

A snapshot

Under embargo until 11.00am
Friday 7 July 2023



Te āwhina i te taiao me ngā tāngata kia puāwai Helping nature and people thrive

Exploring a biodiversity credit system for Aotearoa New Zealand
Snapshot of the consultation

Indigenous biodiversity

Nature needs our help. The twin climate change and biodiversity crises are putting at risk Aotearoa New Zealand's unique wildlife, plants and habitats. This is due to human impact and environmental pressures such as land-use change, introduced pests, weeds and diseases, rising temperatures and increased droughts and floods.

While many landholders are working hard to protect and restore our unique wildlife, we risk losing many of these species and habitats without increased support. To do so risks our own wellbeing, given the many ways the environment supports us. We can't rely on government funding and the goodwill of landholders – including whenua Māori – to address these emerging challenges. The biodiversity crisis is a shared challenge that needs new approaches and increased support.

The growing interest in investing in nature

There is growing global awareness of biodiversity and climate challenges and their environmental, economic and social implications. Philanthropists, businesses, investors and the wider community in Aotearoa and overseas are increasingly looking at new and effective ways to invest in positive outcomes for nature.

Biodiversity credit systems (BCSs) are emerging as an increasingly popular way of using private sector funding to support landholder and central and local government efforts to protect, maintain and enhance biodiversity. A BCS would complement the National Policy Statement for Indigenous Biodiversity by recognising landholders who protect and restore nature.

This consultation

We are seeking feedback on the [discussion document](#) to help with the design of and the preferred role of government in a biodiversity credit system. Your feedback will help us develop a biodiversity credit system with impact, integrity and tailored to the unique context and challenges faced in Aotearoa.

Biodiversity credit systems

Biodiversity credits recognise in a consistent way projects and activities that protect or enhance indigenous biodiversity (that is, species or habitats), against which 'nature-positive' claims can be made. By purchasing credits, people and organisations can finance and claim recognition for actions and outcomes related to protecting and enhancing nature on public and private land, including whenua Māori.

A biodiversity credit could represent achieving a positive outcome for biodiversity (outcome-based systems), for projects (project-based systems) and/or activities that are likely to benefit biodiversity (activities-based systems).

Why a biodiversity credit system?

Biodiversity credits could help:

- ▶ address Aotearoa New Zealand's biodiversity crisis
- ▶ tackle the climate emergency
- ▶ support sustainable farming, forestry and tourism.

A biodiversity credit system could mobilise investment to support landholders with protecting, maintaining and restoring indigenous biodiversity in and around significant natural areas and in the wider landscape. Such a system would be particularly beneficial for attracting finance to support Māori in protecting biodiversity on whenua Māori, given the significant remaining presence of indigenous biodiversity on that land.

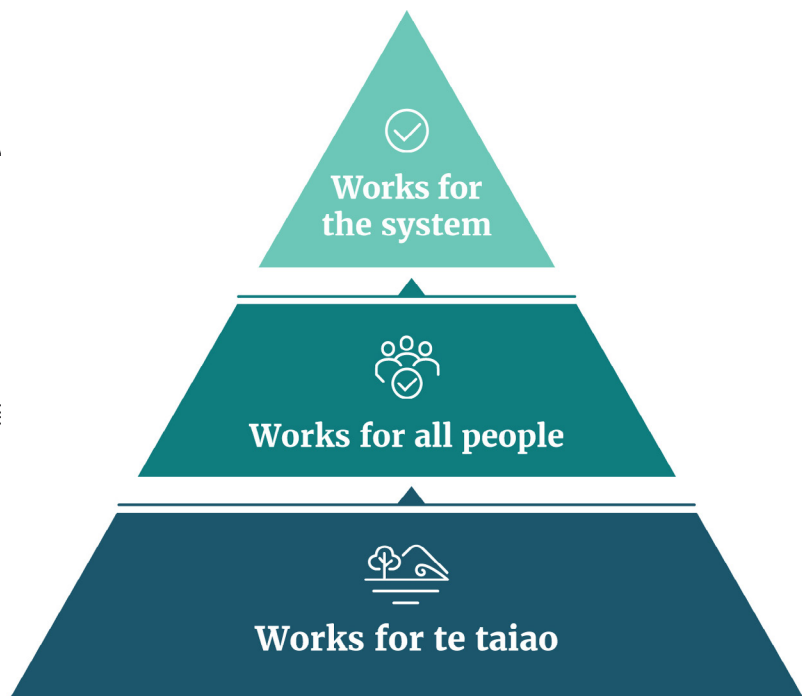
Prospective purchasers will need to have confidence that biodiversity credits have integrity, and investment will effectively protect and restore at-risk species and habitats.



