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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL  
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**Roadmap towards Nature Credits**

## Introduction

Nature is our strongest ally to support our livelihoods, health and prosperity. It provides essential ecosystem services such as retaining water, ensuring soil fertility and pollination. It contributes to climate mitigation, adaptation and resilience against disasters, often in a very cost-effective manner. For companies, it contributes to determining production processes, credit worthiness, and access to financing. This also affects the risks for the financial institutions that grant loans to these companies, which is why financial supervisors show an increasing interest in nature-related risks<sup>1</sup>.

Nature is therefore a crucial foundation for a competitive and resilient economy. The people who are at the front lines of nature stewardship, such as farmers, foresters, landowners and land managers, fishers, users of sea and freshwater ecosystems, conservation area managers, and local communities, must be appropriately rewarded, through the marketplace, for contributing to safeguarding and improving the strategic economic asset that nature is.

In the finance toolbox for biodiversity and nature, certification and credits<sup>2</sup> are emerging as a potentially valuable way to complement public funding. By facilitating investments in activities that benefit nature, these innovative and voluntary tools can play a crucial additional role in preserving the health of our land and marine ecosystems and help reverse the decline in biodiversity. With a view to strengthening the bioeconomy, these tools can also provide an opportunity to generate income to the people involved in the protection, restoration, and sustainable management of ecosystems, as highlighted in the Vision for Agriculture and Food<sup>3</sup>, the Water Resilience Strategy<sup>4</sup>, and the European Ocean Pact<sup>5</sup>, while ensuring food security and the multifunctionality of forests.

This roadmap sets out a path to achieving these goals. The aim is to complement different sources of nature finance such as public funding by supporting the development of high-integrity tools – nature credits – that will turn investment in nature into a reliable engine of value creation.

## 1. The economic and business case for nature-positive action

### *1.1. Public investment in nature for our society and economy*

Nature is not only valuable for its own sake but also essential to address the interlinked crises of climate change, biodiversity loss and pollution. More than half of global GDP and two thirds of the EU's added economic value depend on nature and its ecosystem services<sup>6</sup>. Around 72%

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<sup>1</sup> European Central Bank, 'Nature's bell tolls for thee, economy!', Speech, 22 May 2025. <https://www.ecb.europa.eu/press/key/date/2025/html/ecb.sp250522~b371549cb6.en.html>.

<sup>2</sup> Biodiversity is understood to be 'the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems' ([Article 2](#), Convention on Biological Diversity). Similarly to the [Conceptual Framework](#) of the International Panel on Biodiversity and Ecosystem Services (IPBES), 'nature' is a broader concept that encompasses the natural world, including biodiversity and its interactions with their environment. The use of 'certification' and 'credits' is explained in Section 2.

<sup>3</sup> A Vision for Agriculture and Food Shaping together an attractive farming and agri-food sector for future generations; COM(2025)75 final. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52025DC0075>

<sup>4</sup> European Water Resilience strategy; COM(2025) 280 final. <https://circabc.europa.eu/ui/group/1c566741-ee2f-41e7-a915-7bd88bae7c03/library/b560bc22-6a61-4b63-b62b-a7fe890ea177/details>

<sup>5</sup> The European Ocean Pact: COM(2025)281 final. [https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=comnat:COM\\_2025\\_0281\\_FIN](https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=comnat:COM_2025_0281_FIN)

<sup>6</sup> World Economic Forum, 'Nature Risk Rising: Why the Crisis Engulfing Nature Matters for Business and the Economy', 19 January 2020. <https://www.weforum.org/publications/nature-risk-rising-why-the-crisis-engulfing-nature-matters-for-business-and-the-economy/>.

Joint Research Centre, 'The EU economy's dependency on nature', JRC 140003, 28 February 2025. <https://publications.jrc.ec.europa.eu/repository/handle/JRC140003>

of euro area companies are critically dependent on ecosystem services, including those located outside the EU, notably in developing and emerging markets, reflecting the globalised nature of supply chains and economic interdependence. The loss of nature on land and at sea is now understood to be a major driver of economic losses and financial risks<sup>7</sup>. Investing in nature restoration is therefore crucial for Europe's competitiveness, resilience, prosperity and security.

However, despite pioneering work such as the EU integrated system of ecosystem accounts, which has estimated that ten ecosystem services generated EUR 234 billion benefits annually<sup>8</sup>, ecosystem services remain difficult to monetise and are not adequately reflected in market price signals. This contributes to over-exploitation and chronic underinvestment in nature restoration and protection.

