

Session 8. Biodiversity Credits

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Moderator: Ryan Sarsfield, Environmental Policy Innovation Center

Panelists: Cory Pruett, Qarlbo Biodiversity, and Zoe Balmforth, Pivotal

Key Take-Aways:

Biodiversity credits are a certificate that represents a measured and evidence-based unit of positive biodiversity that is durable and additional to what would have otherwise occurred. Biodiversity credits and markets can be modelled on endangered species banking and wetland mitigation banking credits, rather than solely on carbon credit examples, as they seek to uniquely measure the value of individual species and ecosystems. There are a multitude of approaches for measuring biodiversity and developing credits, and this market is still in very early stages.

Introduction from Ryan Sarsfield:

Potential of biodiversity credits:

- Create a path for the private sector to internalise the costs of their biodiversity impacts and create a path for nature investment that need not rely on the philanthropic sector.
- Efficiency and investability.
- Long-term, the biodiversity credit market may exceed carbon markets.

Demand comes largely from the private sector. The private sector is a large driver of demand because:

- They have to – regulation e.g. biodiversity net gain
- They want to – shareholder pressure, voluntary/philanthropy
- They need to – market differentiation, supply chain dependencies
- Impact disclosure leads to new forms of compensation

Market pathways:

- Biocredits likely to follow GHG but accelerated.
- Looking at existing structures: carbon, species banking
- Voluntary to regulatory – and is that needed? Learn from carbon
- Getting there: expand environmental regulatory market, integrate credits with reporting; set minimum standards and high integrity products

Presentation from Cory Pruett, Qarlbo:

Qarlbo is a company based in Sweden that is doing some preliminary biodiversity crediting work in the United States. Cory is a forester working to measure biodiversity; this is challenging because biodiversity is so heterogeneous. Cory called out the need for a

conversation around additionality and how to build on the work of initiatives already on the ground such as FSC.

Presentation from Zoe Balmforth, Pivotal:

Key barrier to biodiversity credits is the difficulty investors/ businesses have in seeing the results – especially positive ones. When you can quantify results and nature in an evidenced way you can ascribe these to credits.

Pivotal has worked with Plan Vivo to develop their PV Nature (or Plan Vivo Biodiversity Standard) [methodology](#).

The UK's Biodiversity Net Gain law is a huge development in this field and a driver of demand for biodiversity credits. The Biodiversity Net Gain law came into force in February 2024 and requires a developer to create a 10% gain on the loss that occurs during development. Measurement is done via species mapping and supply comes from habitat banking, farmers, governments.

Future needs for the development of this market:

Regarding offsets, we need different words to accurately describe what we are doing because credits are not perfectly equivalent like-for-like transfers, but they are representations of positive investments that can compensate impact when impacts invoke a cost.