



Report on the round table “Climate finance: the role of biodiversity credits” of the event “African/European perspectives – Connecting development, climate and conservation actors”

Description:

Although the voluntary market for biodiversity credits is still developing, it offers a major opportunity to finance actions with climate and biodiversity co-benefits, to finance conservation actions and to integrate the protection of ecosystems into economic practices. The aim of this round table is to discuss the prospects and challenges of the biodiversity credit market, which has yet to be defined. Several questions are on the table: Should biodiversity credits be integrated into the existing carbon market to benefit from its infrastructure, or should a separate market be created to maximise their impact and specificity? What lessons can be learned from carbon markets for biodiversity markets, to avoid making the same mistakes? What synergies are needed between carbon and biodiversity markets to maximise climate and biodiversity co-benefits? There are still many challenges to be met, including developing robust standards for assessing and certifying biodiversity credits, and maximising co-benefits for local communities and the environment. This round table aimed to provide some tangible answers.

Moderation :

- **Ronan Dantec**, President of Climate Chance

Speakers:

- **Amandine Hersant**, Director, Planète Urgence, member of the Organisation for Biodiversity Certificates
- **Matthieu Wemaere**, Lawyer, Consultant for the *Global Environment Facility* (GED) on the governance of biodiversity credits
- **Caroline Sourzac Lami**, Finance and Biodiversity Advocacy Officer, WWF France
- **Alain Guy Tanefo**, New markets director, and **Cheick Bah**, In charge of operations West Africa Blue
- **Emilie Alberola**, Associate Director Southern Europe, EcoAct

Notes:

Speaker	Subject
Amandine Hersant	<ul style="list-style-type: none"> ● Projects in critical areas, particularly in emergency situations such as deforestation. ● Ethical question: should we intervene in these areas as an NGO? To access the carbon credit market, you have to pay 20% of the costs. ● Example: First mangrove restoration project, an area with protected species. ● Doubts about the creation of markets around living things: Are we in the process of creating a market without any real meaning? The biodiversity market is still relatively unstructured. ● It is essential to rely on science rather than create new mechanisms. In the case of mangroves, for example, it is difficult to measure the positive impact



	<p>precisely because biodiversity involves complex interactions between flora and fauna.</p> <ul style="list-style-type: none">● Concerns about methodology: We must not start from species to avoid speciesism. OBC is working on an analysis of practices to assess uses and their impact on biodiversity.
Matthieu Wemaere	<ul style="list-style-type: none">● There is a \$500 billion gap in funding for biodiversity, due in part to harmful subsidies for agriculture, forestry and fishing.● The target for 2030 is to mobilise 200 billion dollars a year for biodiversity from all sources, but currently only 15 billion dollars comes from public funds.● Various financial instruments were discussed at Kunming-Montréal, including biodiversity credits. However, the use of the term 'credit' can be misleading:<ul style="list-style-type: none">○ It can either be a real credit to repay a debt, or recognition of a positive action for nature.● The cumulation of carbon and biodiversity credits is one possibility, and an international advisory committee (IAPB) is in the process of defining a robust framework for biodiversity credits.● Examples of international initiatives:<ul style="list-style-type: none">○ Australia: Positive contributions used solely for voluntary purposes, with no commercial intent.○ India: Voluntary approach with green credits, except where regulators impose offset credits.○ United Kingdom: Credit bank system with a logic of additionality, where the government allocates credits to projects.● The Global Environment Facility (GEF) is planning a pilot phase to test this robust framework. It is crucial to involve indigenous populations in the governance of biodiversity projects.
Caroline Sourzac Lami	<ul style="list-style-type: none">● WWF France is working on biodiversity credits, a subject that is still complex and in the process of being structured, not least because, unlike carbon credits, there is no standard unit for measuring and trading biodiversity. In Cali, the challenge will be to propose an ambitious definition of biodiversity credits, focusing on the contribution to biodiversity, while at the same time controlling land take.● Unlike carbon, biodiversity is a complex concept, involving interactions between species and their habitats. WWF proposes a three-step approach:<ol style="list-style-type: none">a. Measuring impacts on biodiversity.b. Certifying these impacts.c. Issuing a certificate attesting to the actions undertaken.● Caroline insists on the importance of avoiding the exclusion of local communities from conservation projects, by ensuring that they are involved and that their needs are taken into account.● A major challenge will be to harmonize international criteria to guarantee the transparency and reliability of biodiversity credits. This will require strong institutional support to ensure coherent action.● Caroline expresses concerns about financial intermediaries in this market: it is essential that funds go directly to field projects and local communities.● The aim is for biodiversity funding to complement existing funds, rather than replace them, in order to increase resources for ecosystem conservation and restoration.



