



The Nature Credit Markets Opportunity: Supply considerations

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CI's strategy towards high-integrity nature credit markets

Our objective is to catalyze and shape **high-integrity and equitable nature credit markets** to deliver **new finance** supporting **net-positive and lasting outcomes for nature and people** and the **transition to nature-positive economies**

Our strategy will be facilitated by partnerships across all strategy levers and enabled through **place-based market pilots** that provide a safe space for collaboration and experimentation from which all market actors can learn

CI's Nature Credit Market Strategy

 Supply

 Demand

 Governance

 IP & LC Voice and Participation

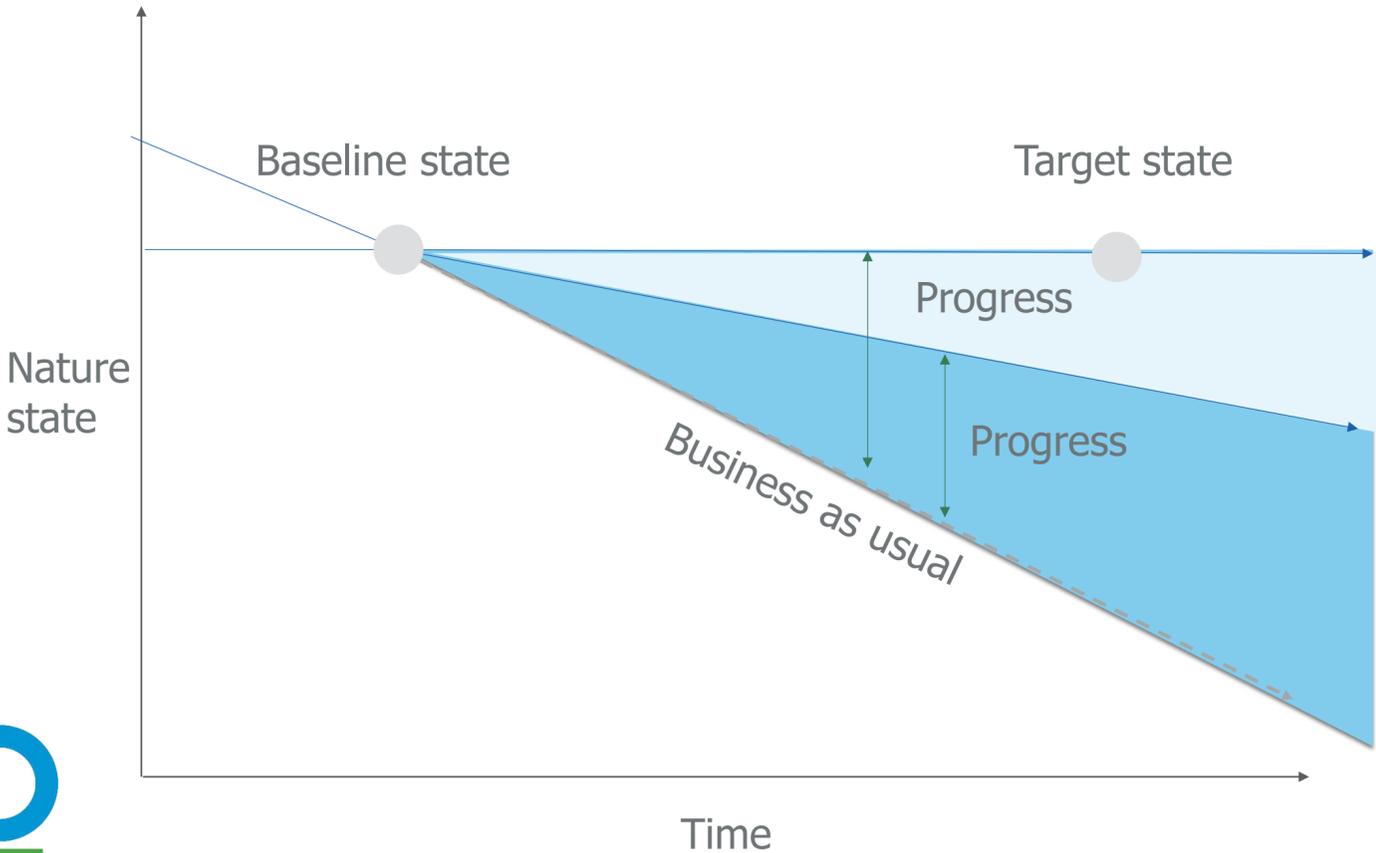
 Science and Technology



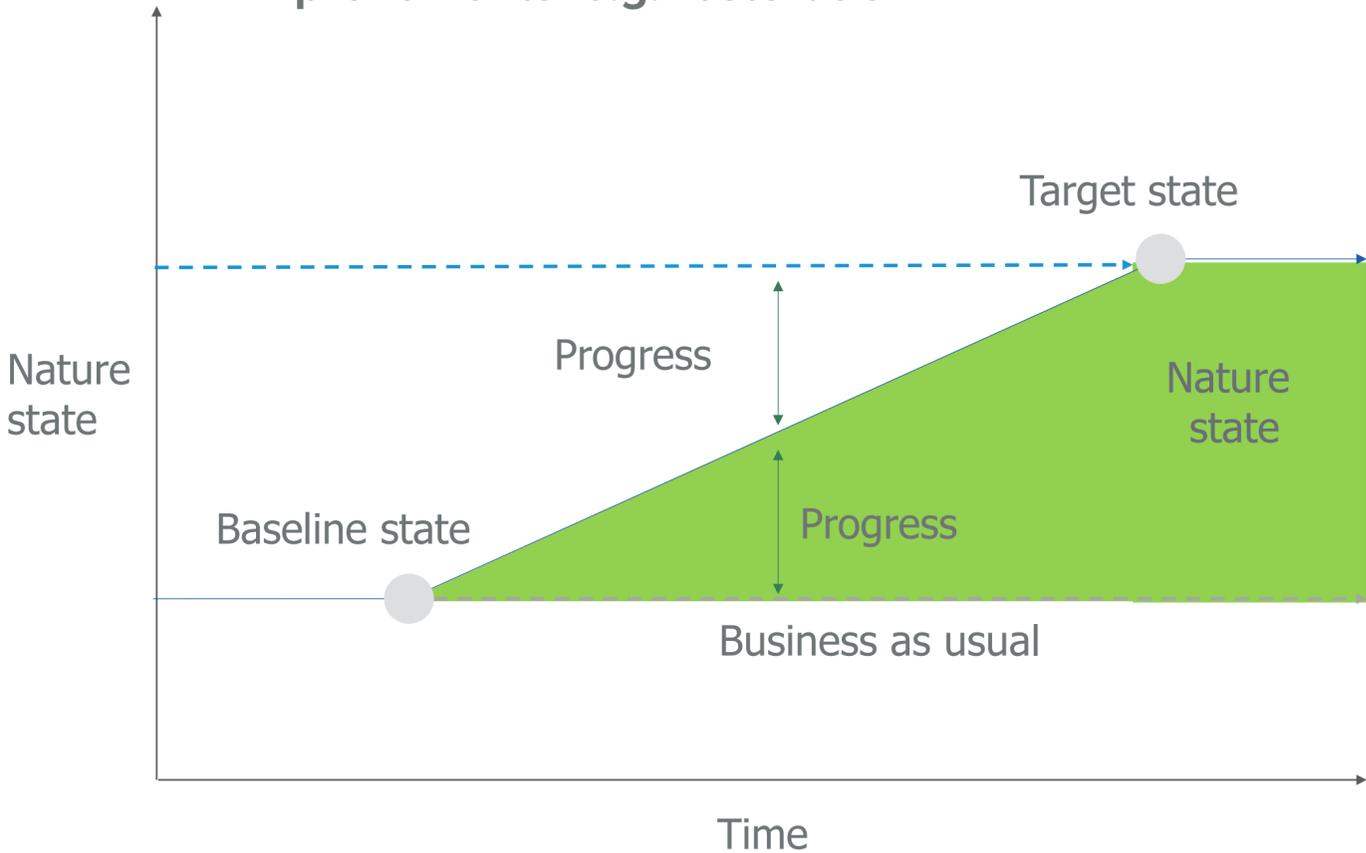
Nature credits seek to drive **new and additional ways to finance nature** and support the **shift to nature-positive economies**

