Facilitating Finance for Biodiversity in Agriculture through Biotokens

PROJECT DESCRIPTION

This project emerged from IDB Lab's Digital Tokens for Biodiversity Innovation Challenge, a regional call for innovative solutions using digital tokens and blockchain technology to advance biodiversity conservation and climate action. The Cropper Foundation's proposal was one of four selected from 86 submissions across 21 Latin American and Caribbean countries to receive financial support.

Through the project, a biodiversity-linked agricultural financing model will be piloted in Trinidad and Tobago, using blockchain technology to record and verify farmers' adoption of pro-biodiversity practices and link their environmental performance to financial incentives. The initiative will address the limited economic recognition farmers receive for ecosystem stewardship while generating evidence on the technical, financial, institutional and monitoring requirements for a transparent, credible and scalable farm credit system.

FUNDING SOURCES

Inter-American Development Bank - SEP
Counterpart Resources

EXECUTING AGENCY

The Cropper Foundation

WHO IS INVOLVED

Pinaka Consulting Ltd
Inter-American Institute For Cooperation On Agriculture
NAMDEVCO

PROJECT FACTS

Pilot Scale
15+ small farms
Budget
USD $991,000
Duration
36 months
(2023–2026)
Location
Trinidad and Tobago

PROJECT OBJECTIVE

The objective of the project is to pilot a blockchain based farm credit model to incentivize farmers' adoption of pro biodiversity agricultural practices in Trinidad and Tobago

PROJECT COMPONENTS

Biodiversity Framework
Develop a locally relevant framework of biodiversity indicators to measure and incentivize positive changes at the farm level. Indicators, targets and metrics will be co-designed through an action-learning network, alongside the recruitment and training of 15–25 farmers and completion of baseline farm assessments.

Output: Farm Biodiversity Assessment Framework

Technology Solution
Develop a secure blockchain-enabled solution to capture, verify and track changes in farm-level biodiversity indicators and connect verified results to financial incentives. Pinaka Consulting Ltd will support system design, software development, quality assurance and stakeholder training.

Output: Blockchain-enabled Farm Biodiversity Assessment Solution

Credit Facility
Develop and pilot a biodiversity-linked lending product that rewards positive environmental performance through adjusted interest rates. In partnership with a financial institution, the facility will provide financing for working capital and investments in sustainable farm operation.

Output: Proof of concept that verified biodiversity gains trigger financial incentives for farmers

Knowledge and Technology Transfer
Generate and share practical knowledge to support replication and scaling. Stakeholder engagement and targeted knowledge products will document pilot results, lessons learned, innovation, impact and opportunities for wider adoption.

Output: Three knowledge products and a project scaling plan

Project Leads

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