

Recent developments in nature credit markets and their relevance to financial policies



What is a 'nature credit'?

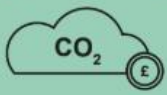
→ 'A certificate that represents a measured and evidence-based unit of positive biodiversity outcome that is durable and additional to what would have otherwise occurred.'

→ Allow for pooling of financial contributions

→ Does not create significant new public debt

→ efficiently channels money directly to local communities & indigenous people

→ Recognised in KM GBF Target 19 as solution for resources mobilisation from all sources

 Biodiversity credits		 Carbon credits	
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		Measurable, verifiable emission reductions from certified climate action projects which reduce, avoid or remove greenhouse gas emissions	
Biodiversity conservation and restoration	Goal	Carbon sequestration and emissions avoidance	
Multiple units of measurement, including abundance and richness of species, habitat extent and condition, and ecosystem integrity, among others	Measures	Single unit of measurement: CO ₂ e (tonnes of CO ₂ removed from the atmosphere)	
Used for voluntary contribution, local compensation for direct impacts and supply chain insetting	Purpose of use	Used for avoided emissions or enhanced removals	
Higher (local-to-local and like-for-like biological equivalence must be demonstrated – international, non-local compensation should not be allowed)	Locality	Lower (CO ₂ emissions have the same impact no matter where or how that CO ₂ is released)	
Very low	Tradability	High	



Global baseline of nature markets

- 19 national/subnational credit schemes identified
- Mostly regulatory compensation driven. Level of government involvement varies
- Market size:

Archetype	2025 estimate	Projections
Mandatory compensation	\$9 billion	17bn/y by 2034
Voluntary contribution	\$8 million	\$2 bn/y by 2030, >\$50bn/y by 2050 (WEF)



■ Operational
 ■ In development
 ■ Voluntary contribution
 ■ Voluntary compensation
 ■ Compliance compensation

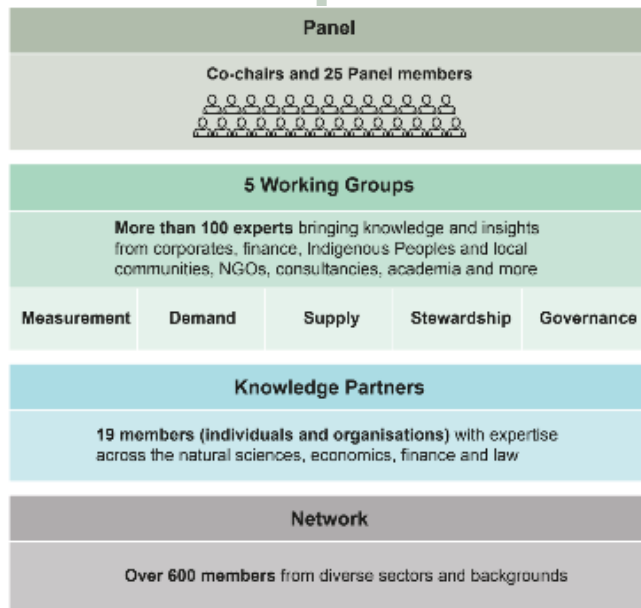
IAPB: From consensus to operationalisation



Origins

Established by
UK & FR
following
CBD COP15
and GEF-led
analysis

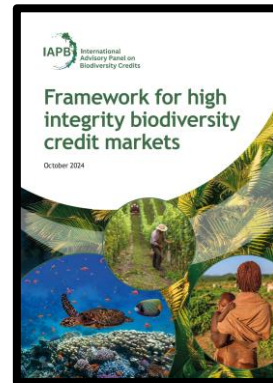
2023-2024



Bringing together business & finance leaders, IPs & LCs, NGOs + academia



Consensus on high integrity



+ Community of practice,
45 projects, 4 continents

2025



Launch of Policy Forum for
High Integrity Nature
Credits

developed jointly
with partners :

2026



COP17 - CP/MOP12 - NP/MOP6
YEREVAN, ARMENIA, 2026
**UN BIODIVERSITY
CONFERENCE**

into 2027



**Convergence and operationalisation
With countries, conservation organisations,
business and finance**

High Level Principles for high-integrity nature markets

→ **21 High-Level Principles (HLPs)** to bring **coherence** & establish **guidelines**

→ They were **co-created with BCA, WEF** and other partners + have received widespread endorsement

→ The HLPs include stringent safeguards for **greenwashing avoidance** and local-to-local ecological compensation

