
Mobilising Private Capital with Nature

The role of Biodiversity Credits and how to operationalise them it

CBD COP17, Yerevan, Armenia

23/10/2026



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01

Welcome



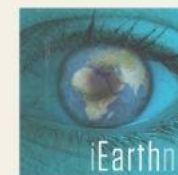
Mobilizing Private Capital with Nature



DATE
Fri, 23 Oct
11:15-12:15



LOCATION
Netherlands
Pavillion



SPEAKERS



TAKING ACTION
FOR NATURE



Erica Fleet

Nature Investment
Facility



Dominik Maczik

Biodiversity Credit
Alliance



Lavinia Warnars

IEARTH/VU
Amsterdam



AJ Bird

International
Environmental
Guardianship

02

Why is Nature Finance Necessary?

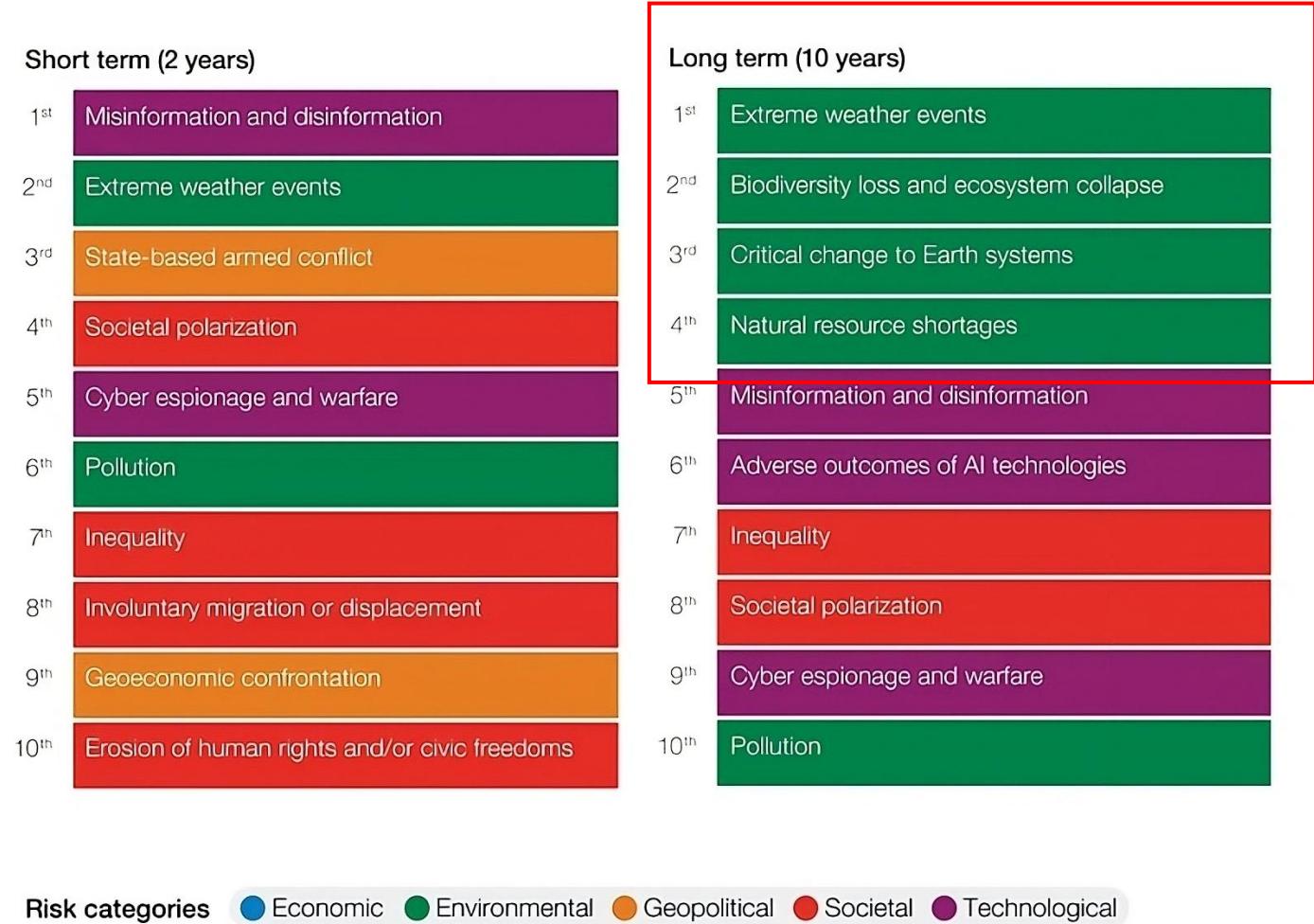
Erica Fleet
Nature Investment Facility
UNDP



What is nature finance?

Nature finance is any financial flow—whether public or private—that intentionally seeks to conserve, restore, and sustainably manage our ecosystems.

Why is it necessary?



