

The Role of Biodiversity Credits in Implementing NBSAPs, and Contributing to National and Global Biodiversity Targets

Introduction

The Kunming-Montreal Global Biodiversity Framework (GBF) calls on countries to take urgent and transformative action to halt and reverse biodiversity loss. As countries operationalize their commitments through National Biodiversity Strategies and Action Plans (NBSAPs), innovative financial mechanisms, including biodiversity credits, can play a critical role in helping achieve national targets. This briefing outlines key approaches to leveraging biodiversity credits to support national biodiversity objectives.

I. Approaches to Leveraging Biodiversity Credits for NBSAP Implementation and Achievement of National Biodiversity Targets

National Biodiversity Crediting Schemes

Countries can establish national biodiversity crediting schemes that create standardized, high-integrity biodiversity credits aligned with national conservation priorities. These schemes can:

- Ensure credits are based on scientifically robust methodologies and are additional to existing conservation efforts
- Provide clear guidance on how credits contribute to specific GBF-aligned national targets
- Ensure nature markets include standardized monitoring and reporting that can be used to track progress toward national targets, while ensuring avoidance of double-counting
- Be integrated into national regulatory frameworks to support compliance and voluntary markets
- Promote transparency and accountability in credit issuance and trading

Government Investment in Biodiversity Credits

Governments can directly invest in biodiversity credits to support national targets, particularly for ecosystems and species identified as priorities in their NBSAPs.

This can include:

- Purchasing credits from domestic projects to accelerate habitat restoration and species recovery efforts
- Using biodiversity credits as part of conservation finance strategies, leveraging public funds to attract private investment
- Supporting smallholder and Indigenous-led conservation initiatives through credit purchases, ensuring equitable benefit-sharing

Incentivizing Private Sector Investment

To scale up biodiversity credit markets, governments can create enabling conditions for private sector participation, including:

- Developing policy frameworks that create certainty and provide credibility for biodiversity credits
- Offering fiscal incentives, such as tax credits or subsidies, for businesses investing in biodiversity credits

- Establishing corporate biodiversity footprint reporting requirements that encourage businesses to offset their impacts through biodiversity credit purchases
- Partnering with financial institutions to integrate biodiversity credits into sustainable investment portfolios

International Biodiversity Credit Trading

Countries may also explore international biodiversity credit purchases to meet national targets, provided that:

- Credits originate from high-integrity projects with robust verification and monitoring
- Double counting is avoided, ensuring the origin country does not count the same outcomes towards its own targets
- Bilateral or multilateral agreements establish clear governance and transparency mechanisms
- Benefits from credit sales support conservation efforts in the originating country, particularly in biodiversity-rich but underfunded regions

II. GBF-aligned Biodiversity Targets Potentially Most Suitable for Crediting Approaches

Biodiversity credits can play a significant role in achieving specific targets outlined in the Kunming-Montreal Global Biodiversity Framework (GBF). National biodiversity targets that are well-aligned with the GBF could benefit from a similar prioritized approach. Below is a prioritized list of GBF targets where biodiversity credits are most conducive to driving progress.

1. **Target 3: Protecting and Conserving Ecosystems ("30×30")**

This target aims to ensure that by 2030, at least 30% of terrestrial, inland water, and coastal and marine areas are effectively conserved and managed. Biodiversity credits can facilitate private investment in the establishment and maintenance of protected areas, providing financial incentives for conservation efforts on private and communal lands. By monetizing conservation outcomes, these credits can attract funding from corporations and individuals seeking to contribute to the achievement of national and global biodiversity targets.

2. **Target 2: Restoration of Degraded Ecosystems**

Target 2 focuses on ensuring that by 2030, 30% of areas of degraded terrestrial, inland water, and coastal and marine ecosystems are under effective restoration. Biodiversity credits can be issued for measurable restoration activities, such as reforestation, wetland rehabilitation, and the reintroduction of native species. These credits provide a revenue stream for restoration projects, making them financially viable and attractive to investors.