<p>Alain Guy Tanefo et Cheick Bah</p>	<ul style="list-style-type: none"> • In Guinea, a social enterprise aims to approach investors to support environmental projects. Three main areas of work have been identified: <ol style="list-style-type: none"> a. Clarify the regulatory and legal framework, especially in Guinea where it is still underdeveloped. Involving local authorities from the outset is essential. b. Work with local communities and leave the final choice to them to ensure that the financial spin-off benefits everyone. c. Ensure that the financial spin-offs benefit both communities and local authorities. • A concrete example is the mangrove restoration project in Guinea, which includes soil sampling carried out by a Kenyan research institute to precisely measure the amount of carbon stored. Local communities play a crucial role in this process, having been trained and sensitized.
<p>Emilie Alberola</p>	<ul style="list-style-type: none"> • EcoAct supports companies in their climate strategies, and more recently in biodiversity issues. A major challenge is to create coherence between carbon and biodiversity strategies, which have traditionally been dealt with separately. Yet these two areas are increasingly interconnected. • It is essential to draw lessons from the carbon credit market, which, despite its experience, has been criticized for its lack of credibility. One of the key lessons is the need to regenerate ecosystems rather than focusing solely on offsetting. • To guarantee the credibility of biodiversity credits, the methodology and certification processes must be rigorous and aligned with scientific advances. It is also important to ensure ongoing monitoring of market players. • Liquidity is a key factor in the success of a biodiversity credit market. She gives the example of China, where the absence of financial players has hampered the valuation of carbon credits. This underlines the importance of integrating financial actors from the outset. • Demand is also crucial: without demand for biodiversity credits, the market cannot develop. The experience of the carbon market in 2011, where the price collapsed for lack of demand, shows the importance of solid regulation in stimulating business investment.
<p>Ronan Dantec</p>	<ul style="list-style-type: none"> • Question: Is the biodiversity credit similar to the REDD+ credit, or is it a separate tool? • If we develop effective financing flows, we can establish a logic of ecosystem restoration while supporting local communities. • Carbon credits have come under attack for their effectiveness and efficiency. The idea is to create a different tool for biodiversity, which would take these criticisms into account.

A key quote from each speaker:

Speaker	Verbatim, key phrases, operational proposals
Amandine Hersant	“There is a risk of creating a biodiversity credit market that is out of touch with reality.”
Matthieu Wemaere	“The word credit is a little misleading.”
Emilie Alberola	“When you create mechanisms, you also have to work on demand and not just



supply.”

Question and answer session with the audience:

Gishlain Brégeot (IFAID)

1. How is biodiversity measured before the operation?

- It seems difficult to get an exact answer. In Colombia, the first biodiversity credits are set up by ecosystem, with **zero points** to establish a baseline. Then, depending on use, impacts are measured and credits are generated for the private market.

2. What is the potential demand for biodiversity credits?

- According to the World Economic Forum, **€700 billion** is needed for biodiversity, but by 2025 only €2 billion will have been mobilised. This raises the question of **creating demand**: although current demand is low, we must not focus solely on offsetting. It is crucial to **create** this demand.
- Regulations, such as **Article 6** of international agreements, should not take too long to put in place, because a **global framework** is needed to structure this market.

Sylvia Maeght (La Voûte Nubienne)

3. How much financing can we attract?

- Is the biodiversity credit market really profitable and attractive to investors?