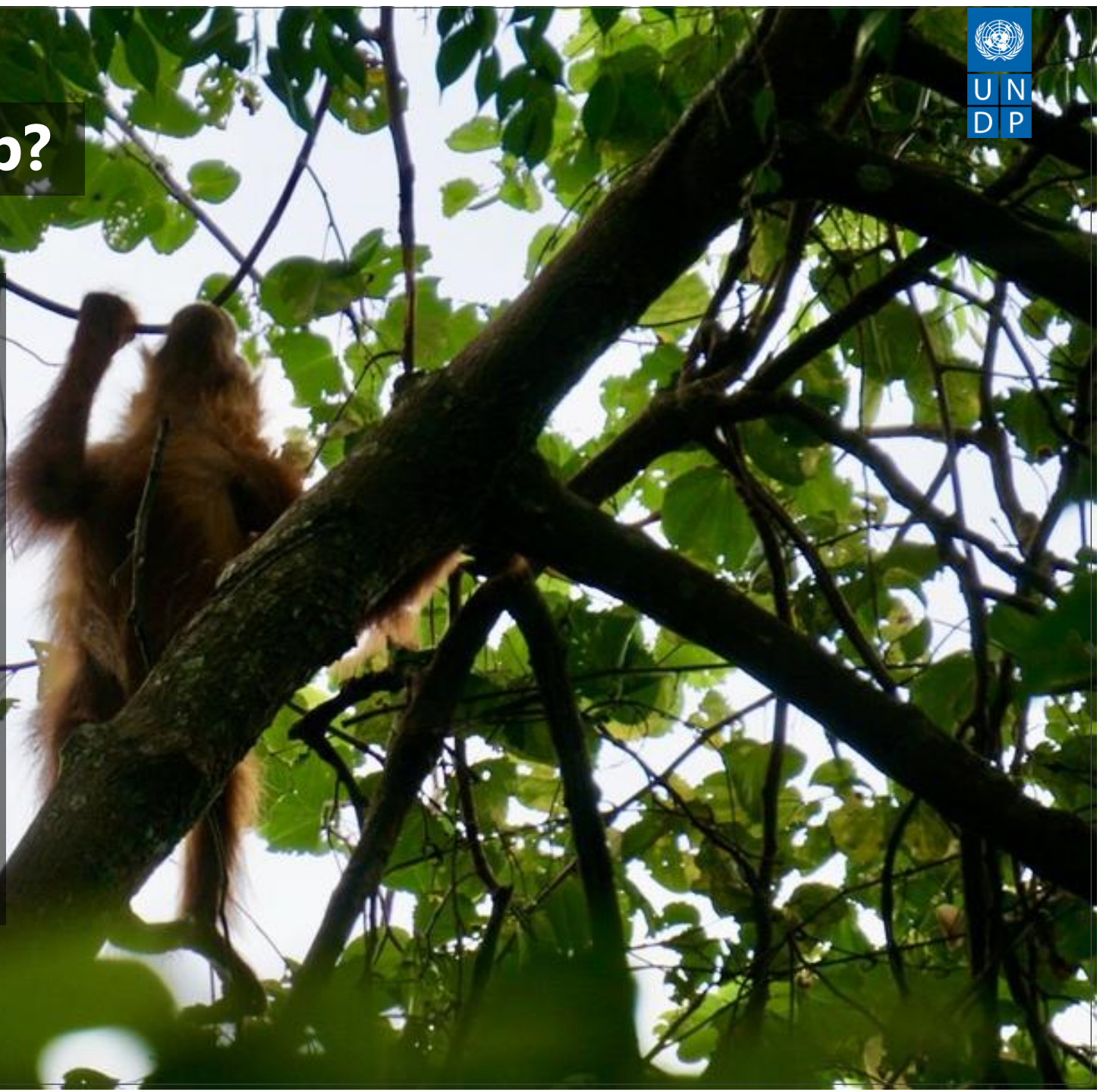
Half of global GDP – \$44 trillion – is dependent on nature to some extent. Biodiversity loss and ecosystem collapse are cited by the World Economic Forum (WEF) Global Risks Report 2025 as one of the two risks over the next decade and could result in a decline in global GDP of \$2.7 trillion annually by 2030.

Source: World Economic Forum, Global Risks Perception Survey 2024-2025

What is the funding gap?

According to the Kunming-Montreal Global Biodiversity Framework (GBF), we must close a **\$700 billion annual biodiversity finance gap** by 2030.

- We must rapidly identify and repurpose those **\$500 billion in harmful subsidies** (Target 18)
- We must scale up positive, nature-aligned investments to **\$200 billion annually** (Target 19)



What are the opportunities?

At UNDP, we are working across multiple transformational pathways:

- **Helping governments plan strategically** through our **Biodiversity Finance Initiative (BIOFIN)**
- **Shifting private sector behavior** by working closely with the financial sector through the **Taskforce on Nature-related Financial Disclosures (TNFD)**.
- **Building investable pipelines** by using blended finance strategically to de-risk investments and crowd in commercial private capital through initiatives like the **Nature Investment Facility (NIF)** and the **Tiger Landscapes Investment Facility (TLIF)**.
- **Scaling high-integrity, innovative mechanisms.** To truly crowd in private capital at scale, we must move beyond traditional models. This is where **biodiversity credits** emerge.

Investing in nature is a smart business decision.



Are we making nature finance too complicated for the very people who need it most? How could we make it easier to access capital on the ground?



03

Biodiversity credits

Definition and key concepts

Dominik Maczik

Biodiversity Credit Alliance



What is a Biodiversity Credit?

Biodiversity Credit is a certificate that represents a **measured and evidence-based** unit of positive **biodiversity outcome** that is **durable** and **additional** to what would have otherwise occurred.

A positive biodiversity outcome can be:

Uplift

an improvement in measures of biodiversity

Avoided loss

a reduction in threats to biodiversity

Maintenance

prevention of an anticipated decline in measures of biodiversity

Biodiversity credits as a performance-based financial mechanisms may:

Key Performance Indicators

For investments with nature-outcomes (e.g. resilience, value creation)

Underpin financial instruments

Green bonds, loans, blended finance instruments, etc.

Underpin regulations

Mandated compensations for negative impact, or regulations mandating contributions to nature targets.

Why Biodiversity Has No ‘Net Zero’ Equivalent?

Carbon has a common atmospheric accounting unit. Biodiversity outcomes are diverse, local and context-dependent.

	CARBON CREDITS AND MARKETS	BIODIVERSITY CREDITS AND MARKETS
GLOBAL AMBITION	Limit warming through emissions reductions and net-zero pathways.	Halt and reverse biodiversity loss. KMGBF sets direction (4 goals, 23 targets), but no single corporate end-state (theoretical concept of “nature positive” does not directly apply in practice).
ACCOUNTING UNIT	Single fungible denominator 1 tCO ₂ e (Credits still differ in quality)	No widely accepted universal unit. Credits measure different species, ecosystem conditions, functions, areas and periods (70-80+ methodologies; most are area-based)
PLACE AND EQUIVALENCE	The climate impact of a ton is largely independent of where mitigation occurs (e.g., “a ton of carbon anywhere = a ton of carbon everywhere”).	Biodiversity is local. Outcomes depend on the ecosystem, location and local priorities, and are not inherently interchangeable geographically (more than 800+ ecoregions; 200+ marine realms).
CLAIMS AND USE	The common unit links an emissions inventory, target and eligible mitigation or removals. Claims are therefore more straightforward.	A purchase supports a specified outcome in a specified place and time. Credit count alone cannot balance diverse impacts or establish “nature positive” credentials.
MARKET STRUCTURE	Established standards, registries, transaction history and price discovery.	Emerging, plural markets / transactions, diverse units and use cases limit comparability and price transparency / value. User-specific business needs limit relevance of secondary markets.

SHARED INTEGRITY REQUIREMENTS: Credible baselines and additionality, measurement and verification, durability, leakage and double-counting controls, transparent governance, and social safeguards.

