

DOCUMENT COVER SHEET

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**This document is available at:
www.bbopconsultation.org/pci/**

Reference:	BBOP-AWG-PCI-CONSULTATION 20-5-11
Date:	20/05/2011
Title:	BBOP Principles with Draft Criteria and Indicators
Abstract:	<p>This document presents BBOP’s Principles, together with draft Criteria and Indicators. It comprises two parts.</p> <p>Part 1 is an introduction, explaining the concept of Principles, Criteria and Indicators; discussing the intended audience and introducing related documents (particularly the Guidance Notes and Glossary, explained below). The introduction also explains the assessment process envisaged and a chronological view of the PCIs considering typical stages of offset implementation and design. It briefly discusses the distinction between biodiversity offsets (that meet all the PCI) and compensation, and the implications for developers if their conservation measures don’t meet all the PCIs. Finally, it describes the manner in which these PCI were developed and the present process of trialling and consultation (with which we’d welcome your help).</p> <p>Part 2 Presents the Principles, with draft Criteria and Indicators, , principle by principle.(For a more chronological order, tracking likely stages in offset design and implementation, readers can refer to the flow diagram on page 5.)</p> <p>Please also see three accompanying documents:</p> <ul style="list-style-type: none"> • Guidance Notes: Subsidiary to the BBOP Principles and draft Criteria and Indicators (PCI), this document provides notes for auditors to assist with the assessment of whether an offset has been designed and subsequently implemented in conformance with the PCI. This version presents draft Guidance Notes for selected Indicators under BBOP Principles 1, 2, 3, 4, 6, 7 and 8, by way of illustration of the proposed structure and method. Guidance notes for the remaining Principles will be prepared in the coming months. The document offers an interpretation of each Indicator covered; key questions for assessment; factors to consider in assessing conformance (conformance requirements and situations that are likely to represent causes of non-conformance); as well as related activities from other Indicators. Available at: http://www.bbopconsultation.org/pci/BBOP-GN • Glossary: A glossary of the terms found in this PCI document, the accompanying Guidance Notes, BBOP methodologies, resource papers and case studies. This document covers terms common in methodologies and guidelines related to the application of the mitigation hierarchy including biodiversity offset design and implementation. Available at: http://www.bbopconsultation.org/pci/Glossary • Questions for reviewers of the draft PCIs: A set of five questions (part multiple choice and part open-ended) to gather reviewers’ opinions on the content, practicability and utility of the draft PCI and Guidance Notes. Available at: http://www.bbopconsultation.org/pci/Questions

Draft assurance framework of Criteria and Indicators beneath each BBOP Principle: A tool to assess adherence to the BBOP Principles in biodiversity offset design and implementation.

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Part 1: Introduction

About the Principles, Criteria and Indicators

The intention of this document is to present a hierarchy of Principles, Criteria and Indicators (PCI) to determine whether an offset has been designed and subsequently implemented in accordance with the BBOP Principles. Based on trialling and comments, the PCI will be revised into a draft standard on biodiversity offsets. BBOP agreed its ten Principles in 2009, and these will not be amended until 2014 or 2015. The draft Criteria and Indicators, however, are new and we would appreciate readers' help in improving them.

Principles and Criteria with accompanying Indicators represent a common architecture of standards, used in variety of settings such as the Forest Stewardship Council, the Marine Stewardship Council, the Roundtable for Sustainable Palmoil, Round Table on Responsible Soy, and others.

'Principles' are interpreted as the fundamental statements about a desired outcome. 'Criteria' are the conditions that need to be met in order to comply with a Principle. 'Indicators' are the measurable states which allow the assessment of whether or not a particular Criterion has been met.

