

Submission on behalf of the International Advisory Panel on Biodiversity Credits

“Baku to Belem Roadmap to 1.3T”

September, 2025

About us

We are responding on behalf of the International Advisory Panel on Biodiversity Credits (IAPB), an independent, stakeholder-led initiative established in 2023 to facilitate the growth and development of high integrity biodiversity credit markets.

At CBD COP16 in October 2024, IAPB published its Framework for high integrity biodiversity credits, which lays the foundations for how credits can simultaneously deliver positive, lasting outcomes for nature and climate and just, equitable benefits for biodiversity stewards.

IAPB was set up by the governments of France and the UK but has since moved to operate as an independent legal entity. This document does not reflect the views of either government.

General remarks

Biodiversity credits have the potential to be a powerful tool for accelerating the mobilisation of the targeted USD 1.3 trillion in financing, especially to developing countries. They are not a silver bullet and must be used in conjunction with a range of other tools and instruments, but when designed in a high integrity manner, they have the potential to mobilise new and additional finance for climate and nature in ways that meaningfully contribute to the 2030 and 2050 goals.

Biodiversity credits support the dual objectives of enhancing nature protection and furthering climate resilience and mitigation. Alignment of biodiversity credits with climate goals has a range of benefits, including discouraging harmful practices (e.g., deforestation, pollution) and attracting private sector investment into nature-based solutions. Biodiversity credits can serve as a complement to carbon markets and mitigation-focused instruments, by funding measurable, location-specific conservation outcomes and offering co-benefits for climate mitigation, such as flood control, soil health and carbon sequestration. They can also be integrated into hybrid models, such as bundled carbon credits with biodiversity co-benefits, thereby attracting broader private sector investment and strengthening both financial and ecological outcomes.

Priority short-term (by the end of 2028) and medium-to-long-term (beyond 2028) actions necessary to enable the scaling up of financing for climate action to developing countries

A concerted and immediate global effort is necessary to bridge the significant gap in financing for climate action in developing countries. To enable the scaling up of financing by the end of 2028, action is required on multiple fronts, in particular by de-risking private investment and establishing robust, investment-grade policy frameworks.

Firstly, Multilateral Development Banks (MDBs) and International Financial Institutions (IFIs) could demonstrate greater risk appetite by creating dedicated financial instruments, such as blended finance vehicles and results-based payments, to de-risk private investment and catalyse capital at scale.

Secondly, this should be matched by policy development. Creating clear and stable regulatory environments within developing countries (with international support) would likely give the private sector higher confidence to invest. A supporting avenue of this could be the formal recognition of high integrity biodiversity credit markets, thereby establishing a verifiable asset class. To support these efforts, three key actions are essential to build market confidence and readiness by the end of 2028:

1. **Supporting Pilot Projects:** We must learn by doing – actively supporting a diverse portfolio of on-the-ground pilot projects, particularly in the biodiversity-rich nations of the Global South. Activating these pilots, like those within the IAPB’s [Community of Practice](#), is critical to test methodologies in diverse local contexts and exemplify what high integrity, community-led conservation and restoration looks like in practice.
2. **Engaging the Private Sector: Proactive engagement with corporates and financial institutions is needed to build demand.** This includes communicating how the purchase of high integrity biodiversity credits can be a strategic tool (when operating within the mitigation hierarchy) to channel investment into developing countries, manage nature-related supply chain risks, meet emerging disclosure requirements (e.g., TNFD, CSRD) and credibly demonstrate nature-positive commitments.
3. **Building Local Capacity:** Work must be done with partners within developing countries to grow awareness and technical capacity of biodiversity credit markets. This is to ensure that IPs and LCs in particular have clear pathways to participate in, benefit from and manage these emerging markets.

Looking beyond 2028, the medium to long-term success of these markets hinges on their full integration into national economic planning, including Nationally Determined

Contributions (NDCs) and National Adaptation Plans (NAPs). This is where the true value can be unlocked through mechanisms like credit stacking, stapling and bundling - where both carbon and biodiversity credits can be generated from a single nature-based project, cultivating strong co-benefits. Allowing projects to access multiple revenue streams improves the financial viability and attractiveness of conservation and restoration efforts, helping to scale overall flow of finance for both climate and biodiversity goals.