Biodiversity Credit Alliance

*The Biodiversity Credit Alliance (BCA) is a UN-backed coalition of like-minded organizations **working to shape the future of the biodiversity credit market** by bringing together scientific experts, conservation practitioners, and businesses to establish a **high-integrity, transparent, and scalable** biodiversity credit market.*

*We're focused on ensuring that investments in nature generate **positive outcomes for biodiversity and communities**. By creating clear guidance and supporting market development in line with **principles of integrity, quality, and equity**, BCA helps unlock new funding streams for biodiversity conservation while ensuring credibility and impact.*

BCA Task Force:

18-member leadership body

BCA Forum:

650+ member knowledge network

International Environmental Guardianship (IEG):

BCA-facilitated independent body of Indigenous Peoples, local communities, and Afro-descendants

BCA Secretariat:

Coordination and support

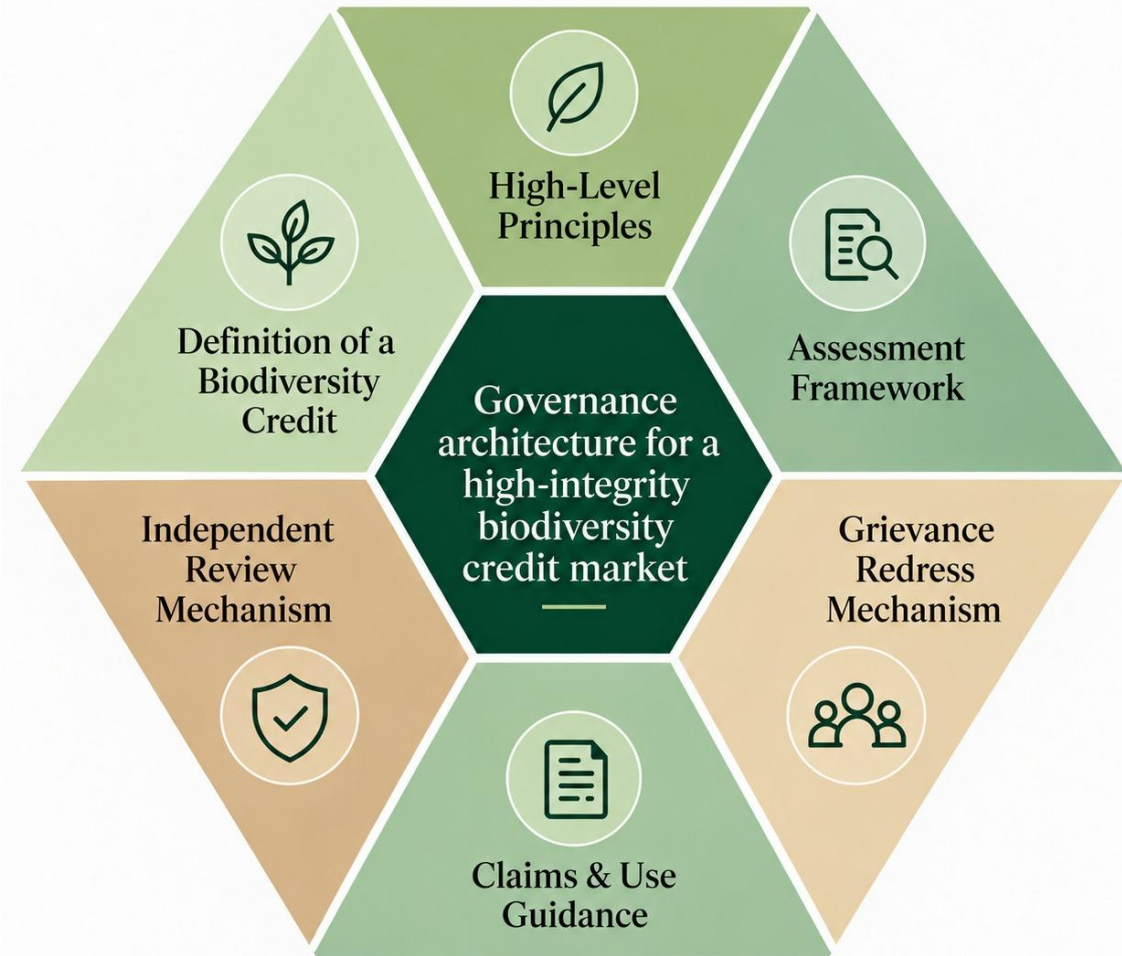
In
Partnership
with



A vision for market governance based on principles of integrity, quality, and equity

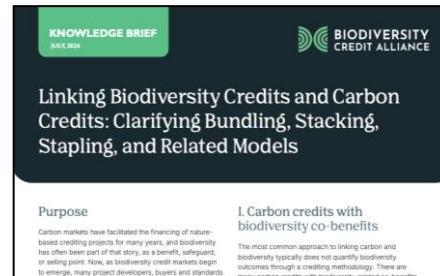
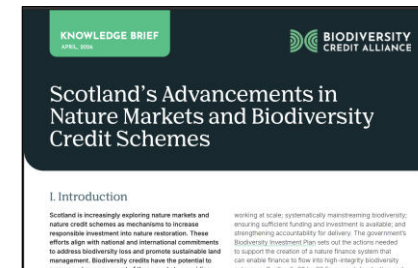
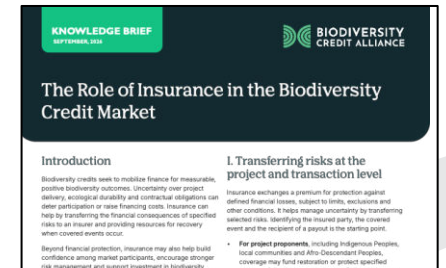
Well-functioning markets require:

- Common language (definition, claims)
- Trust through independent verification
- Mutually understood data
- Due diligence frameworks (Assessment Framework; Grievance Redress Mechanism)



Knowledge products and working groups inputs support strengthening the core work

Knowledge products and knowledge briefs



In collaboration with



High-level Principles to Guide the Biodiversity Credit Market

WHITE PAPER
MAY 2025



Purpose:

- Provide **clear and unified guidance** for the entire biodiversity credit market to ensure **integrity** and **quality**

Core UNDP safeguard on biodiversity credit projects

- The High-level Principles has been made part of the core UNDP Social and Environmental Safeguards