As a result, nature restoration and protection mainly rely on public funding. The EU has committed to dedicating 10% of its budget to supporting actions and investments that address biodiversity protection and restoration in 2026 and 2027 through several finance schemes and interventions<sup>9</sup> and to double funding for external biodiversity action to EUR 7 billion for 2021-2027. This is in line with the Kunming-Montreal Global Biodiversity Framework (GBF)<sup>10</sup> under the Convention on Biological Diversity (CBD), which calls for substantially increasing financial flows from all sources, mobilising at least USD 200 billion per year by 2030, including through innovative finance (Target 19).

While such commitments represent important progress, they remain far from sufficient. The GBF highlights the scale of the challenge, estimating a global biodiversity financing gap of USD 700 billion per year, a gap that cannot be bridged by public funding alone. At the EU level, current public funding, whether from EU, national or local sources, is also insufficient to meet the investments needs, which are estimated at EUR 65 billion annually<sup>11</sup>. Continued and significant levels of public funding remain essential, including EU and national contributions, in line with State aid rules<sup>12</sup>, but a combination of public and private finance is crucial to achieve the necessary scale and speed.

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<sup>7</sup> Ceglar, A., Parker, M., Pasqua, C., Boldrini, S., Gabet, M., et al., Economic and financial impacts of nature degradation and biodiversity loss. European Central Bank (ECB) Economic Bulletin, Issue 6, 2024. [https://www.ecb.europa.eu/press/economic-bulletin/articles/2024/html/ecb.ebart202406\\_02~ae87ac450e.en.html](https://www.ecb.europa.eu/press/economic-bulletin/articles/2024/html/ecb.ebart202406_02~ae87ac450e.en.html).

<sup>8</sup> These ecosystem services are crop provision, timber provision, pollination, carbon sequestration, flood control, water purification, nature recreation, water provision, air filtration, marine fish capture. European Commission: Eurostat, Vysna, V., Maes, J., Petersen, J.-E., La Notte, A. et al., Accounting – for ecosystems and their services in the European Union (INCA) – Final report from phase II of the INCA project aiming to develop a pilot for an integrated system of ecosystem accounts for the EU – 2021. edition, Publications Office, 2020. <https://data.europa.eu/doi/10.2785/197909>.

La Notte, A., Grammatikopoulou, I., Zurbaran-Nucci, M., Marques, A., Ferrini, S. et al., Linking accounts for ecosystem services and benefits to the economy through bridging (LISBETH). Part II, How to use ecosystem services accounting to provide the financial sector with a more robust, systematic and consistent environmental metric, Publications Office of the European Union, 2022. <https://data.europa.eu/doi/10.2760/010621>.

<sup>9</sup> Over 2021-2027, contribution for biodiversity were estimated around EUR 64 billion from common agricultural policy, EUR 16 billion from cohesion policies, EUR 7 billion from Horizon Europe: European Commission, 'Biodiversity mainstreaming', European Commission website. [https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/horizontal-priorities/green-budgeting/biodiversity-mainstreaming\\_en](https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/horizontal-priorities/green-budgeting/biodiversity-mainstreaming_en)

<sup>10</sup> Kunming-Montreal Global Biodiversity Framework: Decision Adopted by the Conference of the Parties to the Convention on Biological Diversity: CBD/COP/DEC/15/4. <https://www.cbd.int/gbf>

<sup>11</sup> Environmental Implementation Review 2025 (forthcoming).

<sup>12</sup> European Commission, DG Competition, 'State aid Legislation'. [https://competition-policy.ec.europa.eu/state-aid/legislation\\_en](https://competition-policy.ec.europa.eu/state-aid/legislation_en).

## 1.2. The role of private finance for nature

Alongside public-sector investment, there is a growing business case for private-sector engagement in nature, particularly through nature-positive action<sup>13</sup> – actions that halt and reverse nature loss, including improving and maintaining biodiversity. For businesses, recognising nature as a strategic asset can enable new approaches to manage risk, create value and build economic resilience. Integrating biodiversity considerations into business models helps reduce reputational and operational risks such as pollinator decline affecting crop yields<sup>14</sup>, or land degradation causing supply chain interruptions due to ecosystem collapse<sup>15</sup>. It also helps enhance product distinctiveness and potentially unlock new revenue streams. Examples in the EU include agrifood companies supporting farmers in transitioning to regenerative agriculture<sup>16</sup> or blended finance models supporting aquaculture for restoring marine biodiversity<sup>17</sup>.

