

Biodiversity Credits Initiative: Frontrunners Coalition



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The challenge

Over the past 50 years the world has seen a 69% drop in wildlife populations and, overall, one million species are facing extinction. It is both an environmental and an economic crisis given that more than half the world's GDP is moderately or highly dependent on nature and its services.

Business has a key role to play in driving nature recovery, notably by building instruments such as voluntary biodiversity credit markets, as set out in the Kunming-Montreal Global Biodiversity Framework (GBF), to which 196 countries are signatories.

The World Economic Forum launched the Biodiversity Credits Initiative to explore the potential of this innovative instrument to help mitigate systemic nature-related risks and channel investment into vital ecosystems and indigenous peoples and local communities.



Biodiversity credits are an economic instrument that can be used to reward positive nature, biodiversity, and social outcomes through the creation and sale of biodiversity units.

The Coalition

To ignite the market and catalyse early demand, the World Economic Forum, in partnership with McKinsey & Company, is convening a Frontrunners Coalition - a platform for private sector players to identify and discuss the key entry barriers and drivers of the market. The ambition of the Coalition is to:

- Signal the increasing interest to finance health of ecosystems and supporting communities who care for them.
- Build a stronger business case, deepening the trust and confidence in the market.

- Pilot, iterate and learn from early-stage examples and transactions, improving efficiency.

Why join the Coalition

Businesses participating in the Coalition will have the opportunity to raise the ambition around these innovative instruments and gain a reputation as leaders on nature markets and financing mechanisms globally.

The members of the Coalition will benefit from dedicated bilateral discussions and workshops with market experts on the main outstanding questions around this market, including the role of policy and incentives, data and measurement of biodiversity impacts, and the interconnection between different instruments such as carbon credits, PES, and biodiversity credits.

Through these early-stage partnerships and agreements, business will ensure that the market develops with high integrity, as laid down in the [High-Level Governance and Integrity Principles](#) and of the guidance drafted by the Forum and McKinsey.

For these businesses, it is a unique opportunity to play an instrumental role in building a new market, to gain lasting reputation for innovation, and to advance their procurement know-how.

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