

COP16 SUMMARY

# BIODIVERSITY CREDITS MARKET ANALYSIS



**COP16**  
COLOMBIA  
Paz con la Naturaleza



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SINCE 1999 IETA HAS BEEN THE LEADING VOICE OF BUSINESS ON AMBITIOUS MARKET-BASED CLIMATE CHANGE SOLUTIONS AND DRIVING NET ZERO. IETA ADVOCATES FOR TRADING SYSTEMS FOR EMISSIONS REDUCTIONS AND REMOVALS THAT ARE ENVIRONMENTALLY ROBUST, FAIR, OPEN, EFFICIENT, ACCOUNTABLE AND CONSISTENT ACROSS NATIONAL BOUNDARIES. REPRESENTING MORE THAN 300 LEADING INTERNATIONAL ORGANISATIONS, IETA IS A TRUSTED PARTNER IN DEVELOPING INTERNATIONAL POLICIES AND MARKET FRAMEWORKS TO REDUCE GREENHOUSE GAS EMISSIONS AT THE LOWEST COST WHILE BUILDING A CREDIBLE PATH TO NET ZERO EMISSIONS. SEE [WWW.IETA.ORG](http://WWW.IETA.ORG) FOR MORE INFORMATION.

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# INTRODUCTION

A scenic landscape featuring a range of mountains silhouetted against a vibrant orange and red sky at sunset or sunrise. The foreground is filled with the dark, silhouetted shapes of coniferous trees. A layer of low-hanging mist or clouds hangs over the mountain slopes, partially obscuring them. The overall atmosphere is serene and dramatic.

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**THIS IETA REPORT PRESENTS THE KEY OUTCOMES FROM THE 16TH CONFERENCE OF THE PARTIES (COP16) TO THE UN CONVENTION ON BIOLOGICAL DIVERSITY (CBD) NEGOTIATIONS, ALONG WITH AN ANALYSIS OF THE BIODIVERSITY CREDITS MARKET, VARIOUS FRAMEWORKS FOR PRIVATE SECTOR ACTION AND INITIATIVES RELATED TO BIODIVERSITY.**

COP16 took place in Cali, Colombia, from 21 October to 1 November, attracting a record number of participants – 26,000 accredited delegates in the Blue Zone and 1 million in the Green Zone. Astrid Schomaker, Executive Secretary of the CBD, said: “We have seen the largest, whole-of-society mobilisation for biodiversity unfold in Cali, triggering interest from around the globe.”

This pivotal event aimed at advancing the [Kunming-Montreal Global Biodiversity Framework \(KM-GBF\)](#), which was established in 2022, set out 23 targets and four goals which were then divided into three groups. The first refers to actions to reduce threats to biodiversity; the second is associated with meeting people's needs through the sustainable use of biodiversity; and the third relates to tools and solutions to implement the framework from government policies and finance.

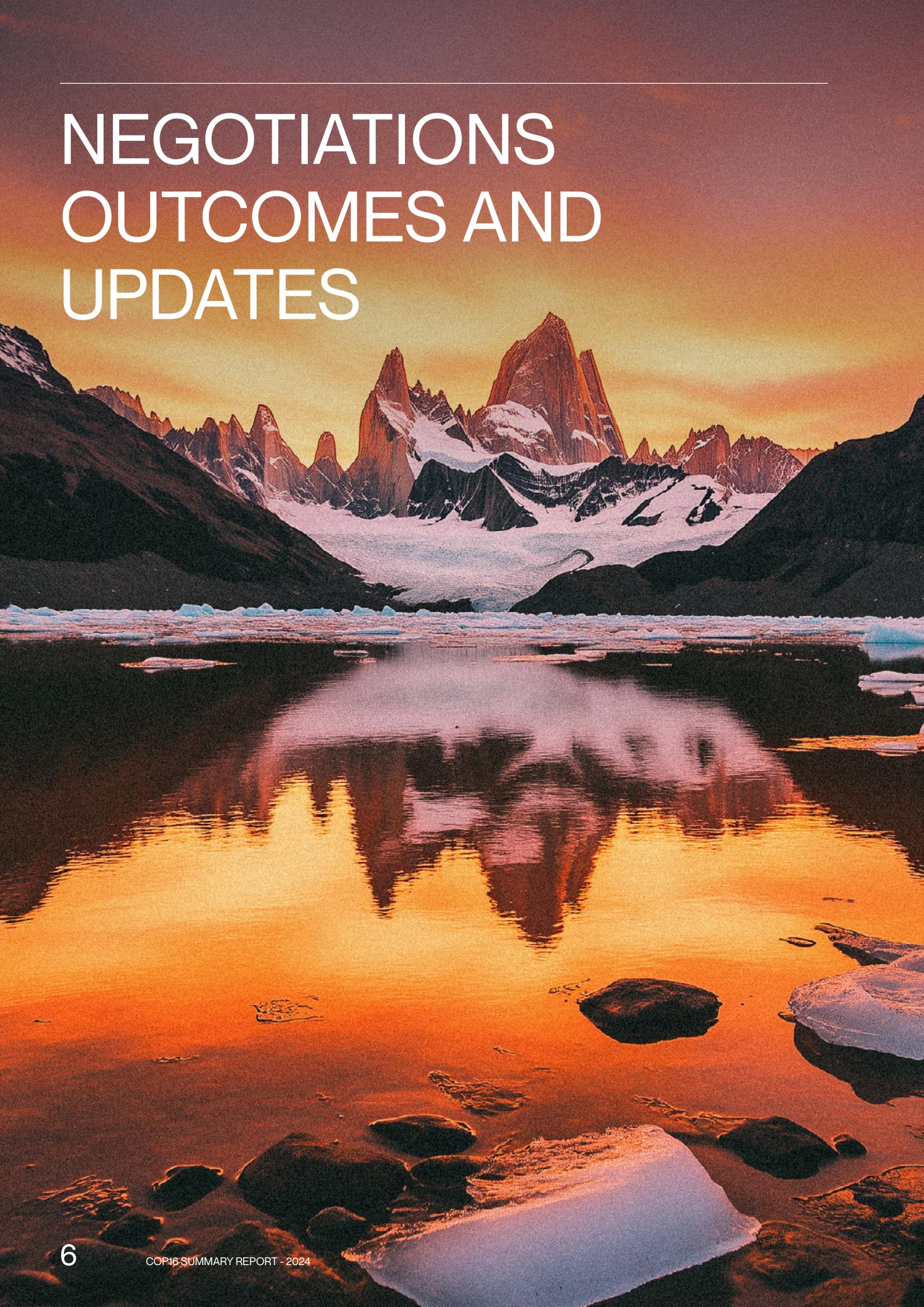
It's important to note that, similar to the Intergovernmental Panel on Climate Change (IPCC) which provides assessment reports related to climate change, the [Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services \(IPBES\)](#) is assessing the relevance of the CBD and has issued a report highlighting the determinants of transformative change and practical options for concrete action, in line with the 2030 Agenda for Sustainable Development and Sustainable Development Goals (SDGs) and the 2050 Vision for Biodiversity.



