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France and UK Announce Roadmap to Boost Biodiversity Credit Market



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In June 2023, [the UK and France announced](#) a joint plan to launch a new biodiversity credits scheme. Through the Global Biodiversity Credits Roadmap, the two countries have pledged to support private sector biodiversity efforts and mobilize financing towards preventing biodiversity loss and conserving nature. The initiative was launched at the Summit for a New Financial Pact held in Paris. The Roadmap supports the [COP15 Global Biodiversity Framework \(GBF\)](#), which, among other things, aims to protect 30% of the world's land and oceans and restore 30% of degraded ecosystems by 2030.

The Roadmap details a plan to scale up global efforts to support companies in buying biodiversity credits—broadly, vehicles for investment in environmental projects that strengthen biodiversity or restore nature in a variety of contexts, including rainforests, oceans and wetlands. It is also designed to centralize expertise on biodiversity credits, establishing working groups and advisory panels to examine best practices on issues ranging from credit funding governance mechanisms to monitoring frameworks. The Roadmap will also consider how to distribute income from biodiversity credits across communities fairly. The Roadmap aims to make progress consistent with international milestone events such as the next United Nations Biodiversity Conference, or COP16, which will be held next year in Turkey. COP15's landmark Kunming-Montreal Global Biodiversity Framework (GBF) is often described as the Paris Agreement of Nature, and the 2024 convention will put individual parties' progress towards their national goals and targets in the spotlight.

In 2020, [the World Economic Forum \(WEF\) estimated](#) that more than half of the world's GDP, or \$44 trillion, is moderately or highly dependent on nature, yet the funding gap for biodiversity restoration remains significant. In the same year, [the Paulson Institute estimated](#) that current spending on biodiversity conservation (measured against the total estimated biodiversity protection need) leaves a

current biodiversity financing shortfall of between \$598 billion and \$824 billion per year. The UK and France have reached the conclusion that government initiatives alone cannot cover funding that size biodiversity gap.

Final Thoughts

Within the EU and elsewhere, biodiversity preservation increasingly has become a priority, [as we have discussed](#). However, securing the necessary investment [remains a significant hurdle](#), and promoting public and private sector funding is a consistent focus of biodiversity efforts, whether in the context of the development of a [sustainability taxonomy](#), the formation of a [35-member bank-led working group](#) to promote nature- and biodiversity-related target setting that is aligned with the GBF, or [enhancing biodiversity-related governance and disclosure](#) as part of the Corporate Sustainability Due Diligence Directive.

As for France in particular, at COP27, [President Emmanuel Macron announced](#) an initiative to protect the planet's essential carbon and biodiversity reserves. Central to this initiative are Positive Conservation Partnerships (PCPs), which would function through a biodiversity credit market and ultimately serve as a way to facilitate biodiversity investment. On its end, the Roadmap helps the UK build on its [Ten Point Plan](#) for a green industrial revolution and more recent initiatives emphasizing the UK's approach to biodiversity.

[As we have previously observed](#), a related area of focus in terms of spurring climate-related investment concerns carbon credit markets as nations and companies look to offset their emissions and achieve net zero and other climate related goals. At the same time, such schemes are attracting increasing scrutiny and criticism, [as we have noted](#), due to concerns around the [transparency and quality of the credits](#). At least in part due to these concerns, in the fall of 2022, the International Organization of Securities Commissions launched an investigation ([see our commentary on that here](#)) into both voluntary and compliance carbon credit markets.

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