



# Biodiversity Credits

**For Prelims:** Biodiversity Credits, [Kunming-Montreal Global Biodiversity Framework \(KMGBF\)](#), [15th Conference of Parties \(CoP15\)](#), Biodiversity Credit Alliance.

**For Mains:** Biodiversity Credits, Environmental pollution and degradation.

**Source:** DTE

## Why in News?

**Biodiversity Credits** or biocredits are increasingly being pushed as a means for financing work on the various targets set under the [Kunming-Montreal Global Biodiversity Framework \(KMGBF\)](#).

- The KMGBF, established at the [15<sup>th</sup> Conference of Parties \(CoP15\)](#) of the [Convention on Biological Diversity \(CBD\)](#), sets forth ambitious targets for biodiversity conservation, sustainable utilization, and equitable benefit sharing.

## What is Biodiversity Credit?

- **About:**
  - Biodiversity credits are a **financial instrument designed to generate funding for the conservation**, restoration, and sustainable use of biodiversity-rich areas.
  - They operate on a concept **similar to Carbon Credits but with a distinct focus on biodiversity preservation** rather than offsetting negative impacts.
  - The core purpose of biodiversity credits is to attract private investments toward initiatives aligned with the goals of conserving and restoring biodiversity, as outlined by international agreements such as the **KMGBF under the CBD**.
- **Biodiversity Credit Alliance:**
  - To promote Bio credits, the **Biodiversity Credit Alliance** was launched at CoP15 of CBD.
  - Through 2023, efforts were made to promote them at different fora. They were discussed at [CoP28 of the UNFCCC in Dubai](#) in December 2023.
  - Its aim is to mobilize support and generate awareness among various stakeholders, including governmental bodies, non-profits, and private enterprises.
- **Implementation and Initiatives:**
  - **Ocean Conservation Commitments (OCCs):** Launched in September 2023, OCCs are tied to Niue's Moana Mahu Marine Protected Area, covering 127,000 square kilometers.
    - OCCs are available for purchase by interested buyers, each representing a commitment to support conservation efforts for 20 years.
    - Priced at USD 148 per OCC, these commitments have attracted investments from non-governmental organizations like the Blue Nature Alliance, Conservation International, and private donors.
  - **Wallacea Trust:** This UK-based organization focused on biodiversity and climate research has made **substantial financial commitments**, amounting to 5 million biodiversity credits. Their engagement signals a significant interest from research-oriented entities in

utilizing biodiversity credits to support conservation efforts.

▪ **Challenges and Uncertainties:**

- Despite their potential, the success of biodiversity credits remains uncertain. Challenges encompass **regulatory frameworks, pricing structures** that ensure fairness for both buyers and sellers, and ensuring that these mechanisms genuinely serve biodiversity conservation rather than corporate interests.

## What are the Initiatives Related to Biodiversity Conservation?

▪ **India:**

- [India Business & Biodiversity Initiative \(IBBI\)](#)
- [Wetland \(Conservation and Management\) Rules 2010](#)
- [National Plan for Conservation of Aquatic Ecosystem](#)
- [Wildlife Crime Control Bureau](#)
- [Biological Diversity Act, 2002](#)

▪ **Global:**

- [Nagoya Protocol](#)
- [Convention on International Trade in Endangered Species of Wild Fauna and Flora](#)
- [World Wide Fund for Nature](#)

## Way Forward

- The concept of biodiversity credits holds promise in bridging the financial gap required for biodiversity protection outlined in the KMGBF. However, critical considerations about regulation, genuine conservation impact, **and alignment with biodiversity goals underscore the need for cautious** and meticulous implementation.
- It is important to urgently figure out how they should be regulated and monitored. It has to be ensured that pricing is fair for sellers as well as buyers.
  - The United Kingdom and the French governments are leading the way in creating a roadmap for a high-integrity biodiversity credits market.
- This is going to be tough considering that most of the proponents of biocredits are from the **private sector and are likely to protect the interests of the corporations** that are driving the biodiversity crisis and not biodiversity.

## UPSC Civil Services Examination, Previous Year Questions (PYQs)

### Q. Consider the following statements : (2023)

1. In India, the Biodiversity Management Committees are key to the realization of the objectives of the Nagoya Protocol.
2. The Biodiversity Management Committees have important functions in determining access and benefit sharing, including the power to levy collection fees on the access of biological resources within its jurisdiction.

### Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

**Ans: (c)**

**Exp:**

- Biodiversity Governance in India: India's Biological Diversity Act 2002 (BD Act), is in close synergy with the Nagoya Protocol and aims to implement provisions of the Convention on Biological Diversity (CBD).
- The Nagoya Protocol sought to ensure commercial and research utilisation of genetic resources led to sharing its benefits with the government and the community that conserved such resources.
- Under Section 41(1) of the Biological Diversity Act, 2002, every local body in the State shall constitute a Biodiversity Management Committee within its area of jurisdiction. Hence, statement 1 is correct.
- The main function of the BMC is to prepare People's Biodiversity Register (PBR) in consultation with local people. The BMC shall be responsible for ensuring the protection of the knowledge recorded in PBR, especially to regulate its access to outside persons and agencies.
- In addition to preparation of the People's Biodiversity Register (PBR), the BMCs in their respective jurisdiction shall also be responsible for the following :-
  - Conservation, sustainable use and access and benefit sharing of biological resources.
  - Regulation of access to the biological resources and/ or associated Traditional Knowledge, for commercial and research purposes.
  - The BMC shall also maintain a Register giving information about the details of the access to biological resources and traditional knowledge granted, details of the collection fee imposed and details of the benefits derived and the mode of their sharing from area within its jurisdiction.
  - The BMC may levy charges by way of collection fees from any person for accessing or collecting any biological resource for commercial purposes from areas falling within its territorial jurisdiction. Hence, statement 2 is correct.

PDF Reference URL: <https://www.drishtias.com/printpdf/biodiversity-credits>