**“WE HAVE SEEN THE LARGEST, WHOLE-OF-SOCIETY MOBILISATION FOR BIODIVERSITY UNFOLD IN CALI, TRIGGERING INTEREST FROM AROUND THE GLOBE.”**

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# NEGOTIATIONS OUTCOMES AND UPDATES

A wide-angle photograph capturing a majestic mountain range at sunset. The sky is a vibrant gradient of orange, yellow, and blue. The mountains, with their sharp peaks and patches of snow, are reflected perfectly in the calm water in the foreground. The scene is framed by a dark, silhouetted shoreline in the background.

## PROGRESS AND AGREEMENTS

### National Biodiversity Strategy and Action Plans:

At the CBD COP15 in 2022, countries agreed to review and update their National Biodiversity Strategy and Action Plans (NBSAPs) and, for the first time, were also encouraged to develop, update, and implement national biodiversity finance plans or similar instruments. At COP16, 44 countries – representing 22% of Parties – submitted revised NBSAPs, which marks a slight improvement compared to COP15. However, many nations were unable to update their plans, citing challenges such as insufficient funding and time constraints. Additionally, 119 Parties submitted revised National Targets during the conference.

### Cali Fund for Digital Sequence Information (DSI):

A new multilateral fund, known as the Cali Fund and championed by India, was established to ensure the fair and equitable sharing of benefits derived from digital genetic resources. The fund aims to support developing countries, Indigenous Peoples, and Local Communities (IPLCs) by allocating a portion of corporate profits generated from Digital Sequence Information (DSI) applications. Sectors such as pharmaceuticals, nutraceuticals, cosmetics, animal and plant breeding, biotechnology, and others profiting from genetic resources are expected to contribute 1% of their profits or 0.1% of their revenue to the fund. However, since contributions to this mechanism are voluntary, there are concerns regarding its overall effectiveness.

### Indigenous People and Local Communities Empowerment:

The creation of a permanent subsidiary body for IPLCs, which will replace the current ad hoc working group, marked a historic step. This subsidiary body will ensure IPLC perspectives are integrated into biodiversity

policy decisions, reinforcing their critical role as stewards of natural ecosystems. It is important to highlight that this is the only UN environmental process with a dedicated permanent body such as this. Afro-descendant people were also recognised as custodians of biodiversity in the Convention. A work programme for IPLCs was established until 2030.

**Biodiversity and Climate Change:** Acknowledging the impact of biodiversity loss as a catalyst for climate change, countries agreed to align their climate and biodiversity policies at the national level and prioritise integrated actions. This approach reflects the understanding that both issues must be urgently addressed together to ensure effective solutions. We are at the right time for alignment as countries are forging their NBSAPs and have to update their NDCs next year. It's important to note that Target 8 is about minimising the impacts of climate change on biodiversity and building resilience.

**Oceans:** Parties reached an agreement on how to identify and conserve marine areas of high ecological importance in national and international waters. This agreement creates a mechanism to maintain up-to-date scientific information to help decision-makers decide where to establish protected areas and deploy sustainable use measures. This is a critical step for implementing the 30x30 protected areas target to conserve at least 30% of the planet by 2030.

**Other:** Countries also committed to developing guidelines for managing invasive alien species and establishing an action plan to tackle the drivers of biodiversity loss. This plan aims to enhance human health and well-being alongside biodiversity conservation efforts.

## UNRESOLVED ISSUES

**Resource Mobilisation:** COP16 underscored the urgent need for increased financial resources to implement the Global Biodiversity Framework adopted in 2022, with calls to mobilise \$200 billion a year, including finance for biodiversity credits. However, financial commitments remained a sticking point. Delegates grappled with significant issues, such as a new strategy for resource mobilisation and whether to establish a financial mechanism separate from the GEF-managed Global Biodiversity Framework Fund (GBFF). Developing countries advocated for a more robust funding mechanism, greater transparency, and self-determination in how funds are spent, but high-income nations pushed back against this proposal.