Nature credits, also called biodiversity credits or certificates, are intended to represent a **comparable, measured and evidence-based unit of positive biodiversity (and potentially broader) outcomes** from nature restoration, conservation and stewardship activities

1 Conservation or stewardship: Maintaining intact state or slowing biodiversity declines



2 Uplift credits: Generating biodiversity improvements e.g. restoration



Measurement of outcomes is a central requirement

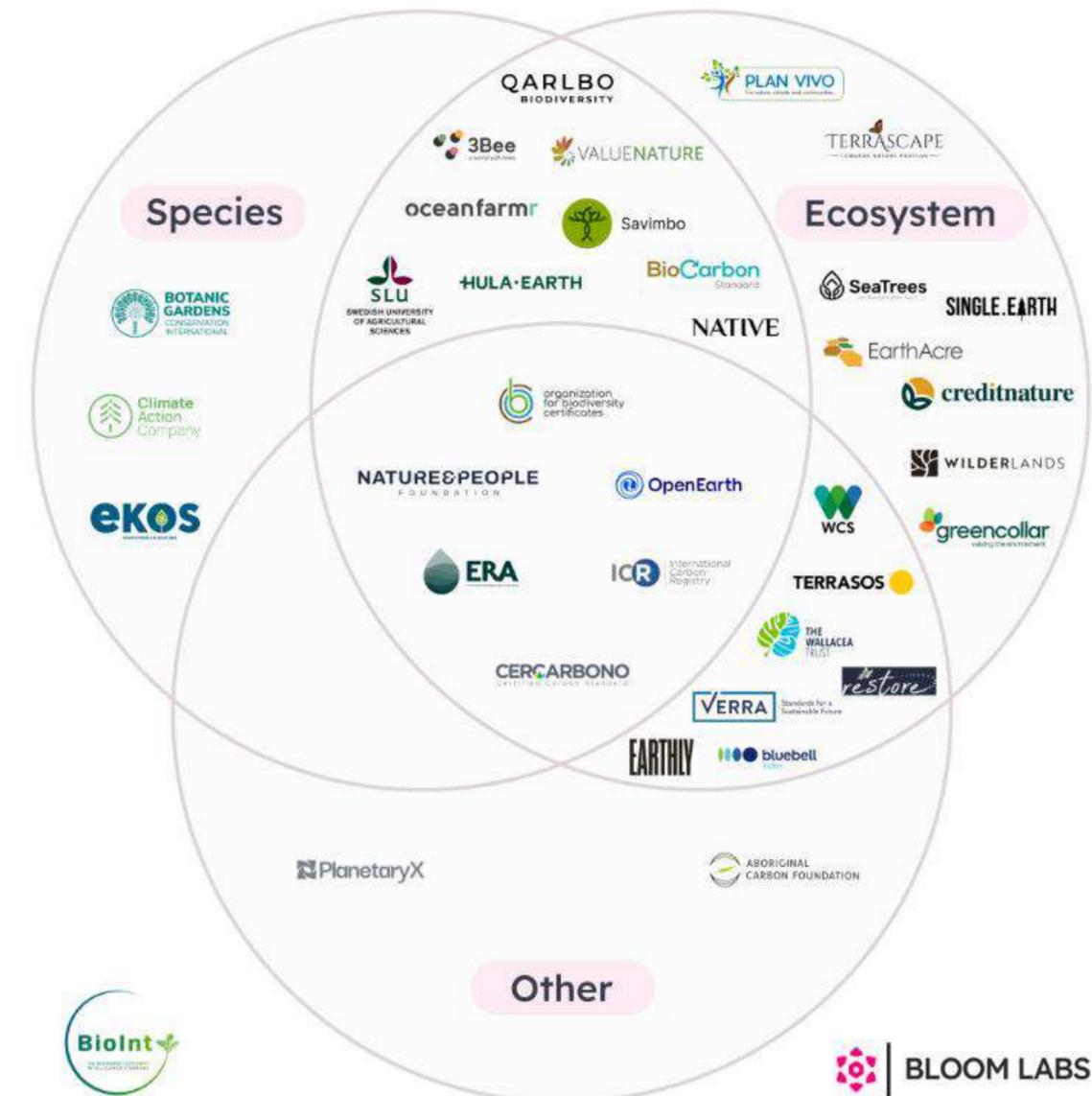
Current count from Bloom Labs shows there are **50+ biodiversity crediting schemes**