The work that the International Advisory Panel on Biodiversity Credits (IAPB) is conducting is anchored in this vision. Our ambition is to work closely with governments to develop policy and regulatory frameworks that integrate high integrity standards, tackle de-risking with MDBs and IFIs, and work directly with corporates on demand. We launched our community of pilot projects at COP16 in Cali last year to begin testing how our High-Level Principles can translate into real, tangible, on-the-ground benefits to local actors, with plans to grow this coalition and develop key learnings over the next year, with the voices of IPs and LCs at the centre of our approach.

Strategies to be implemented to enhance and scale up public and private financing mechanisms for climate adaptation, especially in vulnerable regions

Biodiversity credits have a crucial role in accelerating financial flows to developing countries – which are commonly faced by high debt burdens, limited access to affordable finance, and a lack of fiscal space – while preserving their natural assets, essential elements of long-term sustainable development. Because high integrity biodiversity credits must be anchored in robust measurement and governance, inclusion of IPs and LCs, and essential safeguards, they provide a strong tool to reinforce the integrity of classic climate finance tools and avoid the pitfalls of the voluntary carbon markets. Lack of integrity in the carbon market has led to negative outcomes for both people and planet, such as the discovery of ‘ghost’ credits, and the displacement and/or modification of IPs and LCs’ cultural systems. Scaling climate adaptation finance in a high integrity manner is vital to achieve climate and nature co-benefits and increase investor confidence.

Another way to scale financing for climate adaptation in vulnerable regions is to generate clear financial returns, which can entice private investors. This is precisely where high integrity biodiversity credits can offer support. A biodiversity credit provides a mechanism to monetise verified improvements in ecological outcomes (e.g., investment in mangrove forest restoration provides measurable improved coastline resilience against storm surges, as well as improved carbon stock), thereby creating the revenue stream that private investors seek.

To scale up private financial flows, one strategy is to use public and philanthropic capital to de-risk private investments and build confidence in these markets. Instruments such as blended finance structures and first loss guarantees can be targeted to catalyse funding of adaptation and mitigation projects. They can work hand-in-hand with other instruments, such as debt-for-climate swaps, which may be used to redirect debt repayments into climate and biodiversity projects, or carbon credits when bundled, stacked or stapled with biodiversity credits. For this to succeed, investors need confidence in the quality of the asset. IAPB's Framework for high integrity biodiversity credit markets provides principles and standards necessary to give investors that confidence, to ensure verified outcomes and make climate and nature co-benefits a bankable investment.

In sum, while a diverse set of instruments will be needed to mobilise adaptation finance at scale, high integrity biodiversity credits can serve as a cornerstone that bridges public and private flows, anchors finance in verifiable ecological outcomes and ensures that local communities benefit directly from adaptation investments. By embedding integrity, inclusivity and measurable results into the finance architecture, biodiversity credits not only unlock new revenue streams but also reinforce trust in climate and nature finance markets. This makes them a valuable lever in achieving the Baku to Belém Roadmap's ambition of mobilising scalable, sustainable and equitable financing for the world's most vulnerable regions.

Other experiences, proposals or approaches that could help inform and accelerate efforts to mobilize USD 1.3 trillion in financing, including through grants, non-debt creating instruments, new sources of finance, and strategies to create fiscal space

Biodiversity credit markets - both compliance and voluntary - are emerging in many jurisdictions, but their development at scale and pace in a way that meaningfully contributes to the USD 1.3 trillion financing goal relies on harnessing a range of demand drivers and supporting biodiversity credits' effective integration into national level policies and frameworks.

Stimulating demand for biodiversity credits and related instruments is a core part of IAPB's mission. In particular, we work with governments to create an enabling policy and regulatory landscape for credits to thrive. Governments should align national and sub-national biodiversity policies and goals with the GBF targets to create a supportive environment for project financing, as well as putting in place national policy frameworks for compliance or regulated biodiversity credits.