**Targets and progress monitoring:** No agreement was made on a robust monitoring framework to implement national commitments and adopt a reporting process for each country's progress. This mechanism would establish procedures for the global review of collective progress in implementing the Global Biodiversity Framework (Stocktake). Emphasis was placed on the need to speed up the definition of strategies and action plans for each country, and to bring the subject of monitoring and evaluation back into the spotlight at forthcoming discussions.

Likewise, subnational jurisdictions gathered in Cali around the 8th Summit for Subnational Governments and Cities, an official parallel event to CBD COP16. You can watch the summit recordings [here](#).

# BIODIVERSITY CREDIT MARKET



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IN CALI, PARTIES ENGAGED IN DISCUSSIONS ON INNOVATIVE FINANCING MECHANISMS TO MOBILISE THE NECESSARY FUNDS FOR BIODIVERSITY INITIATIVES. THESE MECHANISMS INCLUDED PUBLIC-PRIVATE PARTNERSHIPS, GREEN TAXONOMIES AND BONDS, SPECIAL HYBRID FUNDS, BIODIVERSITY OFFSETS AND CREDITS, AS WELL AS CARBON MARKETS, AMONG OTHERS. THE FOCUS WAS ON CREATING DIVERSE FUNDING STRATEGIES TO EFFECTIVELY ADDRESS BIODIVERSITY LOSS AND SUPPORT SUSTAINABLE DEVELOPMENT.

According to the [UN Environment Programme's \(UNEP\) latest report on nature finance](#), mandatory biodiversity offsetting schemes and voluntary biodiversity credit markets – rank first in private sector investment, amounting to US\$ 11.7 billion. It is important to note that the majority of this demand comes from compliance offsetting programmes such as those based in the [UK](#), [Australia](#), [USA](#), and [Colombia](#), while voluntary

biodiversity credits account for only a few million of the total. In contrast, carbon markets are positioned sixth, contributing US\$ 1.5 billion.

The [Biodiversity Credit Alliance](#) states a 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.”

#### OVERVIEW

BELOW, SEE MORE DETAIL ON SOME OF THE FRAMEWORKS, STANDARDS, AND METHODOLOGIES THAT WERE LAUNCHED BEFORE AND DURING COP16.

01 FRAMEWORK FOR HIGH INTEGRITY BIODIVERSITY CREDIT MARKETS

02 VERRA NATURE FRAMEWORK

03 INTERNATIONAL CARBON REGISTRY (ICR) BIODIVERSITY PROGRAM

04 THE GLOBAL BIOCREDIT STANDARD

05 PLAN VIVO BIODIVERSITY STANDARD

06 CERCARBONO BIODIVERSITY CERTIFICATION PROGRAMME

07 BIOCARBON BIODIVERSITY STANDARD

08 THE GLOBAL BIODIVERSITY STANDARD

# COP16 LAUNCHES AND RELEASES

ADVANCING BIODIVERSITY: NEW FRAMEWORKS AND STANDARDS DRIVE EQUITY, MEASURABLE OUTCOMES, AND SCALABLE CONSERVATION THROUGH BIODIVERSITY CREDITS.

## **Framework for High Integrity Biodiversity Credit Markets:**

The International Advisory Panel on Biodiversity Credits (IAPB), with the support of a broad range of institutions, released the Framework for High Integrity Biodiversity Credit Markets to help steer and scale the development of this novel mechanism.

The principles define high integrity around three pillars:

1. Verified outcomes for nature
2. Equity and fairness for people
3. Good governance for markets

The document also includes a suite of pilot projects, showing how biodiversity credit approaches are being translated into concrete action.

**VERRA Nature Framework:** VERRA launched the SD Vista Nature Framework V1.0, encompassing concepts and core principles for activities leading to biodiversity outcomes and generation of “Nature Credits”, along with methodological steps for quantifying biodiversity outcomes. According to the framework, Nature Credits are based on three dimensions of the state of nature: Extent, ecosystem condition, and biodiversity significance, and the unit of measurement is 1 hectare. The first wave of project registration will be open for 18 pilot projects.

## **International Carbon Registry (ICR) Biodiversity Program:**

The ICR launched its Biodiversity Program in Cali, which is open for public consultation until 31 December 2024. The program provides a framework for biodiversity conservation and restoration projects, allowing for the registration and issuance of Biodiversity Net Gain Credits (BiNGCs), measured as one hectare of land conserved for one month. ICR is currently inviting project developers to join its two-year pilot phase.

**The Global Biocredit Standard:** The Swedish Biocredit Alliance, a consortium of researchers, forest owners, municipalities, and businesses, announced a global biodiversity credit standard focused on production landscapes at COP16. The next steps include setting up a secretariat to administer the standard, establishing a registry for projects to be listed, and developing a process for approving various methodologies.



## OTHER STANDARDS AND PROTOCOLS LAUNCHED BEFORE COP16

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THE LAUNCH OF THESE FRAMEWORKS AND STANDARDS ENHANCES THE ONGOING EFFORTS IN BIODIVERSITY, COMPLEMENTING EXISTING BIODIVERSITY INITIATIVES IN THE CARBON MARKET. THESE FRAMEWORKS AIM TO ENSURE THAT BIODIVERSITY CREDITS ARE ROBUST, TRANSPARENT, AND EFFECTIVE IN GENERATING POSITIVE ENVIRONMENTAL OUTCOMES.