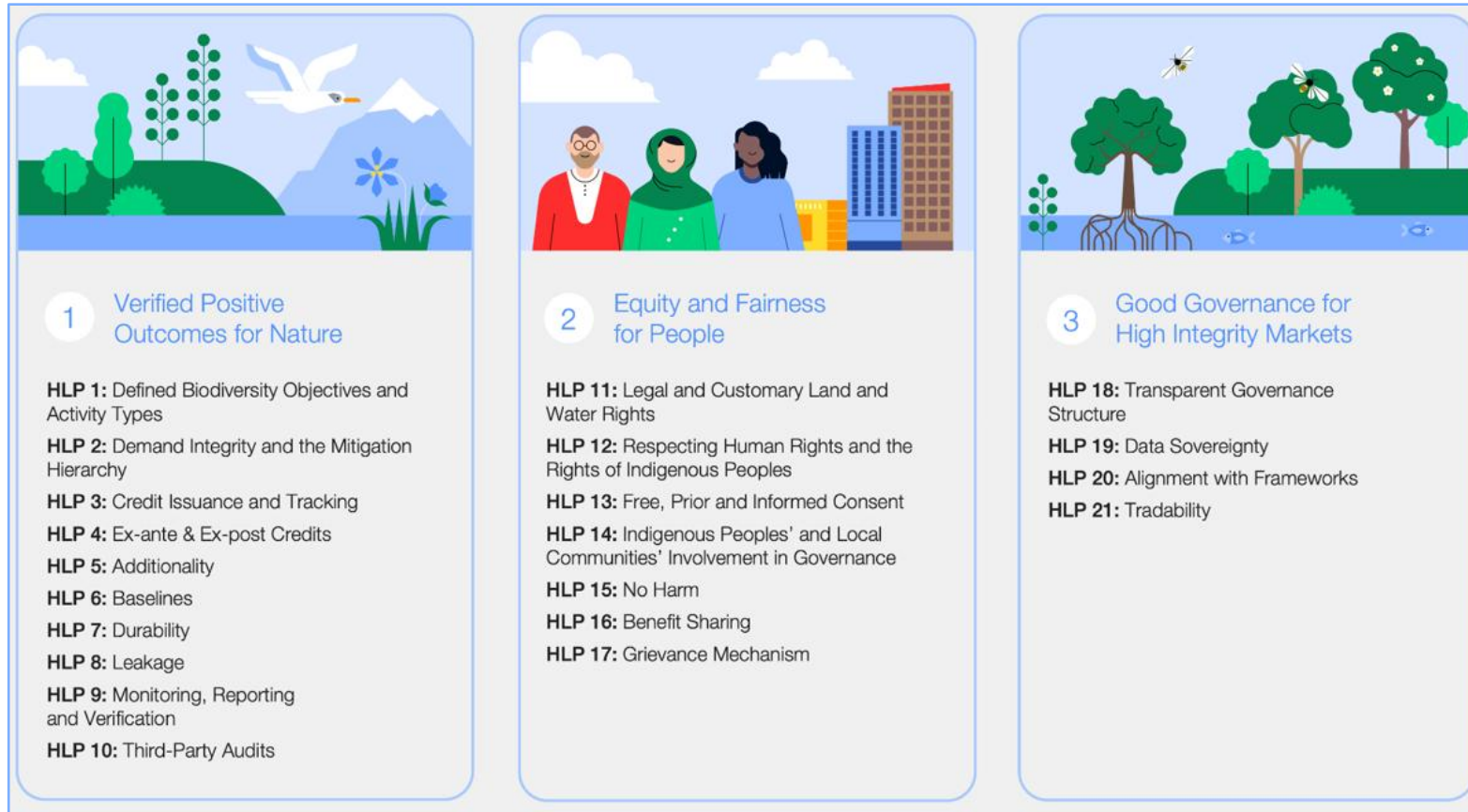
Audience:

- Credit schemes to set high-integrity standards
- Project developers to generate high-quality biodiversity credits
- Private sector and FIs to make informed choices
- Policymakers to guide policies

Scope:

- Applicable to both voluntary and compliance markets

High-Level Principles (HLPs) and Assessment Framework



Assessment Framework v1.0

- **Current status:** Controlled piloting and testing
- **The goal:** Evaluate schemes & standards for integrity
- **Depth:** 100+ datapoints, stringent requirements
- **Importance:** The underlying principles recognized by the UNDP SES team for assessing biodiversity credit projects.

Variables in nature markets

Compensatory	Non-compensatory
Can be claimed as compensation (offset, cancel out) for negative impacts.	Cannot be claimed as reduction of impact negative impacts. Positive outcomes are accounted for separately.
Compliance	Voluntary
Biodiversity credit purchases are obligated by governmental regulation, planning and permitting systems, or lender and investor conditions linked to project approval or access to finance.	Biodiversity credits are purchased without a legally binding obligation.
Regulated	Unregulated
Regulations are in place which provide oversight for the supply or demand-side of the market.	No regulations are in place to oversee the market.



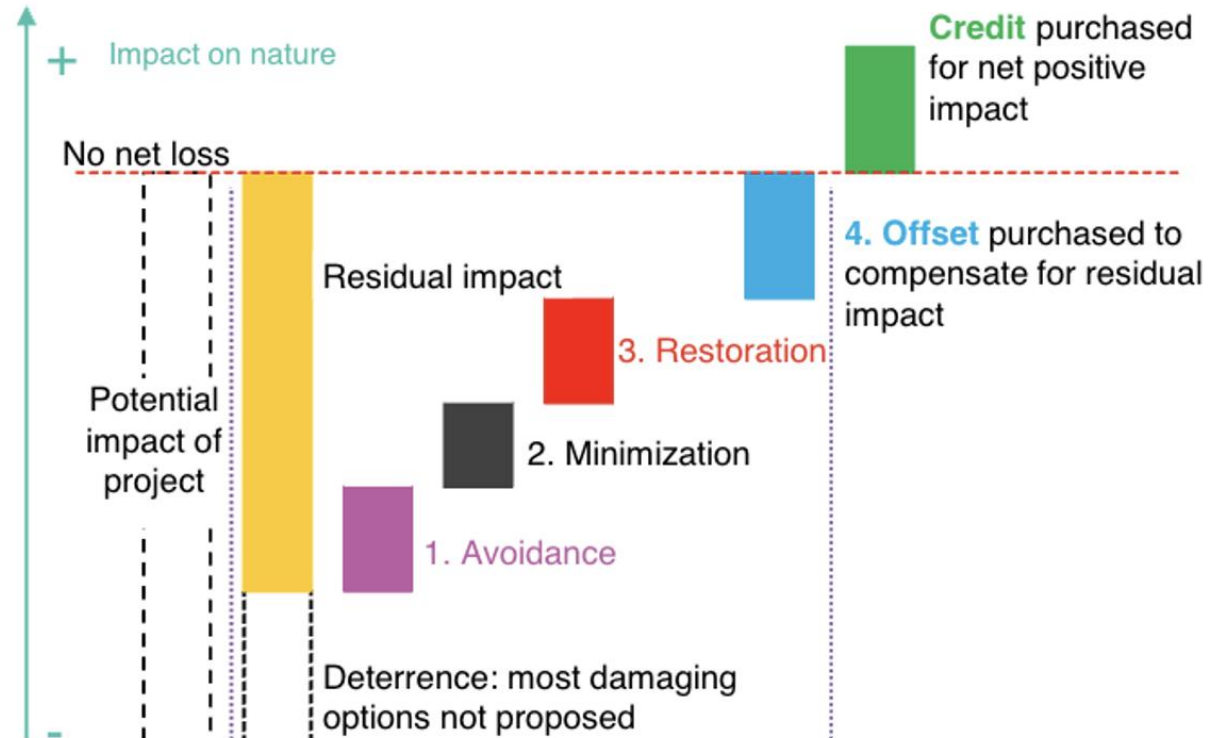
Biodiversity Credits:

Mitigation hierarchy is a fundamental pre-requisite

Biodiversity credits...

- are one of many **tools to channel funding towards biodiversity targets**
(national (NBSAPs) and global (KM-GBF))
- are **agnostic of jurisdiction and use case.**
- are **not a permit for extraction or destruction elsewhere.**
- can be an **effective mechanism for advancing the private sector's participation** in ecosystem remediation and transformative landscape approaches in line with science-based principles.
- can be an **effective complement to**, but not a replacement of, **private sector's supply chain transformation efforts** (risk mitigation/insetting).

Credits represent a step toward "nature positive"



01

What are the motivations for purchasing biodiversity credits?

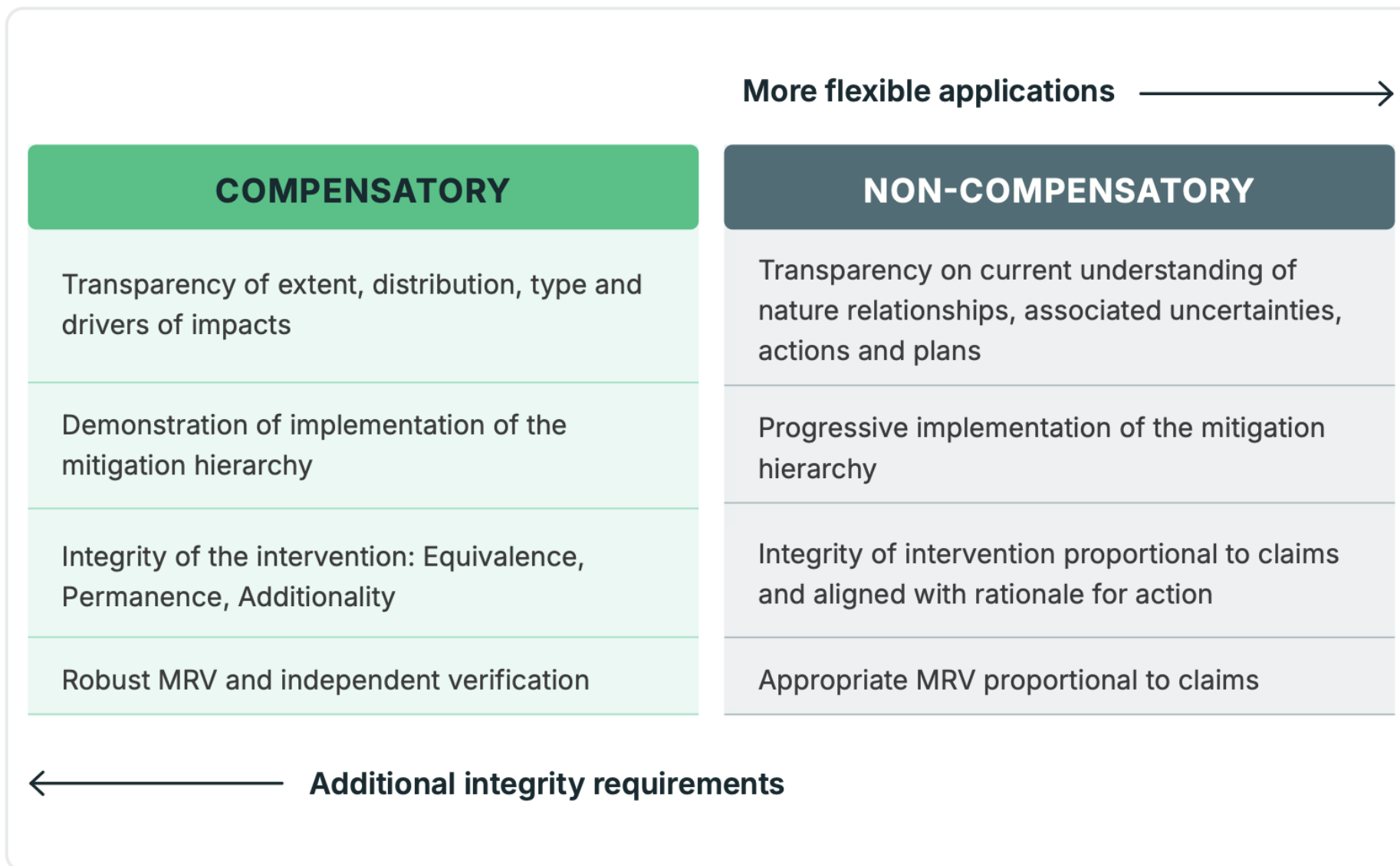
Series purpose:

- Provide practical guidance on high-integrity biodiversity credit use, claims and participation
- Address 5 core questions on demand:
 - What are the motivations for purchasing biodiversity credits?
 - How can greenwashing be avoided?
 - How can organisations act amid nature-related uncertainties?
 - How can biodiversity credits enable nature-positive transitions?
 - How can demand be institutionalised?

Audience:

- Private sector to make informed, high-integrity choices
- Policymakers to ensure developing markets incentivise demand

The minimum integrity requirements differ depending on the intended claim



Let's collectively reflect:

What do you see as the main barrier for private sector participation in nature financing?