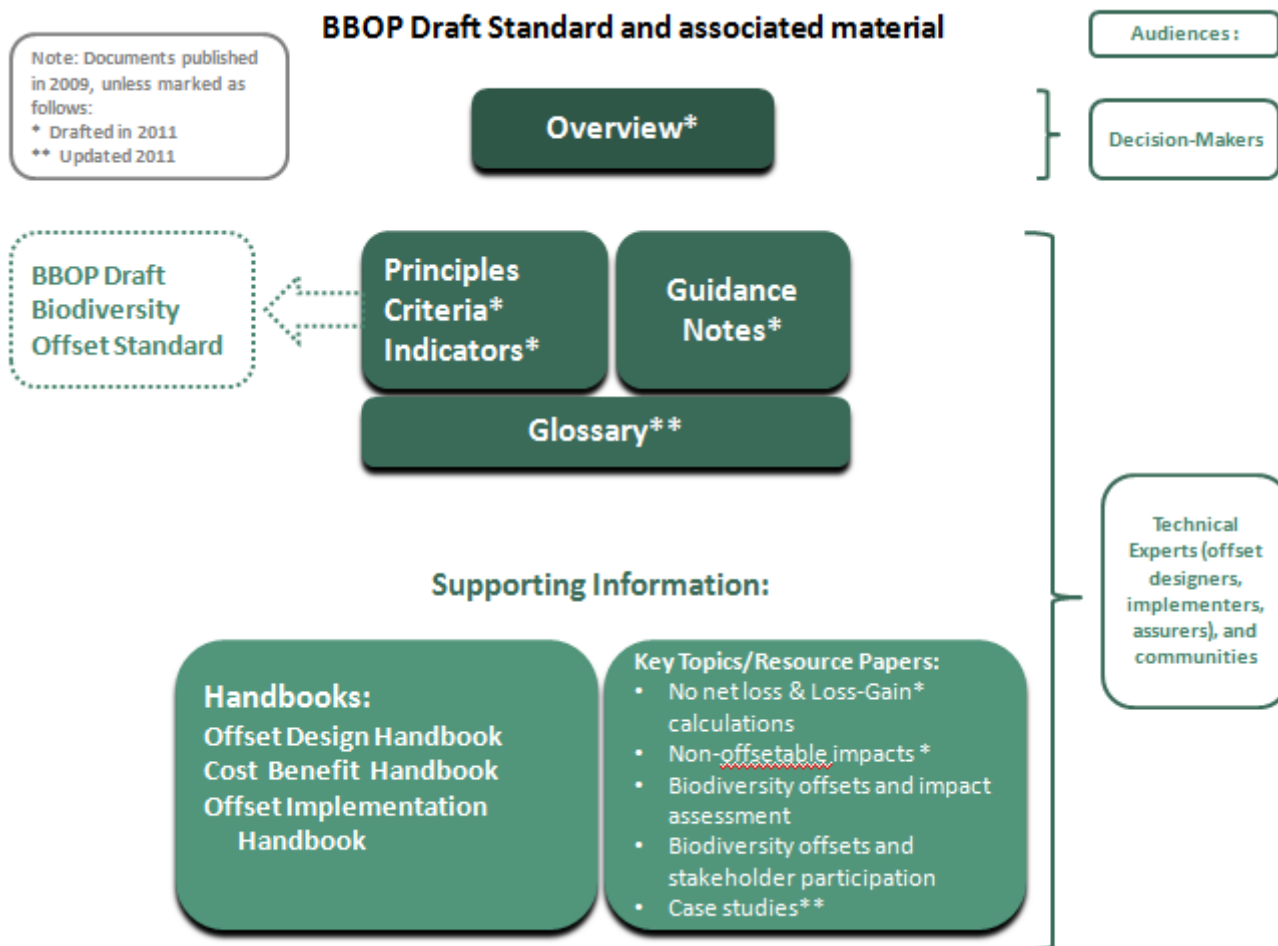
In order for the PCI structure to be as streamlined and efficient as possible, the aim is to ensure the text is 'necessary and sufficient'. In other words, the Criteria need to be both 'necessary' (i.e. no redundancies) and 'sufficient' (i.e. together, the Criteria are enough to demonstrate the Principles have been achieved and the Indicators enough to demonstrate the Criteria have been achieved).

Consequently, all the Criteria and Indicators are an essential part of the whole, and all need to be met for a biodiversity offset to meet this draft standard. The issue of conformance with the PCI is discussed in the accompanying 'Guidance Notes' document. It is still under development while the PCI is trialled and improved. The present intention is that assessors and auditors will not insist on perfection in satisfying the Principles, Criteria and Indicators. However, major failures in any individual Principle or Criterion would disqualify a biodiversity offset from meeting the draft standard.