**Plan Vivo Biodiversity Standard:** In December 2023, Plan Vivo launched the PV Nature Standard, allowing restoration and conservation certificates to be issued. The unit represents a percentage gain in biodiversity per hectare per year, and is based on five pillar metrics: three of which are species-based whilst two are habitat-based.

**Cercarbono Biodiversity Certification Programme:** In the first half of 2024, Cercarbono published its biodiversity protocol, which covers 18 eligible conservation and restoration activities across several ecosystems. Biodiversity crediting projects can issue four types of Voluntary Biodiversity Credits (VBCs): platinum, gold, silver, and bronze, as the project's urgency is seen to decrease.

**Biocarbon Biodiversity Standard:** In May 2024, Biocarbon released Version 31 of its biodiversity standard. The document focuses on preservation, ecological restoration, and sustainable use activities. Biodiversity gains are measured by combining 15 indicators, ranging from landscape composition to species richness. The overall increase in biodiversity is then multiplied by the hectares of the project area, determining the number of credits that can be issued.

**The Global Biodiversity Standard:** A consortium of non-profit organisations, including Plan Vivo Foundation, launched a methodology focused on restoration projects, including habitat restoration, tree planting, and agroforestry. Currently, the standard does not verify biodiversity projects. However, the group expressed that it is possible that they will convert the standard into a biodiversity credit scheme in the future.

NEW BIODIVERSITY STANDARDS: PLAN VIVO, CERCARBONO, AND BIOCARBON LAUNCH FRAMEWORKS TO MEASURE AND CREDIT BIODIVERSITY GAINS, WHILE THE GLOBAL BIODIVERSITY STANDARD EXPLORES FUTURE CREDITING POTENTIAL.

# COUNTRIES' ACTION ON BIODIVERSITY CREDITS

COUNTRIES ALSO PLAY A CRUCIAL ROLE IN THE BIODIVERSITY CREDITS MARKET. DURING COP16, THE ORGANISATION FOR BIODIVERSITY CERTIFICATES PRESENTED A DOCUMENT AIMED AT ALIGNING BIODIVERSITY CREDIT PROJECTS WITH NATIONAL STRATEGIES. THIS ALIGNMENT ALLOWS COMPANIES TO DEMONSTRATE THEIR CONTRIBUTION TO GOVERNMENT TARGETS RELATED TO NATURE CONSERVATION. BELOW IS A LIST OF COUNTRIES ENABLING CONDITIONS FOR THE OPERATION OF BIODIVERSITY CREDIT MARKETS:

COUNTRIES ALSO PLAY A CRUCIAL ROLE IN THE BIODIVERSITY CREDITS MARKET BY REGULATING THE SUPPLY, CREATING THE DEMAND, AND FINANCING MARKET FORMATION INITIATIVES.

**Australia:** The Nature Repair Act 2023 came into effect in December 2023, establishing a framework for a world-first legislated, national, voluntary biodiversity market. The Nature Repair Market will enable alignment with the Australian Carbon Credits Unit (ACCU) Scheme, providing opportunities for improved outcomes for nature in both the carbon and biodiversity markets. The Clean Energy Regulator is establishing systems and processes necessary for the effective operation of the market with the aim for it to be up and running in 2025.

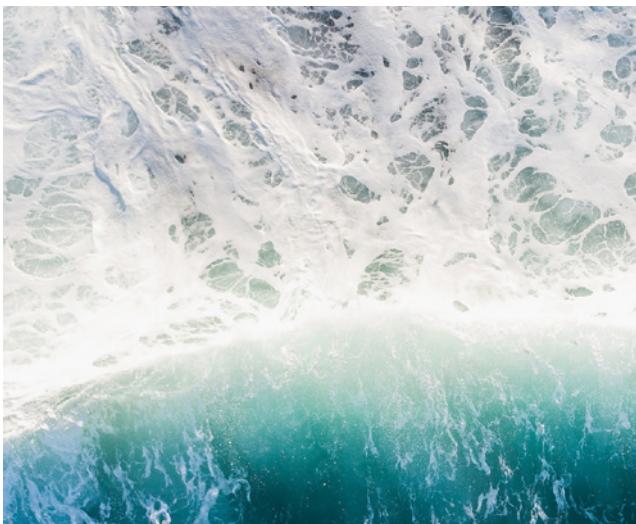
**Colombia:** Under its newly released National Biodiversity Strategy and Action Plan (NBSAP), Colombia plans to rely on regulated carbon and biodiversity credit markets to meet its financing targets. The Humboldt Institute, a biodiversity research entity affiliated to the Ministry of Environment, is responsible for supporting the regulation and development of biodiversity credit markets with studies and knowledge.

**Finland:** Finland has become the first EU member state to announce plans to develop a framework for voluntary biodiversity credits that go beyond existing environmental offsetting provisions. The Government will develop criteria for generating biodiversity credits, set up a verification system, and provide guidance on the types of claims investors can make when purchasing units. This bid will allow Finland to use a voluntary crediting mechanism to contribute towards its nature targets.

**India:** In October 2023, the Ministry of Environment, Forest and Climate Change launched the Green Credit Program, a market-based mechanism designed to incentivise voluntary environmental actions across diverse sectors. In its initial phase, the program concentrates on voluntary plantation activities, leading to the awarding of Green Credits. It also aims to establish an inventory of degraded land suitable for afforestation initiatives. The Green Credit Registry platform is designed to streamline the processes for project registration, verification, and the issuance of Green Credits. Additionally, the trading platform will facilitate the buying and selling of these credits, to allow for an efficient and accessible market for stakeholders involved in biodiversity and reforestation efforts.