Principles of designing and implementing a biodiversity credit system

The government must consider how a biodiversity credit system might be best tailored to Aotearoa’s unique circumstances.

To do so, a BCS needs to support te ao Māori and mātauranga Māori and give effect to te Tiriti o Waitang. We also need to consider what additional principles will lay the foundation for a credible, high-integrity BCS in Aotearoa.



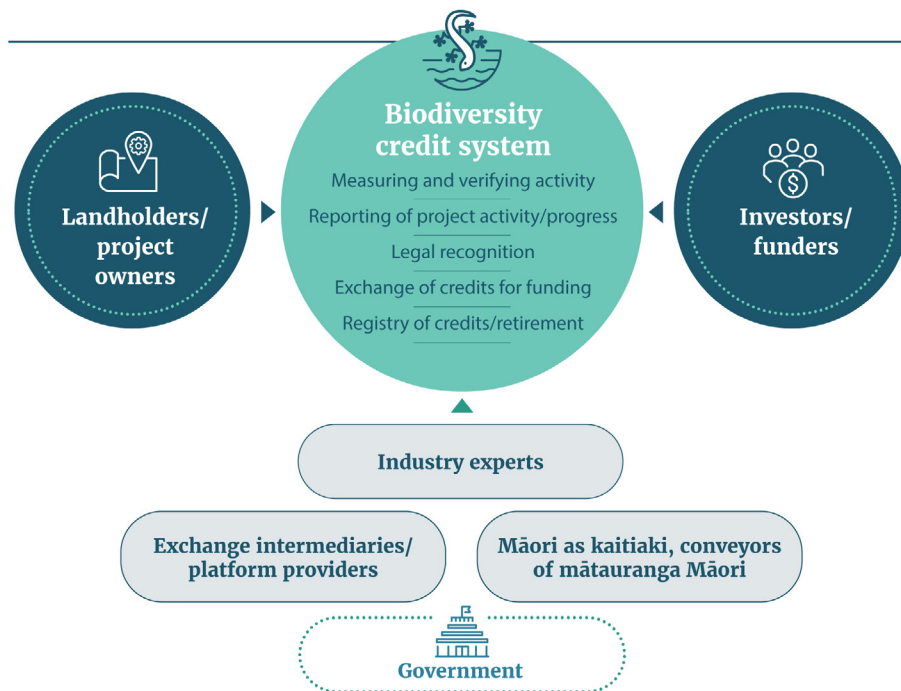
Potential underlying principles of a biodiversity credit system

Potential principle
Permanent (over 100 years), or has a long-term (25-year) positive impact
Transparent, verifiable claims
Robust, with measures to prevent abuse of the system and to address reversals in outcomes
Rewards nature-positive activities additional to business as usual
Complements domestic and international actions for biodiversity
Clear rules for the claims investors can make for their impact, with ways to prevent ‘greenwashing’
Maximise positive impact on biodiversity (including uplifting mauri and mana of biodiversity)

Components of a biodiversity credit system

An effective biodiversity credit system has multiple components. Biodiversity credits with integrity and credibility need to demonstrate their impact through robust and cost-effective approaches to monitoring, verification and reporting.

Improved biodiversity



The role of government

For a market to be trusted and grow and operate effectively, those participating in it need to be assured of the integrity and impact of the system.

The government could support a biodiversity credit system through:

- ▶ **Market enablement** – where the government seeks to influence the outcomes and operation of the market, using non-regulatory tools (such as good practice guidance for the development and uptake of voluntary schemes), and potentially funding system development as the market is established.
- ▶ **Market administration** – where the government establishes a regulatory framework, with tools to direct the outcomes and the operation of the market.

A blend of these options may be appropriate, with non-regulatory and regulatory tools applied to different components of a BCS. The approach could evolve over time as experience with the market beds in. Regulatory choices may also be informed by international frameworks. This will be particularly important if credits are to be traded internationally, or purchased by transnational corporates, for instance, in the trans-Tasman context.

Make your voice count

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Help shape the development of a biodiversity credit system

For full details on the proposals, the problems we are trying to solve, and the possible options being considered, read the full [discussion document](#).

You can provide a submission through [Citizen Space](#), our consultation hub, by either following the feedback form or by uploading your own written submission.

We would prefer that you don't email or post your submission to us as this makes our analysis more difficult. However, if you need to, mail your written submission to Water and Land Use Policy, Ministry for the Environment, PO Box 10362, Wellington 6143.

If you are emailing your submission, send it to biocredits@mfe.govt.nz.

Submissions close at 11:59pm on Friday 3 November 2023.

What happens next

The Government will consider the submissions to help with design choices and the preferred role of Government in a biodiversity credit system, along with working with key stakeholders.