Although a focus of the PCI is the ecological aspect of biodiversity, the principles also embrace the socioeconomic and cultural aspects of biodiversity, since these must be taken into consideration in following the mitigation hierarchy and demonstrating no net loss or a net gain of biodiversity. Taking care of these values is also essential to ensure the long-term success of biodiversity offsets.

Related documents, including Guidance Notes and Glossary, audience and users

The BBOP Principles, and now the draft Criteria, Indicators and accompanying Guidance Notes, are the core of BBOP’s work to develop best practice for biodiversity offsets. Since BBOP was established at the end of 2004, it has also produced a number of other tools and products. The relationship between these is illustrated simply in the following diagram:



All the documents from 2009 listed in the diagram above are available on <http://bbop.forest-trends.org/guidelines/index.php>. The other documents (such as this one) are under development, and once finalised in 2011 or 2012 will be available on the same website.

There are two principal intended users of the PCI:

- **Assessors and Auditors:** The PCI have been prepared to enable auditors and assessors to determine whether an offset has been designed and subsequently implemented in accordance with the BBOP Principles. Assessment could be undertaken by a variety of people. An assessor could be an employee of a company designing a biodiversity offset, a member of an NGO that is a company’s partner, or a third party verifier and auditor. Consequently, the principal audience for the PCI and Guidance Notes is the set of individuals assessing biodiversity offsets against the PCI. Assessment takes place once a biodiversity offset has been designed and continues through the implementation stage. (See chronology diagram on page 5.)
- **Offset designers:** Since biodiversity offsets are likely to be assessed against the PCI, it will be useful for individuals designing biodiversity offsets to refer to the PCI as they design the biodiversity offset so they can plan the offset in such a way that it will meet the draft standard. The PCI could thus provide guidance for offset design and implementation, when used with other tools for offset design and implementation such as BBOP’s Handbooks.

In addition, there are other potential audiences for the PCI:

- **Policy-makers:** Those involved in developing and administering policy on the mitigation hierarchy and biodiversity offsets (whether they work for governments, individual companies or industry associations), may also find the PCI and Guidance Notes useful as they capture international best practice on the subjects covered in these documents.
- **Civil society:** Similarly, representatives from local communities, indigenous peoples and civil society organisations such as NGOs may find the PCI and Guidance notes helpful if they are affected by or interested in a project or biodiversity offset. The documents could help inform their dialogue with developers.

Among the documents mentioned in the diagram on the preceding page, two that accompany the PCI are particularly relevant to people reading this document. They are:

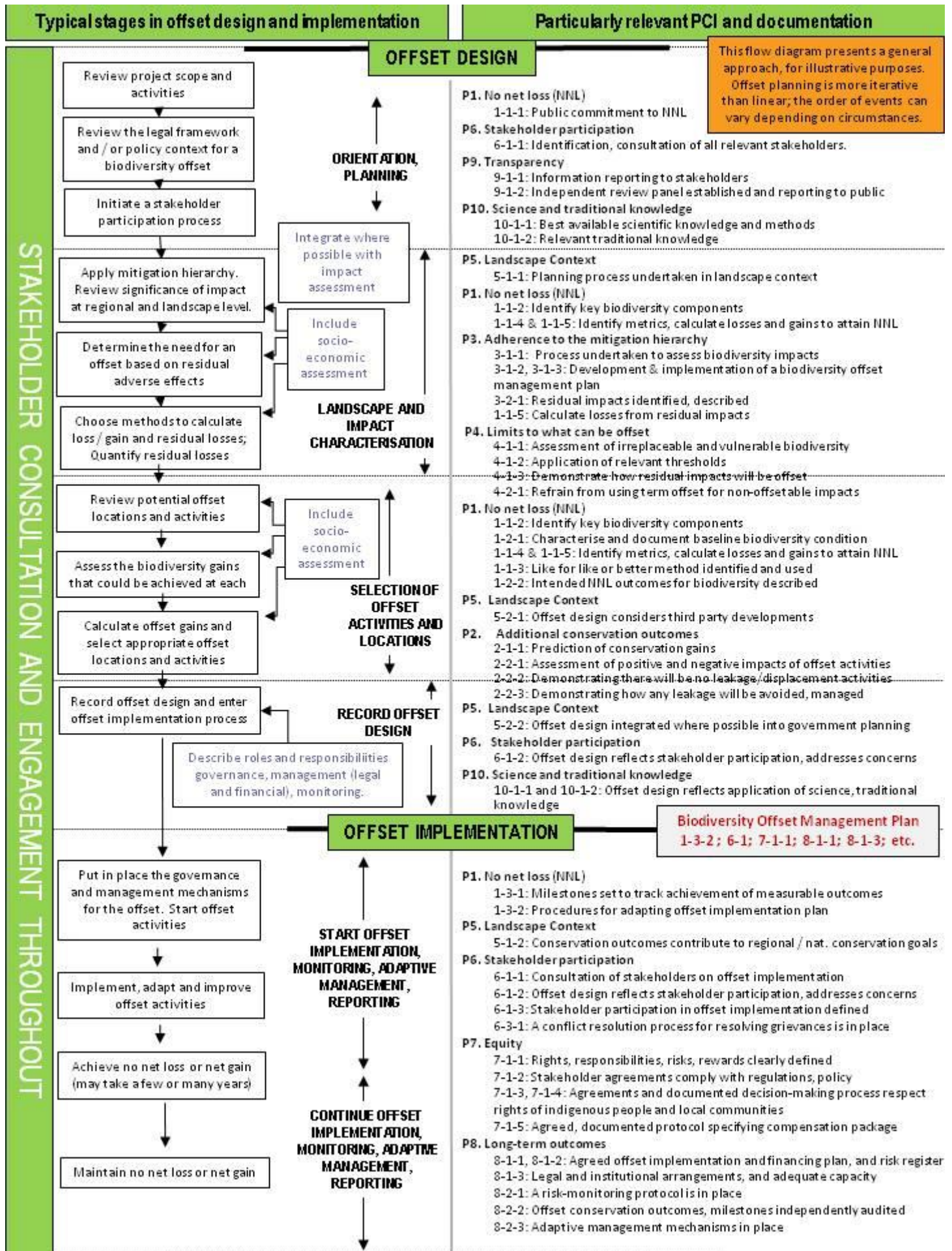
- **Guidance Notes for Assessors:** The purpose of this document is to present notes to assist with the assessment of whether an offset has been designed and subsequently implemented in conformance with the BBOP Principles, Criteria and Indicators. It offers an interpretation of each Indicator; key questions for assessment; factors to consider in assessing conformance (conformance requirements and situations that are likely to represent causes of non-conformance); as well as related activities from other Indicators. This is available at: <http://www.bbopconsultation.org/pci/BBOP-GN>
- **Glossary:** A glossary of the terms found in the PCI and also common in methodologies and guidelines related to biodiversity offset design and implementation. This is available at: <http://www.bbopconsultation.org/pci/Glossary>

Finally, there is a set of five questions (part multiple choice and part open-ended) to gather reviewers' opinions on the content, practicability and utility of the draft PCI and Guidance Notes. These '**Questions for reviewers of the draft PCIs**' is available at: <http://www.bbopconsultation.org/pci/Questions>. We would be grateful to any readers of this document prepared to send us a response to these five questions.

The assessment process and a chronological view of the PCI

The Principles and draft Criteria and Indicators are presented in this document according to the **order of the BBOP Principles** (e.g. from Principle 1, Criterion 1, Indicator 1 through to Principle 10, Criterion 1, Indicator 2). However, to see them presented in a **putative chronological order**, typical of the stages involved in biodiversity offset design and implementation, please see the flow diagram on the next page.

There is mixed opinion among BBOP members as to the value of attempting to present a chronological approach to the PCI, and we would be interested in your views. On the one hand, a process-based approach which sets out the PCI in an order in which an assessor is likely to tackle an assessment would help the assessor and also offset planners, and many BBOP members are very enthusiastic about a chronological presentation. On the other hand, the chronology of offset design and implementation varies enormously according to whether the offset is prospective (planned prior to impacts taking place) or retrospective (planned once some impacts have already started), and according to the scale of the project and even the geographical location and industry sector concerned. There was a concern among some members that readers might feel we were presenting a unique, prescriptive view of the offset design process, whereas the process might be very different in different settings. In addition, offset design is a more iterative than a simply linear process. Consequently, the flow diagram overleaf is purely illustrative, and offers just one possible approach to the process.



