



A Global Roadmap to Harness Biodiversity Credits for the Benefit of People and Planet

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The need for ambitious collective action

There can be no new Global Finance Pact without addressing the intertwined crisis of climate change and biodiversity loss. While the urgency of acting on climate change is widely understood, and financing climate action has made significant progress in recent years, action on biodiversity loss and the move towards a nature positive economy has only recently gained momentum – supported in part through the adoption of the Kunming-Montréal Global Biodiversity Framework (KMGBF), and its landmark commitment to protect 30% of land and 30% of ocean by 2030.

There is a critical need to align global financial flows with the KMGBF's mission, goals, and targets, and to build a nature positive economy that recognises the intrinsic value of nature and the ecosystem services it provides. This all must be done in a manner consistent with the contribution and rights of Indigenous Peoples and local communities, as set out in the KMGBF, as the guardians of much of the world's remaining biodiversity.

The KMGBF calls for a substantial increase in the mobilisation of public and private resources to close the nature finance gap, to at least US\$200 billion annually by 2030, and calls for all public and private financial actors to work together, using a range of financial instruments, to deliver these goals.

This mobilisation is not only essential – it is possible. Indeed, there is already demand from the private sector for innovative options for financing biodiversity. In some cases, this is because companies want to minimise their impact on nature, either to ensure their own sustainability, or for the sake of the benefit of the planet and its peoples; in other cases, it is to offset harm they may cause, or to deliver against wider corporate responsibility commitments.

Complementing that private sector demand, interest in biodiversity credits has been expressed at the highest political levels.

President Macron at the UNFCCC COP27 meeting in Sharm-El-Sheikh in November 2022 launched the Positive Conservation Partnerships (PCP) and requested the Global Environment Facility (GEF) to draft a report on the potential role for carbon and biodiversity credits. The GEF led report was presented to leaders present at the France and Gabon co-hosted One Forest Summit in Libreville in March 2023, called by Presidents Macron and Bongo. Its key recommendations were to scale up biodiversity positive carbon credits and biodiversity certificates, and to maximise their potential contribution in building ambitious Forest Country Packages.

The 10 Point Plan launched at UNGA-77 by Ecuador, Gabon, the Maldives, and the UK, endorsed by over 40 countries, provides a concrete action plan for bridging the global biodiversity finance gap and also calls for the development of innovative financial instruments. To support delivery of the 10 Point Plan, the UK Government in February 2023 hosted a 'Nature Action: Private Sector Mobilisation' event bringing together Ministers, senior business representatives, and civil society leaders to highlight the role of the private sector in transitioning to net zero, nature positive economies. The event resulted in commitments to urgently explore the role that biodiversity credit markets have to play in closing the nature finance gap.

Finally, innovative instruments, including biodiversity positive carbon credits, are also a key action area under the Forests and Climate Leaders' Partnership (FCLP) a coalition of 26 countries and the EU launched at COP27.

The increase in interest in biodiversity credits has generated a dense and complex marketplace of ideas. Public, private, and non-profit actors are considering local, national, and international solutions. Key collaborative initiatives include the Biodiversity Credit Alliance, the Taskforce on Nature Markets, the World Economic Forum (WEF), and the World Business Council for Sustainable Development (WBCSD). Each contribution is helpful. There are different models emerging across different contexts, countries, and jurisdictions.

In order to develop biodiversity credits at the global scale needed, there is a need to converge these processes and approaches towards a set of agreed approaches to developing and governing high-integrity markets in ways that address key design challenges.

Moreover, the deployment of biodiversity credits at scale necessitates them being part of a broader, ambitious ecosystem of approaches to mobilising finance for biodiversity, including the links to carbon markets through the development of biodiversity-enhanced carbon credits, and through being an element of international financing initiatives such as Country Packages.

Objectives of the Global Roadmap

There is a need to facilitate the creation and growth of high-integrity biodiversity credit markets, and encourage enabling policy and regulatory mechanisms, in ways that are credible, timely, and coherent on an international level. This can only work if these high-integrity biodiversity credits deliver measurable positive biodiversity impacts and equitable outcomes at both the sovereign and local levels to those who care for nature, in particular Indigenous Peoples and local communities who are core to securing the health of biodiversity worldwide.