Companies that adopt nature-positive strategies can benefit from higher investor confidence, better financial conditions and greater long-term resilience<sup>18</sup>. Some financial institutions are also starting to recognise this value and increasingly integrate biodiversity into risk assessments, as reflected in premiums, lending criteria and investment decisions<sup>19</sup>. For example, insurers create nature-aligned insurance products linked to green investments or invest in projects to restore ecosystems to reduce the insurance risk related to flooding<sup>20</sup>. By creating such value, companies therefore benefit not only stakeholders including employees, customers, suppliers, local communities and society at large, but also their shareholders<sup>21</sup>. Disclosure frameworks under the Corporate Sustainability Reporting Directive<sup>22</sup>, the

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<sup>13</sup> <https://www.naturepositive.org/what-is-nature-positive/>. See also Lammerant J. & Verhelst J., Nature positive in a business context: current working definition, Thematic Report on behalf of the EU Business @ Biodiversity Platform, December 2022. Available [https://green-forum.ec.europa.eu/news/how-positive-will-nature-positive-be-eu-bb-platform-thematic-report-provides-meaningful-insights-2022-12-16\\_en](https://green-forum.ec.europa.eu/news/how-positive-will-nature-positive-be-eu-bb-platform-thematic-report-provides-meaningful-insights-2022-12-16_en).

And see Nature Positive Initiative: <https://www.naturepositive.org/what-is-nature-positive/>.

<sup>14</sup> Turo, K.J., Reilly, J.R., Fijen, T.P.M., Magrach, A., Winfree, R. (2024) 'Insufficient pollinator visitation often limits yield in crop systems worldwide', *Nature Ecology & Evolution*, 8(9), pp. 1612–1622. Available <https://www.nature.com/articles/s41559-024-02460-2>.

<sup>15</sup> Marsden, L., Ryan-Collins, J., Abrams, J., and Lenton, T. (2024). Ecosystem tipping points: Understanding risks to the economy and financial system. UCL Institute for Innovation and Public Purpose, Policy Report 2024/03. Available <https://www.ucl.ac.uk/bartlett/public-purpose/2024/apr/ecosystem-tipping-points>.

<sup>16</sup> Manshanden, M., Jellema, A., Sukkel, W., Hennen, W. H. G. J., Jongeneel, R., et al. (2023) Regenerative agriculture in Europe: An overview paper on the state of knowledge and innovation in Europe. Wageningen Economic Research. <https://doi.org/10.18174/629483>.

Borgman, E., Fischer Bogason, R., Engelbrecht Hansen, A., Møller Nielsen, A., Bennun, L. (2023) Biodiversity and financing: Review of tools in the Nordic countries. <https://norden.diva-portal.org/smash/record.jsf?pid=diva2%3A1803819&dswid=5871>.

<sup>17</sup> Global Seaweed Coalition and EIB, 'Financing opportunities for EIB in support of sustainable seaweed and bivalve sectors in the EU, and criteria to ensure their sustainability', 13 March 2025. <https://www.safeseaweedcoalition.org/europe-seaweed-bivalve-report/>.

<sup>18</sup> World Economic Forum (2024) Financing the Nature-Positive Transition: Understanding the Role of Banks, Investors and Insurers. CEO briefing. [https://www3.weforum.org/docs/WEF\\_Financing\\_Nature-Positive\\_CEO\\_Briefing\\_2024.pdf](https://www3.weforum.org/docs/WEF_Financing_Nature-Positive_CEO_Briefing_2024.pdf)

<sup>19</sup> Network for Greening the Financial System (NGFS), 'Nature-related Financial Risks: a Conceptual Framework to guide Action by Central Banks and Supervisors'. 7 September 2023. <https://www.ngfs.net/en/press-release/ngfs-publishes-conceptual-framework-nature-related-financial-risks-launch-event-paris>

<sup>20</sup> European Investment Bank, Hudson, G., Hart, S. and Verbeek, A., Investing in nature-based solutions – State-of-play and way forward for public and private financial measures in Europe, European Investment Bank, 2023. <https://data.europa.eu/doi/10.2867/031133>

<sup>21</sup> World Economic Forum, 'Davos Manifesto 2020: The Universal Purpose of a Company in the Fourth Industrial Revolution', 2 December 2019. <https://www.weforum.org/stories/2019/12/davos-manifesto-2020-the-universal-purpose-of-a-company-in-the-fourth-industrial-revolution/>

<sup>22</sup> Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (OJ L 322, 16.12.2022). <https://eur-lex.europa.eu/eli/dir/2022/2464/oj>

Sustainable Finance Disclosure Regulation<sup>23</sup> and the EU Taxonomy Regulation<sup>24</sup> can contribute to expanding this trend.

Despite this clear potential, the nature-positive transition is not without its challenges. Upfront costs, data gaps, and difficulties in measuring biodiversity outcomes can delay short-term returns and deter investment. Innovative instruments and enabling frameworks are necessary to overcome these barriers and scale up nature-positive economy<sup>25</sup>.