Key documents

Naturally, there are many documents (including corporate environmental policies, site management plans, Environmental Impact Assessments, records of meetings with various stakeholders, and others) which are relevant to the design and implementation of biodiversity offsets. However, a number of key documents are referred to throughout the PCI and are likely to offer especially useful evidence to assessors that particular PCIs have been satisfied. These include:

- **Environmental and Social Impact Assessment (ESIA):** Many projects require a formalised process, including public consultation, in which all relevant environmental consequences of the project are identified and assessed before authorisation is given. The application to biodiversity of the mitigation hierarchy (avoidance, minimisation, rehabilitation/restoration and offsets), can be integrated into ESIA's. ESIA's are thus mentioned in several of the BBOP Principles, Criteria and Indicators.
- **The Biodiversity Offset Management Plan (BOMP) and other management plans:** Developers typically adopt some form of management plan (often called a Biodiversity Action Plan) to address the mitigation measures set out in the EIA and then developed as part of the project's environmental management plan to ensure their implementation. Biodiversity may be integrated throughout the environmental management plan, or may form a discrete component. Such documents may also incorporate biodiversity offsets, but they are generally more focussed on project sites (and managing impacts on-site) rather than on offset areas and activities.

The BBOP Principles, Criteria and Indicators (PCI) require a plan that addresses the full set of issues involved in design and implementation of a biodiversity offset, although the PCI are flexible as to what the plan is called and what form it takes. The plan for addressing offset issues is referred to throughout the BBOP PCI document as the **Biodiversity Offset Management Plan**. Offset activities may be physically separate from companies' on-site biodiversity management, broader in scope, and involve more detailed and longer-term roles, responsibilities and legal, institutional and financial arrangements, so the Biodiversity Offset Management Plan may integrate a site-based Biodiversity Action Plan, or they may be two separate documents.

The BBOP PCIs require the **Biodiversity Offset Management Plan** to capture the offset's management objectives and the essence of biodiversity offset design (including application of the mitigation hierarchy, checking that residual impacts can be offset, calculating loss and gain, landscape level planning and offset site selection, definition of the planned conservation outcomes of the offset, identification of the corresponding offset activities, assumptions and rationale for choices made). The BOMP document should also describe the main elements of offset implementation (including a description of roles and responsibilities for implementation, the long-term legal, institutional and financial arrangements for offset implementation, monitoring, evaluation and adaptive management).

Offset or compensation? What if my project does not satisfy all the PCIs?

BBOP defines a biodiversity offset as a no net loss (or net gain) conservation outcome (see the Box to the right). Consequently, to meet the standard that will be described in the revised PCI, all the Principles and Criteria need to be satisfied, as evidenced by conformance with all the Indicators, unless the developer can justify that a given Indicator is inapplicable in its particular setting. While assessors will not insist on perfection in satisfying the Principles, Criteria and Indicators, major failures in any individual Principle or Criterion would disqualify a biodiversity offset from meeting the draft standard.

However, we recognise that the PCI represents new and emerging best practice, and many conservation projects are either not designed to meet all the PCI, or for a variety of reasons, are simply unable to do so.

Typical reasons why it may not be possible for a project to conform to all the PCIs include the following:

Definition of Biodiversity Offsets

Biodiversity offsets are measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts arising from project development* after appropriate prevention and mitigation measures have been taken.

The goal of biodiversity offsets is to achieve no net loss and preferably a net gain of biodiversity on the ground with respect to species composition, habitat structure, ecosystem function and people's use and cultural values associated with biodiversity.