**New Zealand:** In the second half of 2023, the Ministry of Environment and the Department of Conservation launched a public consultation for a national biodiversity credit system. The Government is exploring whether a biodiversity credit system could help incentivise the protection and restoration of native wildlife in the country.

**Other country actions:** It is important to note the role of countries such as the UK and France, which are among the main supporters of the International Advisory Panel on Biodiversity Credits. Likewise, Germany is one of the donors of the Biodiversity Credit Alliance.



# BIODIVERSITY CREDIT MARKET INSIGHTS

BEFORE PROVIDING INSIGHTS ON BIODIVERSITY CREDIT MARKETS, IT IS WORTH CITING POLLINATION'S REPORT, THE STATE OF VOLUNTARY BIODIVERSITY CREDIT MARKETS: "OUR ANALYSIS SHOWS THAT FOLLOWING A SIMILAR TRAJECTORY TO THE EARLY STAGES OF THE VOLUNTARY CARBON MARKETS OVER 30 YEARS AGO, VOLUNTARY BIODIVERSITY CREDIT MARKETS ARE GROWING, INTEGRITY MEASURES ARE MATURING, AND EARLY TRANSACTIONS DEMONSTRATE THAT THERE IS CONFIDENCE BUILDING IN THESE MARKETS". BELOW ARE SOME OF THE MAIN ELEMENTS AND CHARACTERISTICS OF THIS EARLY-STAGE MARKET:

## A nascent instrument learning from carbon markets

**markets:** A key theme emerged during the discussions on biodiversity credits in Cali: the importance of learning from carbon markets. As highlighted by a panel speaker, "We have to learn from the carbon markets' experience to recognise the opportunities for improvements and avoid difficulties in the future. At the same time, we need to be where the carbon market is, but in less time." This may have influenced the creation of a Framework for High Integrity Biodiversity Credit Markets right at the outset of this mechanism, aiming to establish robust standards and practices that can ensure the effectiveness and integrity of biodiversity credit initiatives from the beginning.

While several elements must be considered for the proper implementation of a biodiversity credit market, broadly speaking, the focus is currently on the integrity of the supply and demand, social safeguards and communities, and good governance. With some differences, it is worth highlighting that the voluntary biodiversity credit market is taking on several aspects of the carbon market structure.

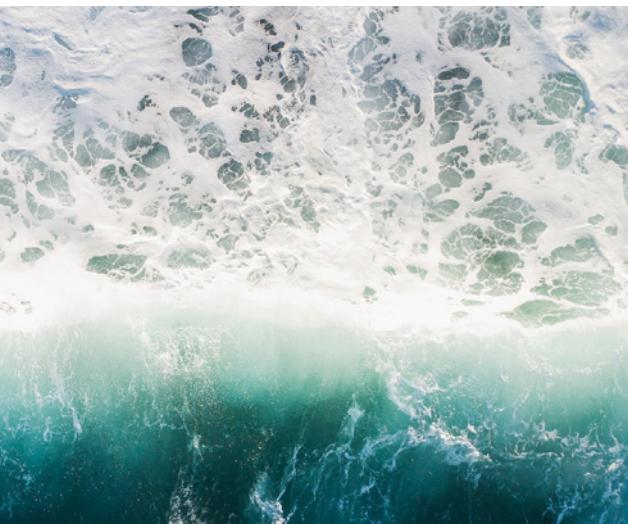
Voluntary carbon and biodiversity markets can help leverage each other. In line with the development of these markets and to understand the frameworks that different standards and programmes are developing, three concepts are important to keep in mind at this intersection between carbon and biodiversity:

- Bundling: Refers to when carbon and biodiversity credits are generated from projects that are located within the same area and are sold together to a single purchaser.
- Stacking: Refers to when carbon and biodiversity projects are carried out within the same area and generate both carbon and biodiversity credits.
- Stapling: Refers to when carbon and biodiversity credits from separate projects are sold together as a single product to a single purchaser.

VOLUNTARY BIODIVERSITY CREDIT MARKETS ARE GROWING, INTEGRITY MEASURES ARE MATURING, AND EARLY TRANSACTIONS DEMONSTRATE THAT THERE IS CONFIDENCE BUILDING IN THESE MARKETS.

We invite you to read the [following article](#) to learn more about these concepts.

**Standards development:** As mentioned earlier in this report, seven organisations already have, and are, testing their standards and/or methodologies for certifying biodiversity credits, and this list could be longer. Most schemes opt for hectares as the unit of measurement, but not all of them. While there are various standards that include conservation activities, the market focus is mainly on restoration and regeneration activities, with crediting periods varying significantly between schemes. On the other hand, all schemes currently require independent third-party verification of outcomes or intend to in the future.



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THE BIODIVERSITY CREDIT MARKET DIFFERS FROM THE CARBON MARKET IN THAT ITS QUANTIFICATION ELEMENT LACKS THE STANDARDIZATION OF THE TONNE OF CO<sub>2</sub> EQUIVALENT (TCO<sub>2</sub>E) METRIC.

**Metrics and technology:** The biodiversity credit market differs from the carbon market in that its quantification element lacks the standardization of the tonne of CO<sub>2</sub> equivalent (TCO<sub>2</sub>e) metric. Ecosystems can vary significantly from one another, leading to non-linear biodiversity metrics that add complexity to the assessment process. Typically, metrics related to ecosystems, habitats, and vegetation are required. In some instances, project developers must establish specific biodiversity indicators to effectively track and monitor these outcomes. This complexity underscores the need for tailored approaches in measuring and verifying biodiversity credits, ensuring that each project accurately reflects its unique ecological context.