04

Contractual Challenges of the Voluntary Biodiversity Credit Market

Lavinia Warnars
Researcher, Entrepreneur & Consultant
iEarthnl & Vrije Universiteit Amsterdam





Contractual challenges of the Voluntary Biodiversity Credit Market

Lavinia Warnars

Researcher, Entrepreneur & Consultant

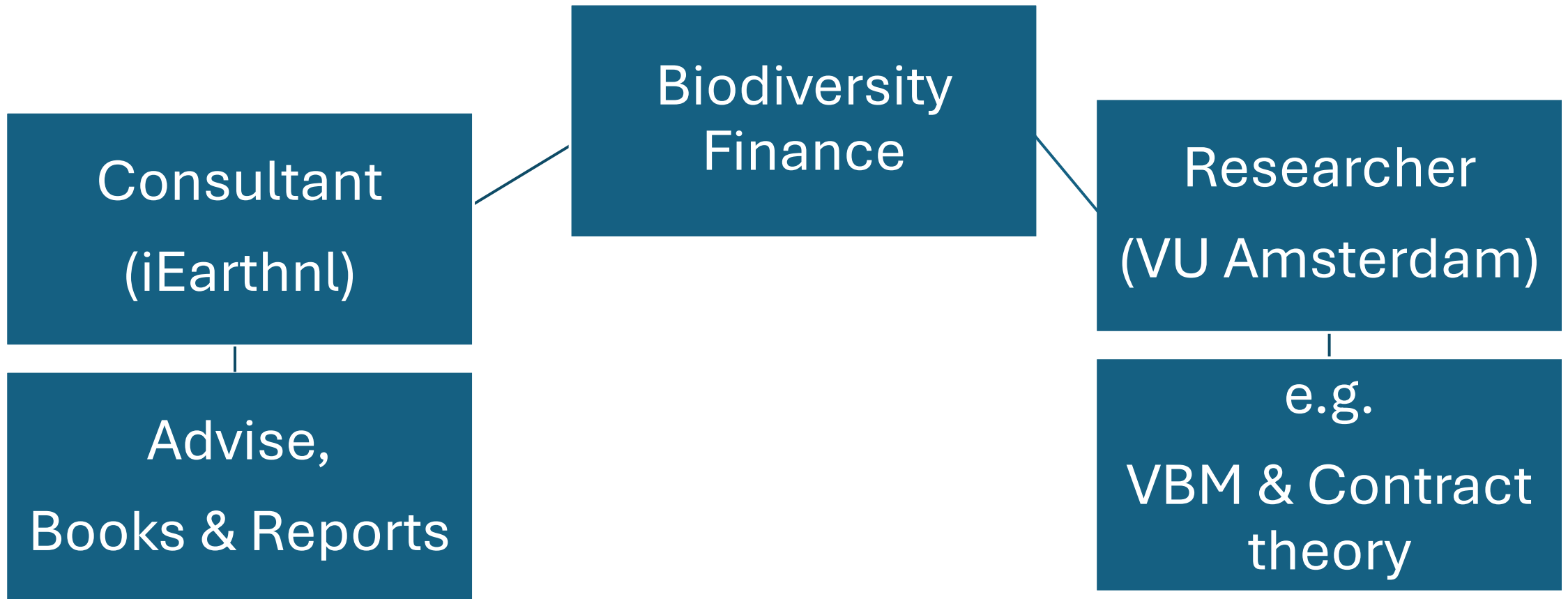
iEarthnl & Vrije Universiteit Amsterdam

Supported by IUCN

CBD COP 17, Yerevan – 23 October 2026

Dutch Pavilion – Netherlands Water Partnership, with
UNDP and the Biodiversity Credit Alliance

Introduction: Lavinia Warnars



Key Message

Voluntary Biodiversity Market:

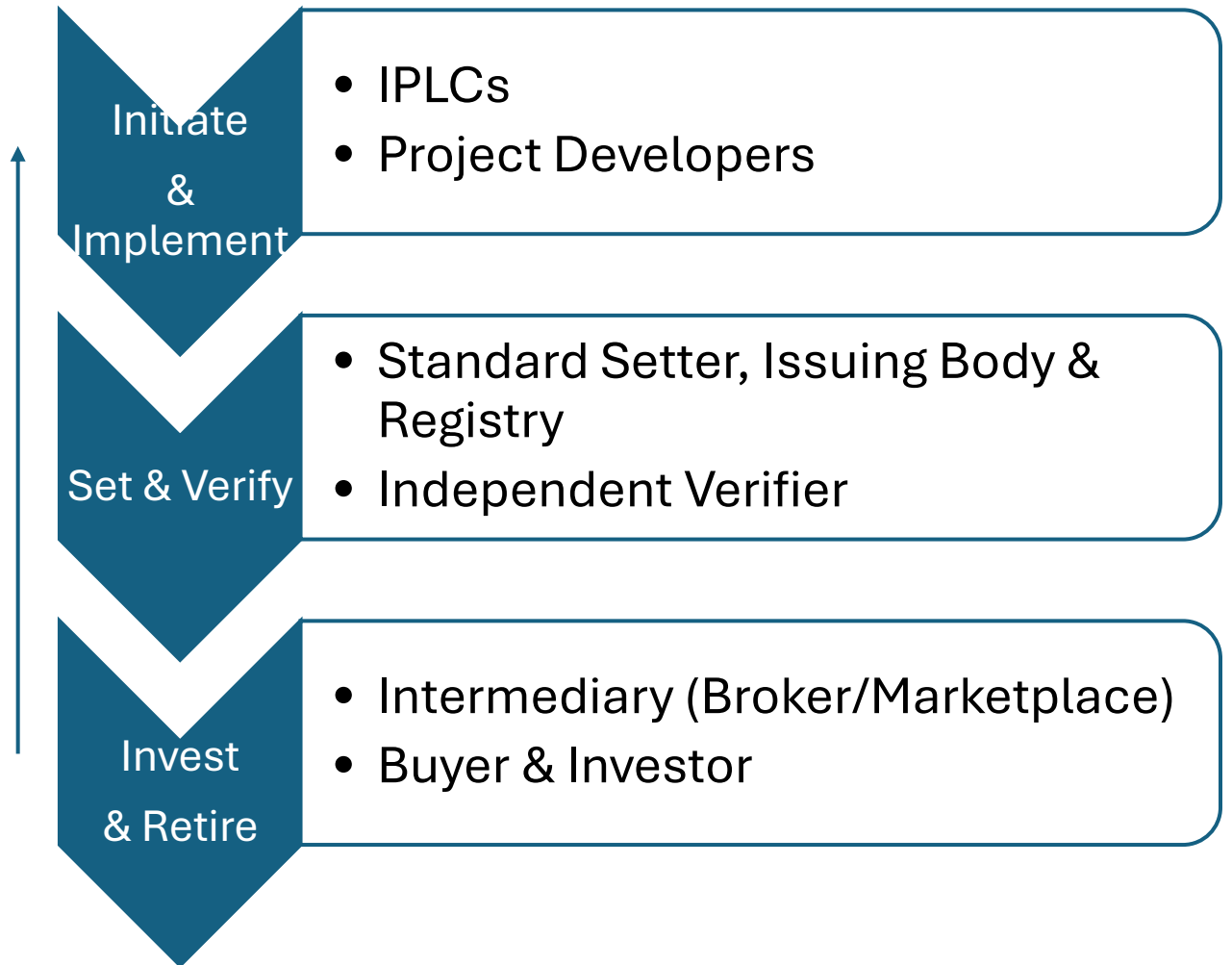
***Strong on measurement,
many improvements necessary.***