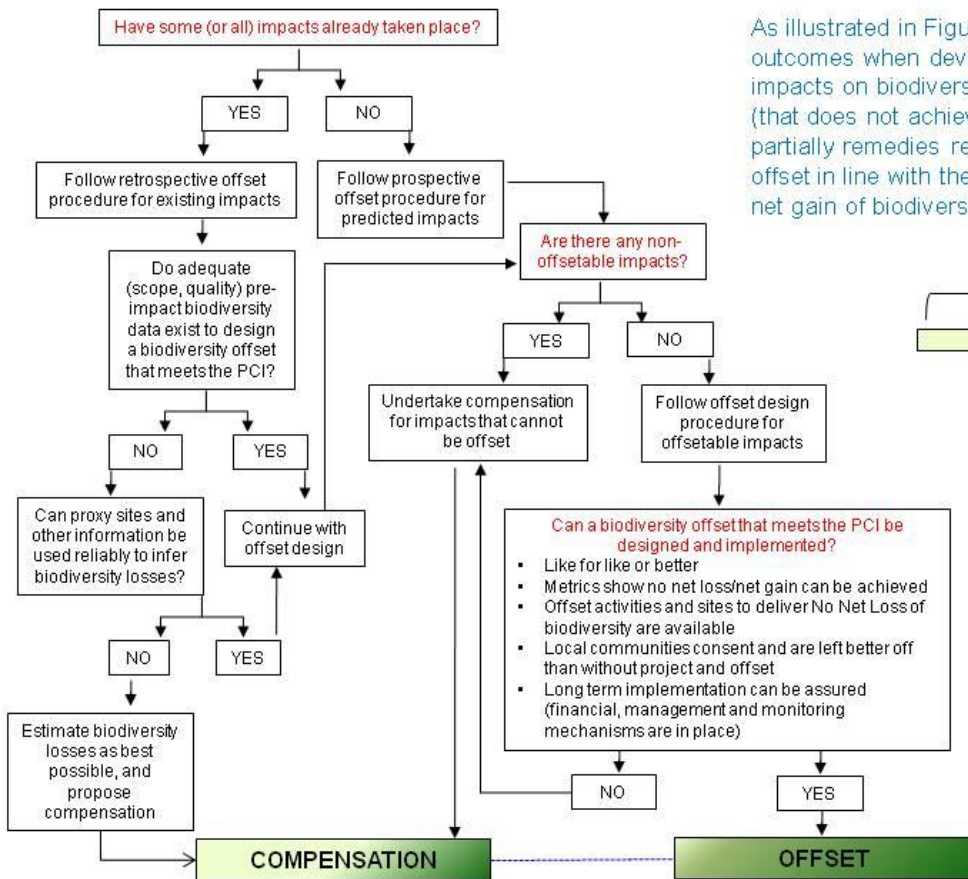
* While biodiversity offsets are defined here in terms of specific development projects (such as a road or a mine), they could also be used to compensate for the broader effects of programmes and plans.

- The conservation actions were not planned to achieve no net loss.
- The residual losses of biodiversity caused by the project and gains achievable by the offset are not quantified.
- No mechanism for long term implementation has been established.
- It is impossible to offset the impacts (for instance, because they are too severe or pre-impact data are lacking, so it is impossible to know what was lost as a result of the project).
- The compensation is through payment for training, capacity building, research or other outcomes that will not result in measurable conservation outcomes on the ground.

Figure 1 shows a flow diagram that can be used to consider whether the outcome in a given setting is a biodiversity offset, or compensation.

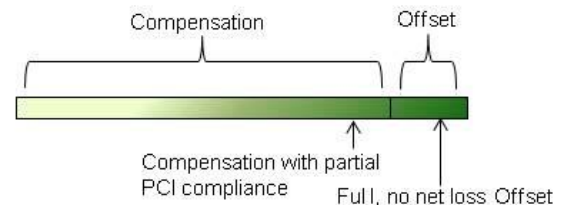
DISTINGUISHING A BIODIVERSITY OFFSET FROM COMPENSATION

Figure 1:



As illustrated in Figure 2, there is a spectrum of possible outcomes when developers endeavour to address residual impacts on biodiversity. These range from basic compensation (that does not achieve no net loss of biodiversity and only partially remedies residual impacts) through to a full biodiversity offset in line with the BBOP PCI, which achieves no net loss or a net gain of biodiversity.

Figure 2:



The decision tree in Figure 1 assumes a binary 'yes/no' answer at various steps, although in reality there can often be a continuum of responses. For instance, for a single project the answer may be 'yes' for some impacts, and 'no' for others. However, even in situations where compensation rather than an offset is undertaken, developers are encouraged to get as close as possible to a no net loss outcome, so as best to manage their biodiversity risks.