## 2. Nature credits

### 2.1. From certification to credits

Nature credits can be a key tool to reward nature-positive action through private investment to the benefit of nature and businesses, including farmers, foresters, landowners and land managers, fishers, users of sea and freshwater ecosystems, conservation area managers and local communities.

By enabling these actors and stakeholders to demonstrate their nature-positive action beyond individual legal obligations and the mandatory mitigation hierarchy<sup>26</sup>, a shift from limiting damage to actively reversing the trend of nature loss can be stimulated. At the policy level, Member States could for example use nature credits to recognise individual contributions to national targets and obligations under the Nature Restoration Regulation<sup>27</sup>, or under the GBF. These tools could also support related uses, such as sustainable disclosures, green infrastructure financing or result-based payments. To ensure credibility of the process, strict criteria will need to be considered, underpinned by clear governance, transparency and safeguards.

Certification provides assurance that specific high-quality, nature-positive actions are implemented in line with pre-defined criteria or principles. Such certification would assess the design, the implementation, the effects achieved and those still expected, providing a recognised signal of environmental integrity based on the quality of the intervention. As a formal recognition, independently verified, that the intervention meets agreed standards for biodiversity relevance and good practices, the certificate can help reduce risks for funders and build early confidence. It may also support upfront investment and enable operators to access payments for certified actions.

On that basis, a nature credit could be considered as a unit that represents a nature-positive outcome, derived from a certified and independently verified action and quantified using a recognised biodiversity metric or indicator. These metrics and indicators can be multiple and adapted to context, reflecting the heterogeneity of ecosystems and outcomes. Frameworks such

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<sup>23</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019). <https://eur-lex.europa.eu/eli/reg/2019/2088/oj>.

<sup>24</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020). <https://eur-lex.europa.eu/eli/reg/2020/852/oj>

<sup>25</sup> See for example, the NetworkNature's 'Task Force on Finance and Business Models (for NbS) in a Nature-Positive Economy'. More information available [at this link](#).

<sup>26</sup> The EU's mitigation hierarchy, legally enshrined in the [Birds](#) and [Habitats](#) Directives (Directive 2009/147/EC and Council Directive 92/43/EEC) but also in the [EU guidance](#) on integrating ecosystems and their services into decision-making, requires developers to avoid, minimise and only as a last resort compensate for residual effects.

<sup>27</sup> Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869. (OJ L, 2024/1991, 29.7.2024). <https://eur-lex.europa.eu/eli/reg/2024/1991/oj/eng>

as the EU's Mapping and Assessment of Ecosystems and their Services<sup>28</sup> and the UN System of Environmental-Economic Accounting – Ecosystem Accounting<sup>29</sup> offer examples of how flexibility across ecosystems can be combined with a coherent, standardised, science-based structure of ecosystem-specific indicators and metrics.

This two-step model – certification followed by crediting – could open the door to innovative financing mechanisms. Certificates help structure and catalyse nature-positive investment by providing the basis for contractual payments or guarantees, while credits could monetise the demonstrated impact, potentially offering dividends to suppliers and early investors. The role of certification is to structure interventions and ensure quality control, while credits translate observed, verified improvements into a unit that may be registered, pooled, banked and transacted. The process may include a mechanism to update the status of interventions over time in the certificate, facilitating transparency, adaptive management, and, where appropriate, the progressive issuance of credits based on validated milestones.

For example, a group of farmers and land managers working together to enhance a wetland ecosystem may implement a series of practices. A recognised independent certifier assesses the project plan, the methods used and its intended effects. Based on this, the group receives a certificate, a formal recognition that their activity meets high-quality standards for nature-positive action. This certificate helps them attract financial support and build stakeholder trust to value their practices. Over time, the project is monitored and nature credits are progressively issued as results are demonstrated. The issuance must follow strict scientific and governance protocols to maintain integrity and avoid premature claims. The nature credit value chain includes intermediaries (such as aggregators or landscape-level facilitators), certifiers, registries, and buyers. Buyers may include companies in downstream sectors (e.g. agrifood companies), financial institutions, public entities, or citizens, particularly in the context of voluntary contributions, public procurement, or local benefit-sharing schemes.

## ***2.2. Building trust and integrity***

To ensure the credibility of the process, strict criteria and principles need to be established to ensure transparency, avoid conflicts of interest and safeguard against greenwashing and double counting. The separation of roles between project developers, certifiers, and registry operators is essential to preserve the system's integrity and market trust.