***But solutions are available,
for all stakeholders.***

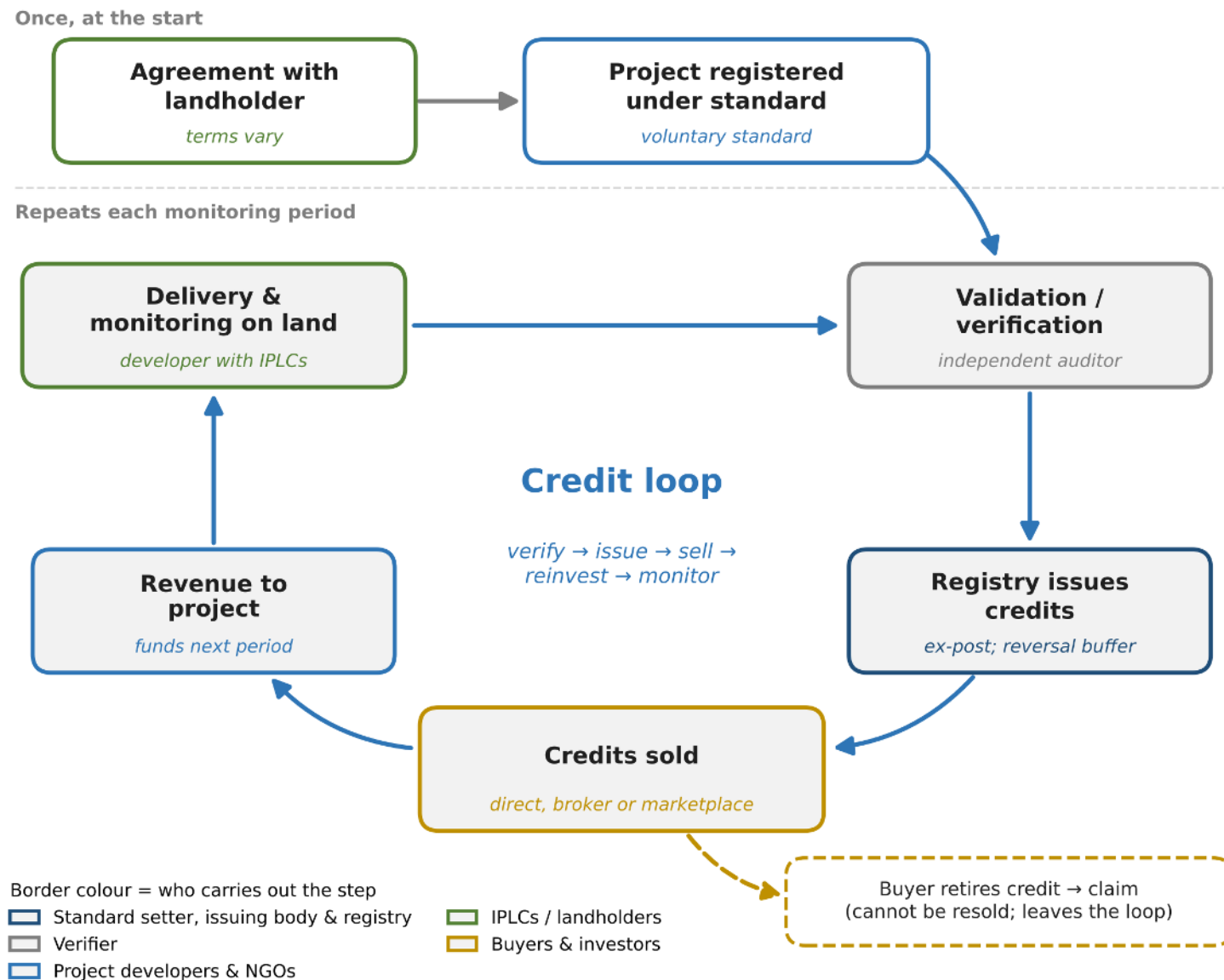
Biodiversity Credits: Process

Who starts?

1. Project Developer or IPLC (early offtake agreement)
2. Buyer selects a project (forward purchase)
3. Law in regulated markets (UK BNG)



Biodiversity Credit Process



Why Contracts? And why from a CBD lens

- **Contracts are important:**
 - For process and (financial, environmental, social) outcomes
 - Contracts turn nature into financial asset: deciding value, risks carriers, and investments for lasting results.
- **KMGBF Target 19:**
 - Innovative (finance) schemes such as biodiversity credits with environmental and social safeguards
- **KMGBF Target 22**
 - Full participation and rights of Indigenous peoples and local communities (better biodiversity protection)
- **Question:**
 - Do voluntary biodiversity credit contracts deliver (financial, environmental, and social) safeguards over the long term?

The task of contracts

- **What are major risks for biodiversity projects?**
 - Conflicting entitlements (ownership/use)
 - Under/non performance
 - Non permanence
 - Negative side-effects (leakage)
 - Lack of positive co-benefits
 - Conflict of interest
 - Lack of (quality) data
 - Corruption, Political unrest, Wars
 - Natural disasters

Theory of contracts

Complete contracts: What can be checked now?

Is the work done?

Is the data correct?

Are risks mentioned and managed?