3. **Target 10: Sustainable Management of Agriculture and Forestry**

Target 10 emphasizes ensuring that areas under agriculture, aquaculture, and forestry are managed sustainably, particularly through the conservation and use of biodiversity. Biodiversity credits can incentivize sustainable practices by rewarding land managers who adopt biodiversity-friendly methods, such as agroforestry, organic farming, and sustainable forestry. Credits can be generated by demonstrating verified positive biodiversity outcomes resulting from these practices.

4. **Target 11: Maintaining and Enhancing Urban Green Spaces**

This target aims to restore, maintain, and enhance urban green and blue spaces for biodiversity and human well-being. Biodiversity credits can support urban biodiversity projects by providing funding for the creation and maintenance of parks, green roofs, and urban wetlands. Municipalities and developers can generate credits by implementing projects that enhance urban biodiversity, attracting investment from entities aiming to improve their environmental credentials.

5. **Target 19: Financial Resource Mobilization**

This target seeks to substantially and progressively increase the level of financial resources from all sources to implement national biodiversity strategies, aiming to mobilize at least \$200 billion per year by 2030. Biodiversity credits are explicitly recognized in this target as innovative financial mechanisms that can leverage private sector investment. By creating a market for biodiversity credits, significant private capital can be directed towards conservation and sustainable use projects.

While the above-mentioned targets may be most conducive to contributions through the biodiversity credit market, credits could potentially contribute to all GBF targets. The GBF monitoring framework (see CBD/COP/16/L.26/Rev.1) provides a detailed set of indicators for tracking progress toward GBF targets; crediting methodologies could be aligned with and built upon these target indicators.

Incorporating biodiversity credits into national strategies to achieve these targets can provide measurable and verifiable contributions to national and global biodiversity goals. For market participants, investing in biodiversity credits offers a tangible way to support and claim alignment with the GBF targets, demonstrating a commitment to biodiversity conservation and sustainable use.

Conclusion

Biodiversity credits alone are not enough to address the biodiversity crisis. Multiple tools will have to be used, and much hinges on direct government investment and action. However, biodiversity credits represent a valuable instrument for countries to help meet their national biodiversity targets under the GBF. By implementing national crediting schemes, investing in biodiversity credits, incentivizing private sector engagement, and exploring responsible international credit trading, governments can enhance conservation outcomes while mobilizing additional financial resources. Clear governance frameworks and alignment with NBSAPs will be critical to ensuring the integrity and effectiveness of biodiversity credit mechanisms in supporting global biodiversity goals.



About the Biodiversity Credit Alliance

The Biodiversity Credit Alliance (BCA) was established at COP15 in 2022. The 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. Whether you're a business, civil society organization, government, or land steward, we're providing the insights and framework to make biodiversity credits work effectively for people and the planet.

BCA Mission

BCA is a voluntary international alliance that brings together diverse stakeholders to support the realization of the Kunming–Montreal Global Biodiversity Framework, in particular Targets 19(c) and (d), which “encourage the private sector to invest in biodiversity” utilizing, amongst others “biodiversity credits ... with social safeguards.”

Our mission is twofold:



Help steer the development of a biodiversity credit market by building a framework of high-level, science-based principles.



Provide guidance and encourage best practice for market participants on the application of these principles, empowering them to achieve and maintain equitable, high-quality transactions that meet strict integrity criteria.

BCA Vision

BCA's **vision** is a transparent, trustworthy and efficient global market in biodiversity credits founded on just and equitable principles, and underpinned by innovation.

BCA works to facilitate the transition to a nature positive economy aided by an integrated, efficient and scaled biodiversity credit market. BCA considers biodiversity credits to be an effective complement to, but not a replacement of, the private sector's supply chain transformation efforts. BCA views biodiversity credits as an effective mechanism for advancing the private sector's participation in ecosystem remediation and transformative landscape approaches in line with science-based principles.