Given this reality, technology can play an important role in this market by building tools for data collection and measurement. For example, using the PV Nature Standard, projects can collect data annually using digital recorders such as cameras and microphones for analysis by machine learning and humans to indicate general trends in ecosystem health. In this case, Pivotal plays the role of a third-party analytics partner in verifying the information.

**IPLC engagement:** Similar to climate finance, only 6% of global biodiversity finance goes to communities, demonstrating the role that the biodiversity credit markets could play in increasing the financial flow to these groups. As stated by IAPB in its framework, “the important role of Nature’s stewards is clear. Indigenous Peoples and Local Communities should be co-creators of projects and markets and included in all aspects of design and delivery”. As can be seen, market actors are ensuring IP&LC provide critical input to building these new instruments.

For example, the Biodiversity Credit Alliance set up the Communities Advisory Panel (CAP) in 2023 as an independent, self-governed group consisting of over 40 members of IPLC from the seven socio-cultural subregions of the world to ensure that the emerging market in biodiversity credits is founded on just and equitable principles, respectful of human rights and traditional knowledge, and recognises and builds on existing capacity.

You can also view the report prepared by Nature Markets on the initial Mapping of Indigenous Peoples and local community involvement in emerging Biocredits.

**Main drivers of demand:** For the market to scale and deliver its potential, it is key to have clarity on the business case for the voluntary purchase of biodiversity credits and alignment between the characteristics of biodiversity credits and buyers' needs, including a clear link between the claims the credits support and buyers' nature-related risk disclosure and target-setting priorities (Pollination, 2024).

According to Pollination's report, the main drivers of demand are associated with marketing/brand and risk mitigation (i.e., mitigation of nature-related transition risks, physical risks and/or systemic risks). This is likely why buyers have been observed to be interested in whether biodiversity credits are generated by projects proximate to their operations.

It is also important to know the appetite for future demand in this market. In this link, you can visit the Biodiversity Credit Alliance survey on demand-side integrity, where more than half of organisation respondents expressed high or very high confidence in their ability to participate in the biodiversity credit market today.

Likewise, it is important to consider particular elements that affect credits demand due to biodiversity characteristics and the market maturation process:

- Since biodiversity is not fungible, it isn't easy to standardize a biodiversity unit.
- Market prices are heterogeneous, reflecting the diversity of ecosystems, jurisdictions, and solutions.
- Actors supporting the construction of market governance dismiss the use of secondary markets for now.

**Biodiversity Credit Claims:** According to the Framework for High Integrity Biodiversity Credit Markets, biodiversity credits can be used for:

- Making evidence-based contributions to nature's goals
- Local compensation of biodiversity impacts (under strict criteria)
- Insetting – proactive investment within buyers' supply chains

MORE THAN HALF OF ORGANISATION RESPONDENTS EXPRESSED HIGH OR VERY HIGH CONFIDENCE IN THEIR ABILITY TO PARTICIPATE IN THE BIODIVERSITY CREDIT MARKET TODAY.

IAPB does not support international biodiversity offsetting approaches, as the organisation considers compensation to be local-to-local and like-for-like. Local credits can be used in voluntary or compliance projects only to compensate for residual negative impacts beyond the mitigation hierarchy and, as a last resort, as the framework states.

Likewise, it's important to note demand preferences. According to the Pollination report, respondents to the survey perceived contribution claims to be a key type of claim that purchasers seek to make based on their purchase of biodiversity credits. However, mixed contribution and offsetting claims were identified as the most common claim types that multinational corporations and financial institutions are seeking to make (38% and 32% of respondents, respectively).

Actors in the voluntary market are cautious of using biodiversity credits for offsetting purposes. Apart from the local-to-local and like-for-like argument, it is believed that the market players might like to avoid the compensation discussions and difficulties currently taking place in voluntary carbon markets.

**Regulation:** Creating demand at scale will likely require increased effort from regulators, such as governments and regional political bodies. Regulation from governments and market authorities will be key to generating legal certainty and avoiding perverse uses of biodiversity credits. In particular, governments need policy directives or regulatory mechanisms to unlock finance that delivers for nature and its stewards.

As we have seen, countries such as Australia, Colombia, Finland, India, and New Zealand are taking a step forward. Nevertheless, market actors cannot wait for complete and stable regulatory frameworks in different countries. As experts expressed during COP16, it is important to start shaping the market, and regulations will follow. The paper, [Biodiversity Credit Markets: The role of law, regulation, and policy](#), covers this topic.

**In summary,** it is clear there is a relevant and cautious interest from different stakeholders in the biodiversity credit market, as perceived during COP16 in Cali. This nascent instrument is learning from the carbon market experience and using parts of its structure, but at the same time, it is forging its own path, given the unique conditions involved in working with biodiversity as the instrument's core.

We invite you to consult the [Biodiversity Credit Alliance knowledge products](#) and the [Taskforce on Nature Markets publications](#) to learn more.

CREATING DEMAND AT SCALE WILL LIKELY REQUIRE INCREASED EFFORT FROM REGULATORS, SUCH AS GOVERNMENTS AND REGIONAL POLITICAL BODIES.