For many companies, from utilities to insurers, investing in nature is not a new phenomenon. Several nature financing tools already exist such as green bonds and payments for ecosystem services. Alongside these, nature credits based on certificates could add value by offering a verifiable and standardised format for investing in nature-positive action. Properly designed, they can become a key tool to channel private investments and reward nature-positive action.

Where possible, certification should build and align with existing EU standards and frameworks, for example the organic farming scheme<sup>30</sup>, to minimise administrative burden.

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<sup>28</sup> Vallecillo, S., Maes, J., Teller, A., Babí Almenar, J., Barredo, J. I. et al., EU-wide methodology to map and assess ecosystem condition – Towards a common approach consistent with a global statistical standard, Publications Office of the European Union, 2022, <https://data.europa.eu/doi/10.2760/13048>

Maes, J., Bruzón, A.G., Barredo, J.I., Vallecillo S., Vogt, P., et al. Accounting for forest condition in Europe based on an international statistical standard. *Nat Commun* 14, 3723 (2023). <https://doi.org/10.1038/s41467-023-39434-0>

<sup>29</sup> United Nations System of Environmental Economic Accounting, 'Ecosystem Accounting', UN SEEA website, <https://seea.un.org/ecosystem-accounting>

<sup>30</sup> Regulation (EU) 2018/848 of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products and repealing Council Regulation (EC) No 834/2007 (OJ L 150, 14.6.2018). <https://eur-lex.europa.eu/eli/reg/2018/848/oj/eng>.



Rather than functioning in isolation, nature credits should therefore be integrated into this broader framework and emerge as a transformative instrument.

### ***2.3. Recent initiatives and the emergence of new markets***

Although they are still at an early stage of development the estimated potential of nature credits is significant. At the global level, development has evolved rapidly in recent years, with over 50 reported initiatives of certification and nature credits<sup>31</sup>. International initiatives, led by expert coalitions like the Biodiversity Credits Alliance (BCA)<sup>32</sup>, the World Economic Forum (WEF)<sup>33</sup> and the International Advisory Panel on Biodiversity Credits (IAPB)<sup>34</sup>, and voluntary nature disclosure frameworks such as the Taskforce on Nature-Related Financial Disclosures (TNFD)<sup>35</sup> and the Science-Based Targets Network (SBTN)<sup>36</sup>, are converging around shared principles for credible, high-integrity systems such as additionality, attribution, measurability, permanence, no double counting, transparency, social and environmental safeguards, alignment with global goals and potential uses.

At the same time, several Member States and non-EU countries are piloting biodiversity finance models that blend public and private capital. Within the EU, France has adopted a system based on the creation of natural compensation, restoration and renaturation sites<sup>37</sup>, Ireland has designed a voluntary financial scheme for peatland restoration<sup>38</sup> and Finland has recently implemented a voluntary system to support national biodiversity efforts<sup>39</sup>. In other Member States – including Belgium, Germany, Italy, the Netherlands, Portugal, Spain, Slovakia and Sweden – non-governmental bodies such as civil society organisations, land managers and financial bodies are actively piloting biodiversity and nature certification and credit schemes. Moreover, the United Kingdom has recently implemented its Biodiversity Net Gain policy<sup>40</sup>, a mandatory scheme for land managers and developers to restore ecosystems.

While nature credit markets are evolving globally, the EU is well-positioned to lead in this field, thanks to its a comprehensive regulatory framework, that ensures consumer protection, corporate accountability, and transparency in nature-positive investments.

### **3. Learning from and building on experience with carbon markets**

Nature credits face many of the same challenges as other systems relying on certification, such as those for organic farming or energy efficiency that share the goal of identifying and rewarding beneficial environmental outcomes. When it comes to creating markets for nature credits, carbon markets can offer useful insights for designing high-integrity, resilient, inclusive and trusted systems.

Recent developments on voluntary carbon markets highlight both challenges and opportunities. Concerns around integrity and the risk of greenwashing caused a contraction of these markets, while at the same time, buyers' preference and demand for high-quality projects that include

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<sup>31</sup> See [open-source database](#) developed by BloomLabs. Or see: Pollination Group, 'State of voluntary biodiversity credit markets', October 2023. <https://pollinationgroup.com/global-perspectives/understanding-the-current-state-of-voluntary-biodiversity-markets/>

<sup>32</sup> More information on the BCA: <https://www.biodiversitycreditalliance.org/>

<sup>33</sup> More information on the WEF: <https://initiatives.weforum.org/financing-for-nature/biodiversitycreditsinitiative>

<sup>34</sup> More information on the IAPB: <https://www.iapbiocredits.org/>

<sup>35</sup> More information on the TNFD: <https://tnfd.global/>

<sup>36</sup> More information on the SBTN: <https://sciencebasedtargetsnetwork.org/>

<sup>37</sup> See: <https://www.ecologie.gouv.fr/politiques-publiques/sites-naturels-compensation-restauration-renaturation>.

