHER RECALLING the adoption of IUCN Resolution 6.059 *IUCN Policy on Biodiversity Offsets* (Hawai'i, 2016) and in particular that biodiversity offsets must never be used to circumvent responsibilities to avoid and minimise damage to biodiversity, or to justify projects that would never otherwise be created;

AWARE ALSO of the growing interest expressed by private economic actors to support the ecological transition, including through supporting financing mechanisms that guarantee confidence and impact; and

ACKNOWLEDGING the need to ensure the respect, protection, and fulfilment of the rights of Indigenous Peoples, in accordance with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)

The IUCN World Conservation Congress 2025, at its session in Abu Dhabi, United Arab Emirates:

1. INVITES stakeholders and parties to support and contribute to the continual improvement of the High-Level Principles to Guide the Biodiversity Credit Market developed by the Biodiversity Credit Alliance (BCA), the International Advisory Panel on Biodiversity credits (IAPB) and the World Economic Forum (WEF), and the recommendations of the Framework of the International Advisory Panel on Biodiversity Credits;

2. ENCOURAGES States to put in place policy frameworks in line with human-rights obligations that ensure the integrity of biodiversity certificate and credit markets that:

a. produce a robust and transparent evaluation of biodiversity outcomes;

b. demonstrate efforts to ensure that positive impacts are sustained in the long term, and contribute to the KMGBF targets/missions and National Biodiversity Strategies and Action Plans;

c. are fit for different scales, including smallholder and community-based initiatives, contributing to ecological transition, and conservation and/or restoration of biodiversity as prioritized by local and/or global strategies;

ALT [d. should not be used as substitutes for existing financing mechanisms, and if used as regulatory biodiversity offsets, should be strictly regulated by legislations;]

d. are additional to biodiversity offsets and existing financing mechanisms;

e. involve multi-stakeholder governance for locally-rooted projects, that ensures a clear distinction between the roles of project developer, certifier and investor;

f. fully take into account Indigenous peoples and Local communities by:

i. enabling them to be involved in the design, implementation, and governance of biodiversity certificate and credit projects;

ii. respecting and upholding the rights of Indigenous peoples including to rights to free, prior, and informed consent as provided in UNDRIP, as well as the rights of Local communities;

iii. ensuring a fair distribution of benefits;

g. avoid speculation in secondary markets without sufficient regulated safeguards, including the need for transparency around claims, pricing and an appropriate proportion of profits to flow back to project proponents via benefit sharing arrangements;

h. include external verification and certification of biodiversity outcomes that incorporates participatory monitoring approaches and local knowledge systems;

i. ensure that economic actors' contributions to the KMGBF through biodiversity certificates and credits:

ALT [i. support ambitious nature-positive corporate strategies for biodiversity that consider and go beyond the mitigation hierarchy;]

i. are complementary and additional to corporate strategies for biodiversity that fully embed the mitigation hierarchy;

ii. are consistent with implementation territories; and

iii. prevent claims of direct equivalence between biodiversity loss and certified biodiversity outcomes.