1. Verified outcomes for Nature	2. Equity and fairness for people	3. Good governance for markets
Lifecycle	Rights	Transparency
HLP 1: Defined biodiversity objectives and activity type	HLP 11: Legal and customary land and water rights	HLP 18: Transparent governance structure
HLP 2: Demand integrity and the mitigation hierarchy	HLP 12: Respecting human rights and the rights of Indigenous Peoples	
HLP 3: Credit issuance and tracking	HLP 13: Free prior and informed consent	
HLP 4: Ex ante and ex post credits		
Criteria	Inclusion and rewards	Accountability
HLP 5: Additionality	HLP 14: Indigenous Peoples and local communities' involvement in governance	HLP 19: Data sovereignty HLP 20: Alignment with frameworks HLP 21: Tradability
HLP 6: Baselines		
HLP 7: Durability		
HLP 8: Leakage	HLP 15: No harm	
Validation	HLP 16: Benefit sharing	
HLP 9: Monitoring, reporting and verification	HLP 17: Grievance mechanism	
HLP 10: Third-party audits		

Key safeguards embedded in the High-Level Principles

Last resort only

Compensation only for unavoidable impacts, duly justified and conditioned on rigorous application of the mitigation hierarchy.

Local-to-local, like-for-like

Compensation must be local-to-local and like-for-like (or better). IAPB advocates net positive impact / net gain.

Market integrity

HLPs and IAPB standards guard against double counting, leakage, false claims and perverse incentives. Stacked and bundled credits must be additional and never double counted.

Permanence

Requirements to ensure permanence — or to remedy permanence issues where they arise.

Rights are non-negotiable

Indigenous Peoples and local communities as co-creators of projects and markets. FPIC respected; fair payment is a right, not a courtesy.

No secondary markets yet

IAPB does not support secondary markets at this stage.

Strengthening nature credits as instruments for resources mobilisation towards nature conservation & restoration

Policy advancement

Proposing **globally relevant market standards** :

- Lifecycle
- Additionality
- Social inclusion & equity

Knowledge partner to countries, eg Indonesia + exploring Brazil, China, Peru, Thailand...

Broader country outreach via **Policy forum** (20+ governments)

Economic & financial case

Economic case development:

Market size modelling under several market framework archetypes

Financial & accounting case:

How investing into nature-based resilience via credits helps generate & monetize value – “Rol of nature credits”

Piloting & mainstreaming

Sandboxing IAPB standards within CoP, approx. 45 projects globally, including some with existing issuer/offtaker relationship

Further **focussed piloting in specific countries** where IAPB acts as knowledge partner, testing standards and related guidance; fostering **public-private dialogue**

Verified & additional ecological impact supported by credits as outcome-based financial instrument



Upcoming deliverable: market valuation methodology based on policy scenarios analysis

More voluntary / less prescriptive

More mandatory / more systemic

1

VOLUNTARY NATURE CONTRIBUTION MARKET

"Early Market Activation"



Market activation driven by voluntary corporate action in response to ESG, TNFD alignment, brand, and supply chain expectations.

	Demand driver: Corporate ESG & reputational drivers
	Market structure: Project-based / programme / landscape
	Obligation level: Voluntary
	Policy intensity: Low
	Time to scale: Near-term (1–3 years)
	Expected scale: Lower initial flows, important for incubation

2

INCENTIVISED HYBRID MARKET

"Policy-Enabled Voluntary Scale"



Policy incentives (fiscal, finance, disclosure, taxonomy) strengthen voluntary demand and accelerate private capital mobilisation.

	Demand driver: Incentives, finance & disclosure linkages
	Market structure: Project / programme / sectoral
	Obligation level: Incentivised (not mandatory)
	Policy intensity: Low – Moderate
	Time to scale: Medium-term (2–5 years)
	Expected scale: Moderate and steadily growing

3

SECTORAL BIODIVERSITY OBLIGATION MARKET

"Targeted Compliance System"



Mandatory obligations for specific sectors or activities generate predictable demand through offsets, restoration or uplift requirements.

	Demand driver: Sector obligations & regulatory hooks
	Market structure: Sector-based (offsets / net gain / quotas)
	Obligation level: Mandatory (sectoral)
	Policy intensity: Moderate – High
	Time to scale: Medium – Long term (3–7 years)
	Expected scale: High and increasingly predictable

4

JURISDICTIONAL / INTEGRATED NATURE SYSTEM

"National Nature Market Infrastructure"



Nature markets embedded in national systems aligned with biodiversity targets, finance, land-use planning and disclosure frameworks.