<sup>38</sup> More information on Peatland Finance Ireland: <https://peatlandfinance.ie/>.

<sup>39</sup> See: <https://ym.fi/en/voluntary-nature-values-market>

<sup>40</sup> See: <https://www.legislation.gov.uk/ukpga/2021/30/schedule/14/enacted>

environmental and social co-benefits has remained strong<sup>41</sup>. This underscores the importance of laying strong foundations for nature credit markets at an early stage, including on both the supply and demand sides. It is therefore important to prioritise ambitious and scientifically rigorous standards, independent monitoring, clear use and claim cases and reliable governance to prevent reputational risks.

The EU Regulation on Carbon Removals and Carbon Farming (CRCF)<sup>42</sup> establishes a voluntary certification system for carbon removals and ecosystem-based emission reductions achieved in the EU, built on robust monitoring, reporting and verification. It introduces the two-step process of certificates of compliance and certified units which simplifies access to private finance and anchors the system on strict criteria for quantification, additionality, long-term storage and sustainability. In particular, it requires carbon farming activities to generate co-benefits for biodiversity and ecosystem services. Other voluntary co-benefits can also be included, setting an important precedent for future biodiversity-focused frameworks. This matches a growing market trend: buyers increasingly value robust credits that offer co-benefits, particularly those linked to nature-based solutions. Integrating biodiversity into carbon certification could not only strengthen the ecological credibility of the certified units but also familiarise buyers with biodiversity outcomes, potentially laying the groundwork for stand-alone nature credit markets. CRCF secondary legislation under development will include provisions for independent third-party verification and science-based tools to assess permanence and reversal risks, to help restore trust in certified and accredited performance.

Valuable lessons can be drawn from carbon markets in order to facilitate initial progress, policy coherence and minimise administrative burden. At the same time, specific features of nature credits need to be taken into account, including metrics, purposes and safeguards, as well as site-specificity, measurability and latency of biodiversity outcomes. Nature credits can also cover a broader scope, as they can apply to interventions and areas non-linked or with limited additional carbon sequestration potential but high biodiversity value, such as supporting pollinators or restoring dry ecosystems.

#### **4. Developing nature credits**

Since the start of this mandate, the Commission has consulted Member States and stakeholders to advance the work on this topic. These consultations showed a clear need to set up a collaborative process – both within the EU and internationally – that is built on high-integrity principles, transparency and scientifically robust input. Stakeholders highlighted the importance of rewarding not only new interventions but also ongoing nature conservation and the maintenance of good practices. They also emphasised the importance of considering the challenges related to local aspects of biodiversity and landownership, the lessons learned from the carbon market, accessibility for small-scale operators, market incentives and the need for coherence with existing policies.

Drawing on this input, developing nature credits will require several steps:

- Setting up close cooperation among Member States and stakeholders to harness their expertise to develop a common understanding, while also fostering international cooperation;

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<sup>41</sup> Ecosystem Marketplace, ‘State of the voluntary carbon market, Renewing trust in carbon finance’, 28 May 2025. <https://www.forest-trends.org/publications/2025-state-of-the-voluntary-carbon-market/>.

<sup>42</sup> Regulation (EU) 2024/3012 of the European Parliament and of the Council of 27 November 2024 establishing a Union certification framework for permanent carbon removals, carbon farming and carbon storage in products. (OJ L, 2024/3012, 6.12.2024). <https://eur-lex.europa.eu/eli/reg/2024/3012/oj/eng>



- Developing high-integrity and transparent methodologies with a clear focus on simplicity and usability, while ensuring credible governance and safeguards to prevent reputational risks, including greenwashing, double counting and leakage;
- Identifying and developing market demand and supply;
- Where necessary, providing public seed funding, such as derisking facilities, blended finance vehicles and technical assistance grants, to kick-start nature credits.

These first steps will show if further regulatory action at EU level would be necessary, as well as what challenges and opportunities this would bring for key sectors. The specific needs and often local or regional dimensions of nature and biodiversity also suggest that these markets could be piloted locally first, before scaling them up. This could go in parallel with engagement at international level.

#### ***4.1. Ensuring strong EU stakeholder cooperation and enhancing international cooperation***

The effectiveness of a market depends on the buy-in of its actors. EU action will therefore start with building meaningful engagement among stakeholders across the EU and internationally.