# PRIVATE SECTOR ACTION: DISCLOSURE, REPORTING, AND FINANCE

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AS GOVERNMENTS FOCUSED ON IMPLEMENTATION AT COP16, IT WAS PARTICULARLY IMPORTANT TO SEE REPRESENTATIVES FROM BUSINESS AND THE FINANCE SECTOR CALL FOR STRONGER REGULATIONS, POLICIES, AND LEGISLATION, AS EXPRESSED BY BUSINESS FOR NATURE. MORE THAN 230 BUSINESSES AND FINANCIAL INSTITUTIONS CALLED FOR RENEWED POLICY AMBITION TO IMPLEMENT THE GLOBAL BIODIVERSITY FRAMEWORK AND HALT AND REVERSE NATURE LOSS THIS DECADE. IT ALSO SIGNALS THAT NATURE IS GAINING MOMENTUM ALONGSIDE CLIMATE ON THE CORPORATE AGENDA, SINCE COMPANIES NEED TO INTEGRATE THE VALUE OF NATURE INTO ECONOMIC METRICS AND FINANCIAL REPORTING TO MEASURE LONG-TERM SUSTAINABILITY.

Of all the Global Biodiversity Framework targets, Target 15 focuses on companies' actions, assessments, and disclosures related to nature. Building reporting tools and transition plans are essential to support business models and achieve Target 15. In this regard, there are various initiatives and global frameworks playing an important role:

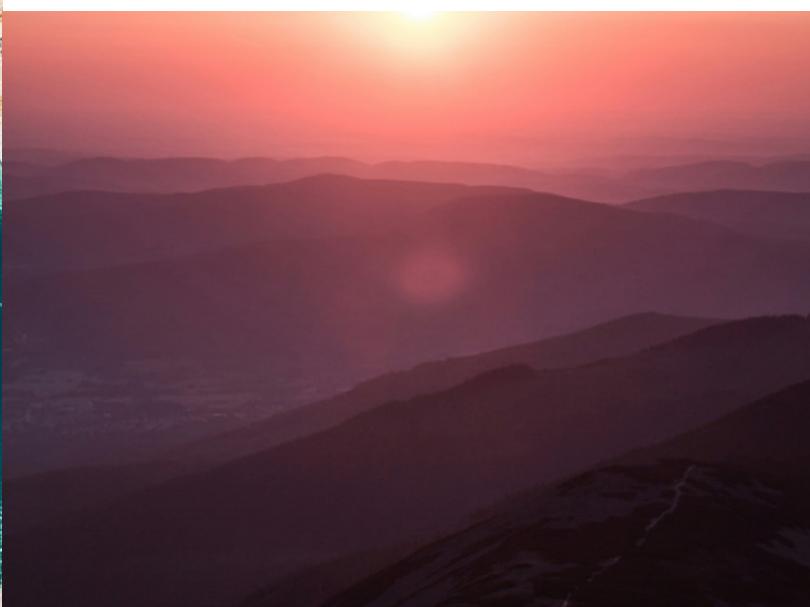
**Taskforce on Nature-related Financial Disclosures (TNFD):** TNFD recommendations and guidance provide organisations with a risk management and disclosure framework to act on evolving nature-related dependencies, impacts, risks, and opportunities. During COP16, more than 500 organisations became TNFD Adopters, committing to report on their biodiversity impacts and dependencies.

TNFD has published a discussion paper about nature transition plans, which is open for consultation until 1 February 2025. Companies and stakeholders can, among other topics, provide comments on the role of biodiversity credits in nature action in the private sector. You can find the full set of TNFD publications and discussion papers using this link.

**Science Based Target Networks (SBTN):** SBTN is developing science-based targets for nature for companies and cities so they can address their environmental impacts across biodiversity, land, freshwater, and oceans. In October, SBTN announced the first batch of companies that have set targets under its framework, with three major corporations taking on commitments related to freshwater and land.

**Glasgow Financial Alliance for Net Zero (GFANZ):** GFANZ is a global coalition of leading financial institutions committed to accelerating the decarbonisation of the economy. GFANZ has worked to develop the tools and methodologies needed to turn financial institutions' net-zero commitments into action. During COP16, GFANZ launched a consultation paper to integrate Nature in Net-zero Transition Plans, which is a supplemental guidance to the Financial Institution Net-zero Transition Plans framework. The survey to receive comments close on 27 January 2025.

**Now for Nature:** This initiative is a joint global campaign developed by Business for Nature, a coalition that brings together more than 100 organisations and businesses. In collaboration with PwC, Now for Nature released a Nature Strategy Handbook, a practical guide that provides a set of guiding questions, recommendations, and resources for businesses on how to develop a strategy for nature. In this way, businesses can show how they consider and integrate nature into their decision-making to transform their operations and supply chains.



THERE HAS BEEN A STEADY GROWTH IN NATURE-RELATED DISCLOSURES TO CDP, WITH A 43% INCREASE IN COMPANIES DISCLOSING BIODIVERSITY DATA, A 23% RISE IN WATER REPORTING, AND 10% FOR FORESTS.

**Nature Positive Initiative:** Currently, there is no common approach to measure nature's decline or recovery. This initiative is working on harmonising metrics to help streamline decision-making and disclosure and strengthen accountability. Nature Positive Initiative's conducted a public consultation on the State of Nature metrics, which closed on 13 November 2024.

During COP16, several capacity-building sessions took place, offering opportunities to learn from various organisations. These sessions centred on aligning frameworks for disclosure and reporting on climate change and biodiversity. Other standards and initiatives playing a key role include GRI, CDP, ISO, and ISSB.