	Demand driver: Economy-wide targets & planning integration
	Market structure: Jurisdictional / integrated (multi-sector)
	Obligation level: Mandatory (system-wide)
	Policy intensity: High (systemic)
	Time to scale: Long term (5–10+ years)
	Expected scale: Very high – transformational potential

1



FORESTRY & PLANTATIONS

2



FOOD & AGRICULTURE

3



TOURISM

4



MANUFACTURING

5



INFRASTRUCTURE & DEVELOPMENT

6



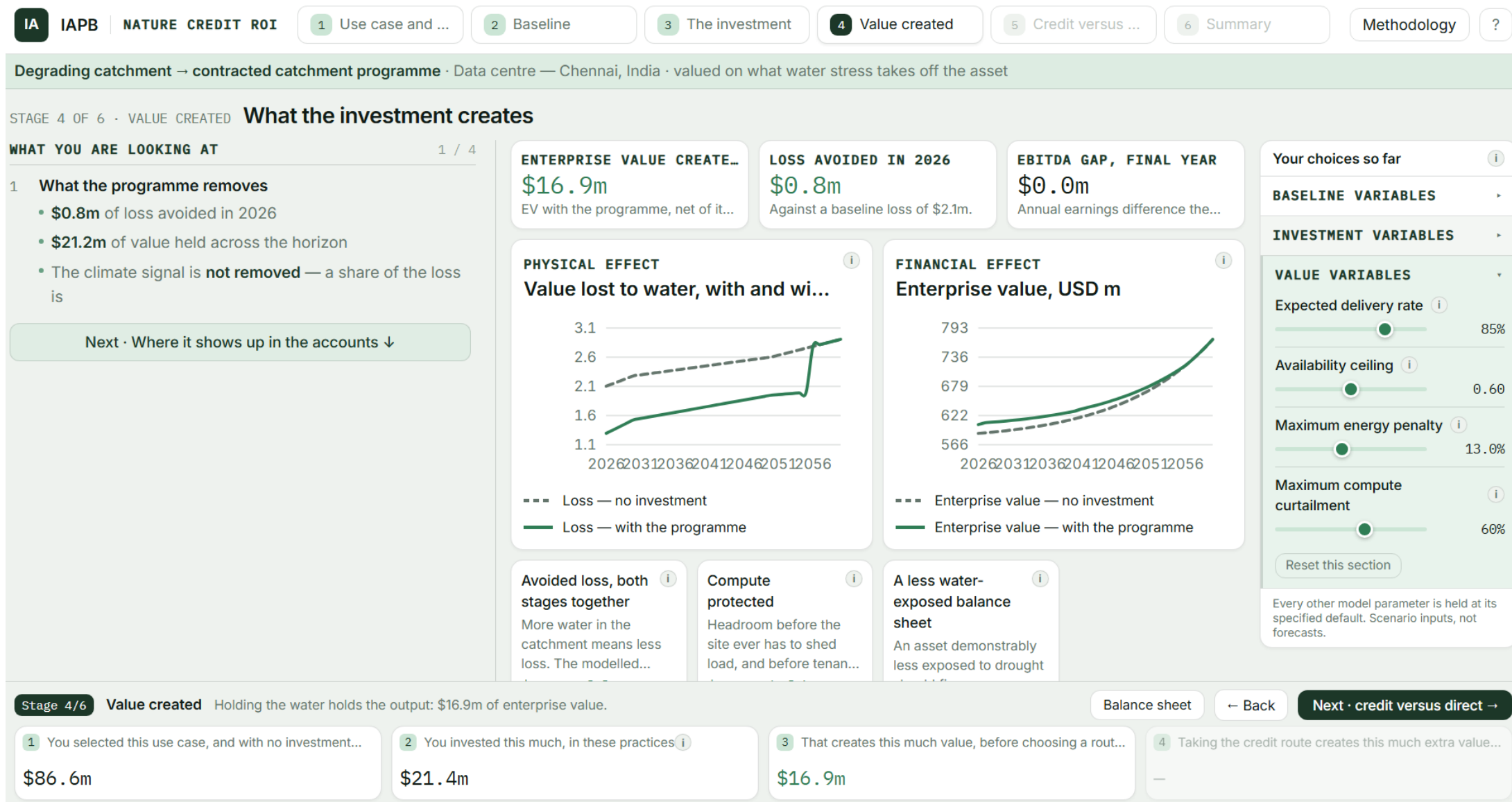
MINING & EXTRACTIVES

7



FINANCIAL INSTITUTIONS

Upcoming deliverable: tool to analyse potential return on investment of nature credits



England: Biodiversity Net Gain

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Mandatory 10% uplift: developers must go beyond 'no net loss' and leave ecosystems in a measurably better state than before.