To kick-start the process, the Commission will therefore launch a call for expression of interest to participate in a new EU expert group on nature credits. This group will share knowledge, promote collaboration, identify best practices and provide inputs across different methodologies, certification systems, monitoring approaches and models of governance. The governance of the group will ensure streamlined working methods. Participation will be inclusive, covering individual experts, Member States representatives, other public entities and a comprehensive range of stakeholders, such as farmers, foresters, landowners and land managers, fishers, users of sea and freshwater ecosystems, conservation area managers, local communities, businesses and investors operating in the EU and internationally, including small and medium-size enterprises (SMEs), scientific communities, and civil society organisations. Particular attention should also be paid to ensuring that Indigenous Peoples and local communities (IPLCs) are meaningfully included, with full respect for their rights, knowledge systems, and roles as stewards of biodiversity.

Action [2025]: *The Commission will set up an expert group on nature credits to mobilise expertise, share best practices and provide inputs.*

The Commission will contribute to this work through its research, innovation and pilot initiatives, including from Horizon Europe and the LIFE programme. A range of pilot projects across the EU and beyond are already testing real-world approaches to nature credits, generating essential experience to guide future policy and practice. For example, in Estonia and France, pilot projects are exploring how nature credits could support nature-positive action in forest and in wetlands. Outside the EU, a project in Peru is assessing how EU-based companies can contribute to biodiversity conservation abroad while meeting EU sustainability reporting standards<sup>43</sup>. Dedicated projects to test monitoring, reporting and verification methodologies are also ongoing, including as regards the use of remote sensing and geo-spatial tools, with the assistance of the European Space Agency<sup>44</sup> and the Copernicus Services<sup>45</sup>. Some

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<sup>43</sup> European Commission, DG Environment, 'EU delivers on global financing commitments to protect nature at COP 16', news article, European Commission website, 31 October 2024. [https://environment.ec.europa.eu/news/cop16-eu-delivers-global-financing-commitments-protect-nature-2024-10-31\\_en](https://environment.ec.europa.eu/news/cop16-eu-delivers-global-financing-commitments-protect-nature-2024-10-31_en)

<sup>44</sup> More information on 'Leveraging Earth Observation for Nature Finance': <https://www.leon-naturefinance.org/>

<sup>45</sup> More information on Copernicus Services: <https://www.copernicus.eu/en/copernicus-services>

of these projects are directly supported by the Commission, while others are backed by national authorities, research institutions and/or civil society.

At the international level, the Commission will seek to work even more closely within key fora such as the Biodiversity Credit Alliance, the World Economic Forum and the International Advisory Panel on Biodiversity Credits. The goal is to ensure that EU policy development is informed by emerging global standards, while also helping to internationally shape the development of nature credit markets. In parallel, the EU should foster international cooperation ahead of key global milestones, including the next CBD Conference of the Parties.

Action [2025-2026]: *The Commission will engage in international fora and with likeminded international partners, including in preparation for CBD COP 17.*

## **4.2. Developing robust methodologies and governance**

### **4.2.1. Carbon farming methodologies with biodiversity co-benefits**

Following the entry into force of the first methodologies, planned for early 2026, the CRCF framework will enable the certification of carbon farming activities with biodiversity co-benefits, such as peatland rewetting, planting of trees, and sustainable agriculture and agroforestry, ensuring that carbon sequestration projects also protect and restore biodiversity and ecosystems.

Action [2026]: *The Commission will adopt the first carbon farming methodologies under CRCF with mandatory co-benefits on biodiversity.*

### **4.2.2. Designing EU methodologies and governance frameworks for nature credits**

Criteria and methodologies for the certification of nature-positive action must ensure a high level of transparency, supply-side and demand-side integrity and prevent risks, while being simple and practical and relying wherever possible on existing principles or standards.

The Commission will invite the expert group to provide expertise on criteria and methodologies, by mapping and exchanging on existing national and international practices and identifying main options and key challenges associated to nature credits.

Action [mid 2026]: *The Commission will invite the expert group to provide its expertise on criteria and methodologies for nature credit markets.*

Robust governance frameworks are also essential for credible nature credit markets. They must clearly define the rules for ownership, registration, transfer of credits, independent verification, as well as the liabilities associated with non-performance or reversal of nature-positive action. Currently, the absence of a widely accepted framework for the measurement, reporting and verification of nature credits, combined with the lack of mutual recognition across Member States, creates uncertainty and risks undermining market integrity.

In designing a governance framework, several aspects must be taken into consideration for productive sectors to integrate nature into their business models, while safeguarding the multifunctional role of land, freshwater and marine ecosystems. Attention should be paid to simplicity, usability and synergies with other EU policies, as well as ownership rights including related to data. It is also important to address the specific needs of smallholders and SMEs, in line with the ‘think small first’ principle.