There are variations in (as Bloom Labs articulates) both the “Ingredients” that comprise the biodiversity calculation and the “Recipe” or way the unit gets consolidated into a unit and what that unit is.

What goes into biodiversity credit calculation?

Version 2

Ingredients 🥕



Equally important are the guardrails for high integrity

Verified Outcomes for Nature

Rigorous measurement, validation and verification to ensure all credits deliver robust outcomes

Lifecycle

- **HLP 1:** Defined biodiversity objectives and activity type
- **HLP 2:** Demand integrity and the mitigation hierarchy
- **HLP 3:** Credit issuance and tracking
- **HLP 4:** Ex ante and ex post credits

Criteria

- **HLP 5:** Additionality
- **HLP 6:** Baselines
- **HLP 7:** Durability
- **HLP 8:** Leakage

Validation

- **HLP 9:** Monitoring, reporting and verification
- **HLP 10:** Third-party audits

Equity and fairness for people

“no harm” approach, generating meaningful, equitable benefits. Respecting the rights of indigenous peoples and local communities

Rights

- **HLP 11:** Legal and customary land and water rights
- **HLP 12:** Respecting human rights and the rights of Indigenous Peoples
- **HLP 13:** Free, prior and informed consent

Inclusion and rewards

- **HLP 14:** Indigenous Peoples and local communities’ involvement in governance
- **HLP 15:** No harm
- **HLP 16:** Benefit sharing
- **HLP 17:** Grievance mechanism

Good governance for markets

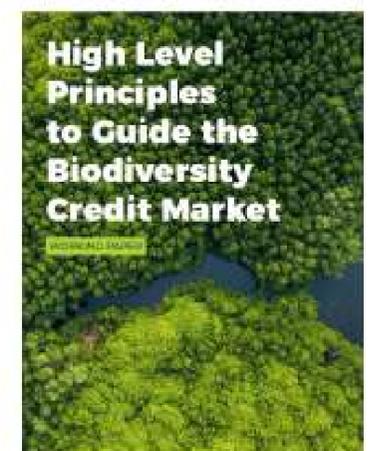
Transparent and sound governance across the system, at macro-level and project-level implementation

Transparency

- **HLP 18:** Transparent governance structure

Accountability

- **HLP 19:** Data sovereignty
- **HLP 20:** Alignment with frameworks
- **HLP 21:** Tradability



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Source: IAPB, BCA, WEF (2024) High-level principles to guide the biodiversity credit market



Developing a project



An initial risk screen to identify any red-flags that may inhibit the project e.g. governance, tenure and rights, conservation management, safeguarding, stakeholder relations, resourcing levels.