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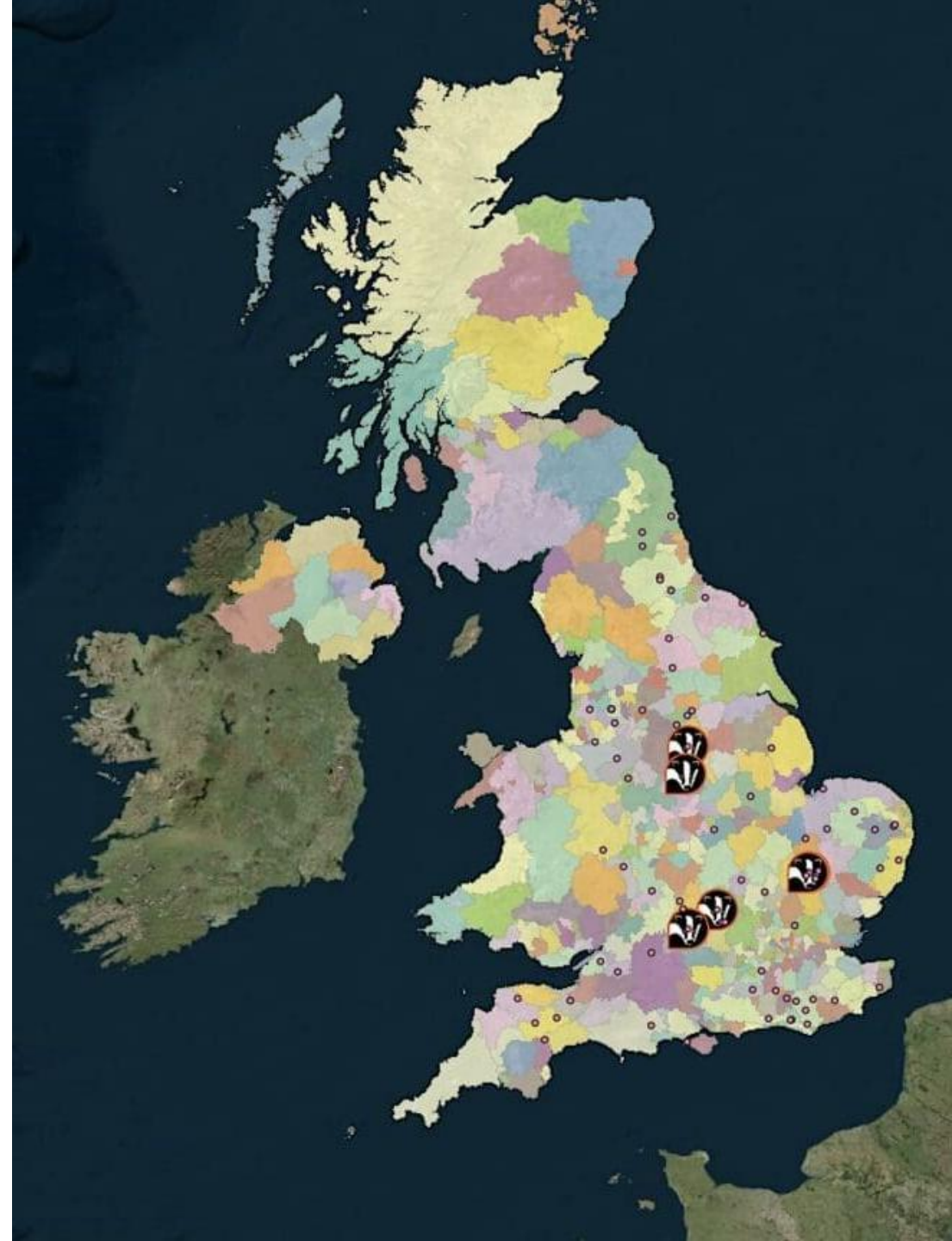
Compensation safeguards: no 'trading down' allowed between habitats; spatial risk multiplier; habitat creation in a priority nature recovery area gets a higher score.

3

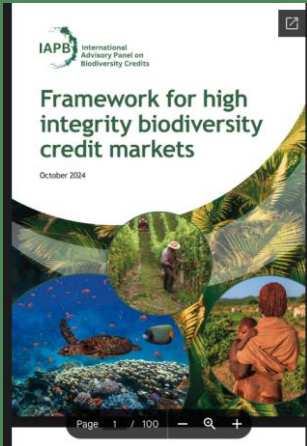
Finance mobilised: £500m+ of private capital mobilised since 2020; projected to grow to £3b by 2035; due to expand to National Significant Infrastructure in Oct 2026.

4

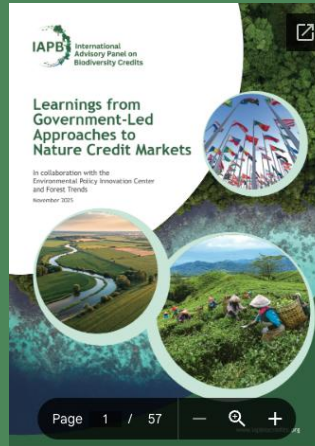
Model for others: variants of the BNG metric are already being tested or implemented in multiple countries including India, the Netherlands, Sweden, Singapore & USA.



Find out more



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<https://www.iapbiocredits.org/>



International Advisory Panel on
Biodiversity Credits