Action [2027]: *The Commission will invite the expert group to provide its expertise on designing governance frameworks for nature credits, with particular considerations for smallholders and Small and Medium Sized Enterprises.*

### **4.3. Fostering readiness for nature credit markets**

In parallel to the work on criteria, methodologies and governance, further work will be needed to identify market supply and demand and address potential obstacles or bottlenecks. This requires further market and trend evaluation, in particular on investment drivers and on the capacity of actors, including smallholders, to generate supply and demand for nature credits.

Existing EU policies can be an important driver in this process. For example, the Nature Restoration Regulation provides a strong framework for ecosystem restoration, creating predictable demand signals for public and private investors. It is a cornerstone for generating nature-positive actions that can be recognised and verified. The potential of nature credits to finance nature restoration, in complement to public funding and other private financing, will be acknowledged in the upcoming Report on Nature Restoration Financing<sup>46</sup>.

Action [2025-2026]: *The Commission will carry out an EU-wide evaluation of supply and demand for nature credits. Thereafter, on this basis, the Commission will invite the expert group to provide inputs on how to foster nature credit markets.*

### **4.4. Public seed finance to kick-start nature credits**

Developing robust and scalable nature credit markets may be further supported by targeted public or public-private seed finance or by de-risking mechanisms to reward and scale up early biodiversity certification and nature credits initiatives that are essential to attract private capital. Without this upfront support, it is likely that high transaction costs, fragmented information and uncertainty around returns will continue to limit the scale-up of nature finance. Exploratory work is already underway with the InvestEU Advisory Hub of the European Investment Bank<sup>47</sup>, including on peatland restoration, and with Green Assist under the LIFE programme<sup>48</sup>, to develop practical approaches to bridging supply and demand for nature credits.

While certification offers the possibility for upfront remuneration, it still involves a cost for operators. In addition, setting up the governance system also involves a cost and administrative burden for the private and public sectors, though the cost is expected to be covered by the valuation of nature credits.

As a precursor for nature credits financed by the private sector, public seed finance, including from EU funds available to support EU competitiveness and innovative European projects in the clean transition, can play an important role, by providing guarantees and/or a predictable source of revenues to actors engaged in nature-positive action.

Action [2025-2027]: *A pilot project on nature credits will be launched and supported by EU funds available to support EU competitiveness and innovative European projects.*

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<sup>46</sup> Article 21(7) of the Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/86.

<sup>47</sup> More information on the InvestEU Advisory Hub: [https://investeu.europa.eu/investeu-programme/investeu-advisory-hub\\_en](https://investeu.europa.eu/investeu-programme/investeu-advisory-hub_en)

<sup>48</sup> More information on Green Assist: [https://cinea.ec.europa.eu/green-assist-green-advisory-service-sustainable-investments-support\\_en](https://cinea.ec.europa.eu/green-assist-green-advisory-service-sustainable-investments-support_en)

#### 4.5. Next steps

Over the period 2025 to 2027, the Commission will take the actions described above to assist the development of nature credit markets in close cooperation with Member States, stakeholders and international partners. As the engagement of farmers and foresters is key for the success of nature credits, the Commission will closely involve the European Board on Agriculture and Food<sup>49</sup>.

This collaborative work will pave the way for further exploring policy options, including how the existing carbon architecture could be leveraged to create a new strand dedicated to nature credits, limiting implementing costs in line with simplification objectives. As markets in nature credits are still nascent, broader mechanisms to support demand generation could be explored, including incentivising uptake through disclosure and procurement rules, tax incentives, sectorial requirements, or other regulatory tools.

Lessons learned from national schemes, pilot projects, international examples and academia will feed into this process, ensuring that any potential new instruments are grounded in science, practical feasibility and aligned with EU and international objectives.

Action [2027]: *Based on experience and consultations, and inputs from the expert group, the Commission will review progress made and consider next steps for the development and scaling up of nature credit markets.*

#### Conclusion

The steps outlined in this roadmap set out a path to turn these foundations into policy action with robust methodologies, solid certification processes and inclusive governance frameworks, as well as the enabling of high-integrity supply and demand sides for nature credits. In the process, the focus will be on ensuring subsidiarity, integrity, simplicity and minimising administrative burden from the outset.

All stakeholders are invited to submit their views and contributions on the elements set out in this roadmap as well as on any other issues that they wish to raise concerning nature credits.

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<sup>49</sup> <https://ec.europa.eu/transparency/expert-groups-register/screen/expert-groups/consult?lang=en&groupID=3976>