Usually driven by a template provided by the relevant standard and may include:

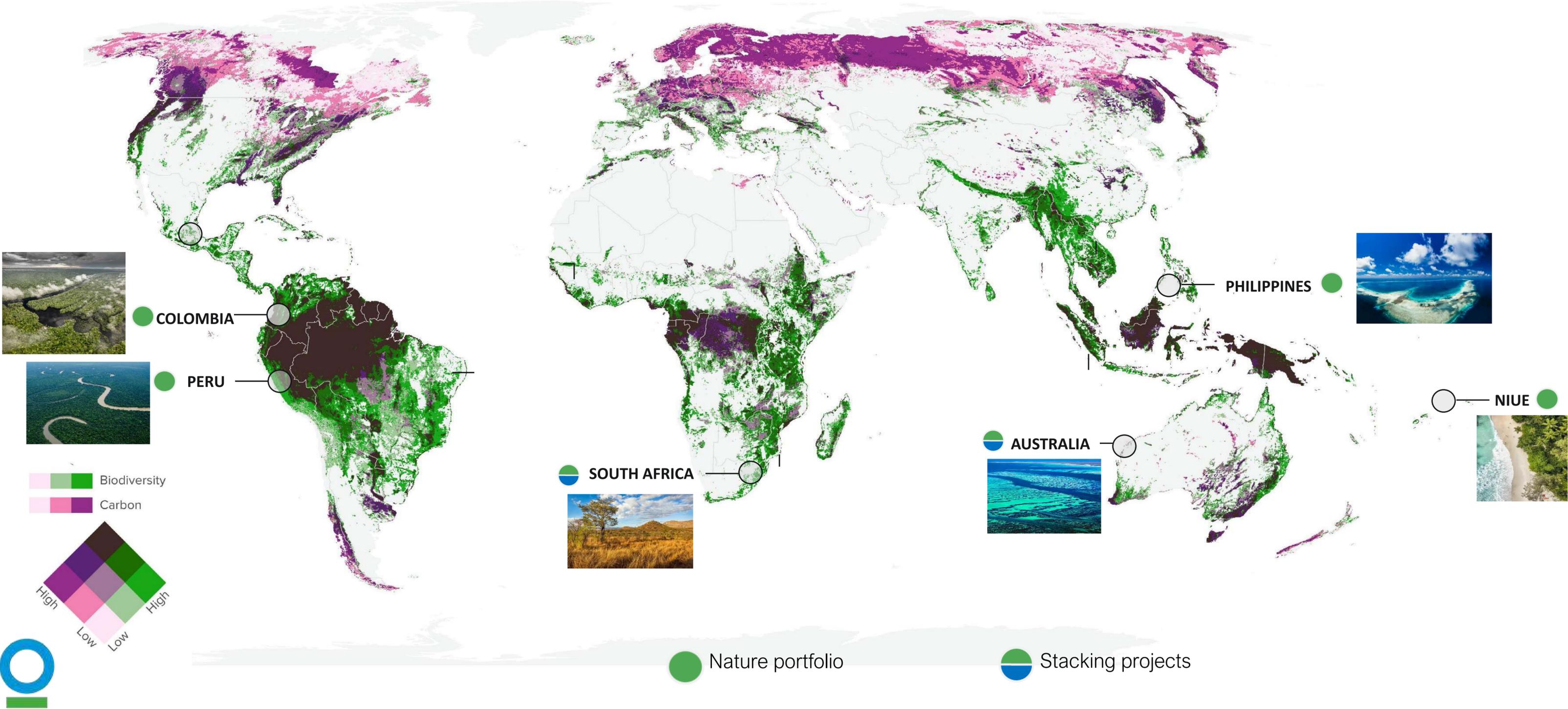
- Standards: Identify best fit standard
- Technical: Build biodiversity baselines, enhance monitoring methods
- Social: Improve stakeholder engagement, consent and benefit sharing
- Legal: Confirm status of tenure and rights
- Governance and financial: Governance arrangements; build a financial model to inform credit pricing
- Safeguarding: Develop or enhance the management of risk areas including human rights, safety, security, etc.
- Demand: Investigate demand options

Validation of project design and verification of project outcomes

Credits issued based on verified outcomes for a period



Current pilot portfolio



THANK YOU

CONSERVATION
INTERNATIONAL