Integrating nature credits into countries' National Biodiversity Strategies and Action Plans (NBSAPs) and Integrated National Finance Frameworks (INFFs) has multiple benefits, including that it supports alignment of climate and biodiversity finance with SDGs, encourages private sector investment in conservation, has the potential to mobilise funding beyond traditional public sources, and supports countries in meeting their targets under the Paris Agreement, Kunming-Montreal Global Biodiversity Framework and UN Sustainable Development Goals.

A growing number of corporates are also conducting TNFD- and SBTN-aligned nature risk assessments to identify where nature-related risks, opportunities, impacts and dependencies are situated in relation to their operations and supply chains. TNFD and related frameworks are making it easier for organisations to align their activities with global nature goals and to develop nature-positive strategies, including investments like biodiversity credits. Raising corporates' awareness of how biodiversity credits can serve as a robust, evidence-based tool for them to demonstrate progress against their nature objectives, including how they can strengthen supply chain resilience through practices like insetting, can significantly accelerate corporate demand by reshaping how businesses perceive value, risk and opportunity in relation to nature.

Linked to this, the adoption of standards for natural capital accounting can support the uptake of instruments like biodiversity credits and help to close the biodiversity financing gap, by establishing economic value for nature and supporting governments and businesses to recognise biodiversity as a valuable asset, not just as a dependency or risk. Strengthened accounting guidelines are a key part of the strategic case for investing in biodiversity and a vital enabler to better integration of nature into national and financial decision-making.

Key actors and existing multilateral initiatives which should be considered or involved, as appropriate, to support the delivery of the USD 1.3 trillion target

The scaling of biodiversity credits and related biodiversity financing mechanisms for climate action relies on a strong, coordinated response from the full suite of actors, to unlock biodiversity credits' full potential, put in place strong frameworks that govern their use, and scale demand. This includes, but is not limited to the private sector, multilateral fora, governments, and international organisations. Importantly, there must also be engagement on the ground, with local actors including local governments, IPs&LCs and other delivery partners.

Financial institutions and corporates should grow their awareness of how credits can support them in meeting their ESG and CSR obligations, enhancing business-related

productivity, improving resilience to climate and nature impacts, avoiding reputational risks such as greenwashing, and delivering on transition plan targets.

Multilateral initiatives like the G7, G20 and BRICS are uniquely placed to lead climate and biodiversity finance efforts. Governments should mandate corporate and financial sector disclosures on biodiversity-related dependencies, impacts and risks, develop sustainable finance taxonomies that integrate biodiversity goals, and take action in establishing national policy frameworks for compliance or regulated biodiversity credits, learning from carbon market pitfalls and ensuring high integrity and transparency.

Governments should also integrate biodiversity credits into their national and sub-national biodiversity policies (National Biodiversity Strategy and Action Plans and National Biodiversity Finance Plans, among others) and mobilise resources through the Global Biodiversity Framework Fund (GBFF), which aims to strengthen national biodiversity governance and finance systems and accelerate implementation of GBF targets.

The United Nations Framework Convention on Climate Change (UNFCCC) and Convention on Biological Diversity (CBD) also have a pivotal role to play, bringing together decision-makers to foster synergies between climate and biodiversity finance agendas and mobilising capital to mechanisms like the Green Climate Fund.

UNEP, UNDP and other UN agencies should also be mobilised to support delivery of the USD 1.3 trillion target. Several UN bodies are actively engaged in supporting INFFs (Integrated National Financing Frameworks), which help countries to align financial flows with biodiversity targets, and UN initiatives like Climate Promise and Nature Pledge support over 150 countries with a \$5 billion portfolio of nature-climate solutions.

IAPB is also working to accelerate MDB and PDB action on biodiversity credits. Public and international financial institutions play an important role in scaling these markets, by catalysing private sector investments, supporting governments to develop robust, transparent market infrastructure and an enabling policy and regulatory environment, and aggregating smaller projects to scale offerings – while ensuring that credits complement, not replace, other public and private finance.