Our collective ambitions will only be realised through a careful process, global co-design, and concerted international cooperation between policy makers and regulators, scientific experts, project developers, and financial actors, as well as local communities and Indigenous Peoples.

This could be supported by the establishment of a core set of principles and governing arrangements including rules and guidance, which will draw on and initiate national pilots based on the rich set of examples and approaches currently being taken forward by various existing processes and initiatives. The development of market instruments for nature will be essential, but it is important to note that these markets are still, in most cases, in very early stages. We are at the start of a long journey towards the full maturity of such markets and clarity as to their added-value and how best to realise it.

Our collective challenge is to ensure that technical, market, and political tracks converge towards well-structured markets that deliver for nature, climate, and people.

France and the United Kingdom therefore propose to help to address this collective challenge by initiating an open and inclusive process, working with other countries and key partners and drawing on existing processes and initiatives, with a view to scaling up the use of biodiversity positive carbon credits and biodiversity certificates, and structure biodiversity credit markets in ways that deliver significant, equitable, nature positive outcomes.

The Advisory Panel

A high-level, multistakeholder Advisory Panel will be established to deliver the envisaged Global Roadmap that will bring together and harness the most important and impactful collective thinking and practice on developing high-integrity biodiversity credits, with the active involvement of the Global Environment Facility (GEF).

The Advisory Panel will deliver its findings and recommendations to a coalition of countries committed to the use of biodiversity credits as a key way to accelerate financing for biodiversity. Its findings and recommendations will be taken up by a wide range of non-state actors including market participants.

Pathway and Milestones

The Advisory Panel will anchor its activities around the key milestones in the international calendar

presented by the climate change and biodiversity conventions, as well as any other relevant multilateral processes such as UNEA or the G7 and G20. These all provide opportunities for high-level engagement on incremental steps towards the development of the market, and will include:

By **UNFCCC COP28**, the Advisory Panel will submit its roadmap to a larger group of key stakeholders including sovereigns and IPLCs and market actors. The roadmap will include actionable recommendations on scaling up biodiversity credits and support the development of the practical and political conditions under which the first representative transactions will take place and send positive signals to the marketplace.

By **UNCBD COP16**, the Advisory Panel, with the cooperation of the larger group of stakeholders, will build on the recommendations for piloting approaches for the rapid development of equitable and high-integrity biodiversity credit markets that can be scaled, and deliver significant new sources of finance for biodiversity outcomes.

The Advisory Panel will build as much as possible on the existing engagement and expertise in related processes, initiatives, and platforms, identifying commonalities and gaps and building on synergies in designing approaches that support ambitious actions to ensure that high-integrity biodiversity credit markets move from theory to delivery.

The Advisory Panel will guide an open and inclusive working process that will draw on insights from policy makers and regulators, Indigenous Peoples and local communities, market actors including the financial community, experts, and broader civil society.

The Advisory Panel will form and guide inclusive, expert working groups which will support the production of an articulation of the state of play and 'what good looks like' for their respective focal areas, for UNFCCC COP28. The focal areas for working groups will include consideration of:¹

1

Providing credible, timely, and affordable measurement and monitoring of the state, improvement and/or maintenance of biodiversity.

2

Scaling sustained, and high-integrity demand for credits and associated financing.

3

Ensuring sufficient, high-integrity supply of credits offering nature positive outcomes.

4

Securing adequate price and equitable distribution of rewards to project developers, sovereigns, and Indigenous Peoples and local communities.

5

Establishing robust governance and broader, transparent institutional arrangements.

France and the UK will each designate a high-level representative to help facilitate the formation of an inclusive global Advisory Panel aiming for a first meeting in July 2023. These governments will also work alongside political leaders from other interested countries to help broaden the political coalition of governments driving this Roadmap for high-integrity biodiversity credit markets forward in the coming months.

¹ The rationale for the focus on these core design challenges is detailed in the accompanying report called 'Harnessing Biodiversity Credits for People and Planet' (NatureFinance/Carbone 4).



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