→ **Contracts handle this well:**
measure, verify, pay for results

Incomplete Contracts: What can't be fixed in advance?

What happens in 20–50 years?

After the last credit is issued?

Risks are flexibly managed

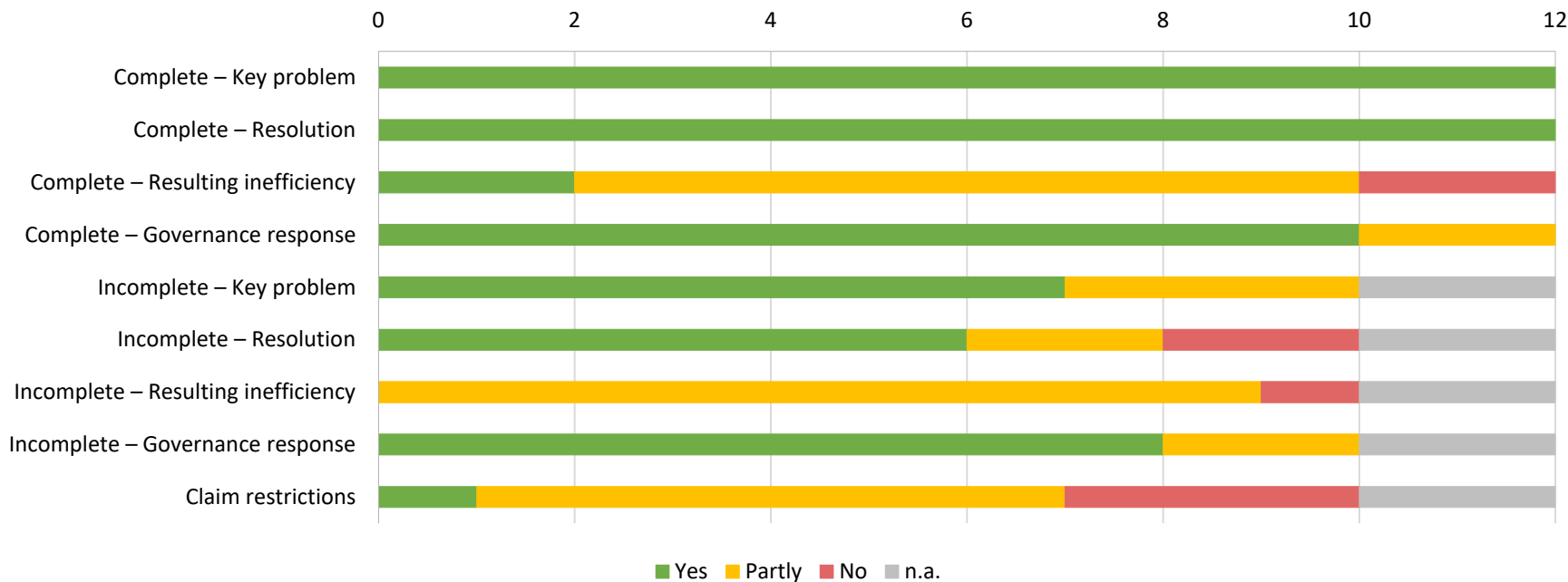
→ **Contracts are weak here: little enforcement after the crediting period**

But: Contracts are never complete...

Oliver Hart (2017), *Incomplete Contracts and Control*, American Economic Review 107(7), p. 1732

VBM documents: Strong on measurement, weak on the long term

Documents addressing each Contractual Component



12 of 12

documents set clear rules to measure, verify and pay for results

0 of 12

documents name what happens after the last credit (long-term underinvestment)

6.8 vs 4.8

average score: measurement vs long term (max 8)

7.0 vs 5.8 without the two verifier rulebooks

Frictions & challenges (preliminary)

- **Small market**
 - Illiquid & mostly via OTC
- **Measurements**
 - Depend on (high) quality data & quality floors?
- **Conflict of interest?**
 - Roles & Responsibilities?
- **IPLC & Nature rights & benefits**
 - FPIC can't be enforced in advance, while they invest first
- **Contracts based on Carbon Credits?**
 - Short (carbon projects) vs long term (biodiversity projects)
- **Short term & long term governance & finance**
 - Initial, short, and long term?
- **Credit Claims: Biodiversity-Washing?**

Improvements

- **Opportunity:** the VBM is in development/design, learning from carbon, building on strong measurement and policy momentum is now!
- **Necessary improvements:**
 - **Long-term enforcer** (Regulator / binding agreement)
 - **Involve all Actors:**
 - Separate & Rotate, and share liability
 - **Rights & Benefits for Nature & IPLCs.**
 - **Involve co-benefits**
 - Nature/carbon/water/soil/nutrients
 - **Short & Long term Blended finance**
 - Public/Philanthropic/Insurance/Buffers
 - Stacking other revenues so bio credits are additional, rather than single/only ones

Further Research

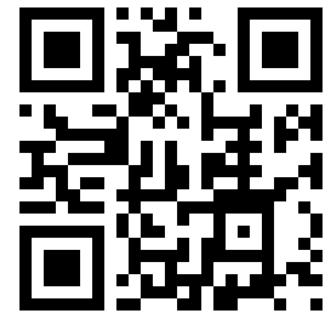
- **Further research is necessary:**
 - Comparison with regulated (compliance) biodiversity and carbon credit schemes
 - Stakeholder interviews
 - Projects' real data
 - Research on Rights of Nature

Conclusion

***Voluntary Biodiversity Market:
Strong on measurement,
many improvements necessary.
But solutions are available for all stakeholders.***

- *With thanks to the Netherlands Water Partnership, UNDP and the Biodiversity Credit Alliance*

- Contact me for upcoming paper and questions
- www.iearth.nl
- laviniawarnars@iearth.nl



www.iearth.nl

Let's collectively reflect:

How can we protect nature with biodiversity credits while supporting those who steward the land without harming their rights, lands, cultures, and ownership?



05

How to reverse-engineer biodiversity credit markets for success from the outset

AJ Bird
Founding member
International Environmental Guardianship



Let's collectively reflect:

If we had the opportunity to design biodiversity credit markets from the ground up today, knowing what we have learned from carbon markets, what would we do differently?



06

Guided Dialogue

Open to participants who want to reply to the speakers' questions



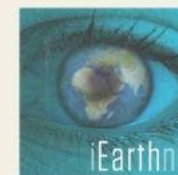
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07

Closing remarks

Manesh Lacoul
Global Coordinator
Biodiversity Credit Alliance