According to a CDP report, there has been a steady growth in nature-related disclosures to CDP, with a 43% increase in companies disclosing biodiversity data, a 23% rise in water reporting, and 10% for forests. Despite this growing number, only 10% of companies assessed their dependency on biodiversity last year. In this regard, Target 15 has the potential to be transformative, however, increased government participation is required to develop effective policies and regulations that will mobilise the private sector to integrate nature into their decision-making and make it mandatory for them to assess, disclose and act on nature, as expressed by Business for Nature.

On biodiversity credits, there are two essential points related to global frameworks that could scale the demand for this market (Pollination, 2024):

1. Meet stakeholder expectations and, in some cases, legal requirements to disclose material nature-related risks and opportunities (e.g. under the Recommendations of the TNFD)
2. Set targets and demonstrate progress against them to reduce their exposure to those risks or realise opportunities (e.g. under the SBTN framework or in line with the GBF).

To close this section, this report will review the Finance for Biodiversity Foundation's four key areas for finance reform on biodiversity, where governments and the private sector play a crucial role, as discussed during COP16's High-Level Thematic Ministerial Dialogue on Sustainable Finance:

- Accelerated Disclosure and Transparency – Speedy implementation of disclosure commitments from the private sector is critical. To enable financial institutions to assess nature impacts consistently, governments must foster coherence across jurisdictions. Standards like TNFD can provide essential frameworks for this effort.
- Pairing Nature Disclosure with Action – Beyond disclosure, governments should mandate that financial institutions and companies develop nature transition plans alongside climate plans, ensuring meaningful, transformative action for biodiversity.
- Role of Central Banks and Supervisors – Central banks and financial supervisors must integrate nature-related risks into their mandates. The Network for Greening the Financial System has already taken steps to expand the scope to environmental risks. As major public investors, central banks should lead by example by increasing nature-positive investments and reducing nature negative ones, supporting a sustainable financial ecosystem.
- Whole-of-Government Approach – Cross-ministerial collaboration between Finance and Environment Ministries is essential to address economic and environmental challenges. Governments should utilise economic policy tools, including harmful subsidy reforms and sector-specific regulations, to support biodiversity and finance progress.

To gain a deeper understanding on what was discussed at COP16 in Cali with regard to private sector action on biodiversity, please visit the Business and Biodiversity Forum recordings for Part 1 and Part 2, and the Finance and Biodiversity Day recordings for 1st Meeting and 2nd Meeting.



## FINAL COMMENTS

COP16 IN COLOMBIA MARKED A STEP TOWARDS ENSURING THE CONSERVATION OF GLOBAL BIODIVERSITY. THE DEVELOPMENT OF BIODIVERSITY CREDIT SYSTEMS AND THE OPERATIONALISATION OF THE KUNMING-MONTREAL GLOBAL BIODIVERSITY FRAMEWORK OFFERS HOPE FOR REVERSING BIODIVERSITY LOSS. HOWEVER, CONTINUED INTERNATIONAL COOPERATION, STRONG POLITICAL WILL, AND INNOVATIVE FINANCING MECHANISMS ARE ESSENTIAL TO ACHIEVE THE AMBITIOUS GOALS SET FORTH AT COP16.

THE CONFERENCE CONCLUDED WITH A POWERFUL MESSAGE: THE TIME HAS COME TO MAKE PEACE WITH NATURE. AS WE REFLECT ON THIS, WE LOOK FORWARD TO THE PATH AHEAD, WITH OUR NEXT ENGAGEMENT AT COP17 SCHEDULED TO TAKE PLACE IN ARMENIA IN 2026.

# OTHER RESOURCES

## PRIMARY NEGOTIATIONS OUTCOMES AND UPDATES SECTION:

- [BIOFIN – How can Biodiversity Finance Plans Support NBSAPs?](#)
- [CBD - Kunming-Montreal Global Biodiversity Framework](#)
- [CBD – Global Biodiversity Framework Targets](#)
- [CarbonBrief – Key outcomes agreed at the UN biodiversity conference in Cali, Colombia](#)
- [United Nations – COP16 Video Recordings](#)
- [WWF - Breaking Silos: Enhancing Synergies between NDCs and NBSAPs](#)

## BIODIVERSITY CREDITS MARKET SECTION

- [Biodiversity Credit Alliance – Knowledge Products](#)
- [Biodiversity Credit Alliance – Demand Survey Slides](#)
- [Climate Focus – Biodiversity Credits Markets: Charting pathways for early investment and sustainable market growth](#)
- [IAPB - Framework for High Integrity Biodiversity Credit Markets](#)
- [IUCN - Climate mitigation and biodiversity conservation: A review of progress and key issues in global carbon markets and potential impacts on ecosystems](#)
- [Nature Finance and Biodiversity Credits: A Private Sector Roadmap to Finance and Act on Nature](#)
- [Pollination - State of Voluntary Biodiversity Credit Markets](#)
- [Taskforce on Nature Markets - Publications](#)
- [VERRA - SD VISta Nature Framework, v1.0 worked examples](#)

## PRIVATE SECTOR ACTION SECTION

- [CDP - What Are Nature Strategies and Nature Transition Plans?](#)
- [IUCN – Nature Positive for Business: Developing a Common Approach](#)
- [UNEP - State of Finance for Nature](#)
- [UNEP FI and UNDP BIOFIN - Engaging Private Finance in the NBSAP Review and Implementation](#)
- [UNEP - From Kunming-Montreal to Cali: Is the Financial System on Track?](#)
- [What are Nature Strategies and Nature Transition Plans?](#)

# IETA: COP16 SUMMARY REPORT





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