Figure 2 shows a continuum from a very basic form of compensation, through compensation which is close to an offset, to a full offset that can realistically expect to achieve no net loss or a net gain. BBOP members spend most time working on biodiversity offsets, and have yet to discuss compensation in much detail. In the coming months, the group may be able to offer ideas on different kinds and qualities of compensation, and we would be interested to hear your views.¹

History, Trialling and consultation

¹ If you have views on whether and how BBOP should define different levels of compensation, please let us know by contacting info@bbop.forest-trends.org

The BBOP Principles were developed by members of the BBOP Advisory Group between 2006 and 2009, and agreed by all Advisory Group members in February 2009. The draft Criteria and Indicators set out below have been developed since the BBOP7 meeting in September 2009; during discussions at the Assurance Working Group (AWG) teleconference in Jan 2010; in the combined Assurance and Guidelines Working Group meeting in Cambridge from 15–18 March 2010; during the AWG teleconference in July 2010; at BBOP's eighth meeting in Paris in September 2010; and in a meeting of BBOP's Assurance and Guidelines Working Groups in London on 31 March and 1 April 2011. This current version has also benefitted from input and comments from the Assurance Working Group, the Guidelines Working Group and external experts.

Based on feedback on this draft document to be gathered by **15 July 2011** and on practical trialling of the PCI at a number of sites up to **February 2012**, BBOP intends to publish a draft standard on biodiversity offsets in July 2012. This first draft of a standard will be improved in the following eighteen months, resulting in a revised standard some time in 2014 or 2015.

Between the end of May 2011 and 15 July 2011, we will consult on this draft version of the PCI and Guidance Notes. In order to improve the draft in this document, ensuring it is workable for assessors and helps guide those designing and implementing biodiversity offsets, we would welcome your review and suggestions for improvement.

We would be grateful if you could trial the PCI in one of two ways:

- A **rapid assessment** by completing the 5 questions (multiple choice, with room for respondents to add any additional suggestions they are prepared to do) (The **Questions for reviewers of the draft PCIs** are available at: <http://www.bbopconsultation.org/pci/Questions>; and/or
- A fuller **field-trial** of the PCI, with an assessor applying the PCI to a specific biodiversity offset.

In addition, we will be glad to receive any other comments on this document by 15 July 2011. Please send them to info@bbop.forest-trends.org

Part 2: Principles, with draft Criteria and Indicators

Biodiversity offsets are measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts arising from project development² after appropriate prevention and mitigation measures have been taken. The goal of biodiversity offsets is to achieve no net loss and preferably a net gain of biodiversity on the ground with respect to species composition, habitat structure, ecosystem function and people’s use and cultural values associated with biodiversity.

These principles establish a framework for designing and implementing biodiversity offsets and verifying their success. Biodiversity offsets should be designed to comply with all relevant national and international law, and planned and implemented in accordance with the Convention on Biological Diversity and its ecosystem approach, as articulated in National Biodiversity Strategies and Action Plans.

PRINCIPLE 1
No net loss: A biodiversity offset should be designed and implemented to achieve in situ, measurable conservation outcomes that can reasonably be expected to result in no net loss and preferably a net gain of biodiversity.
CRITERION 1-1 The biodiversity offset shall be designed to achieve no net loss and preferably a net gain of all biodiversity components affected by the development project³, with confidence for this outcome confirmed by sound planning for no net loss of key biodiversity components affected.
INDICATOR 1-1-1 The commitment to a no net loss or a net gain biodiversity offset is stated by the project developer in a public document, or in the case of a government department or agency, in a public policy document or on a government website.
INDICATOR 1-1-2 The key biodiversity components affected by the development project shall be identified, and reflected in the offset design.
INDICATOR 1-1-3 A method for assessing a ‘like for like’ or ‘like for like or better’ approach to equivalence of losses and gains shall be identified and used for the offset design.
INDICATOR 1-1-4 Metrics that address the losses and gains of biodiversity shall be identified and used in the loss-gain calculations.
INDICATOR 1-1-5 The anticipated residual losses of biodiversity due to the development project and the anticipated gains from the offset shall be calculated to demonstrate ‘no net loss’ (or ‘net gain’), and shall include explicit provisions for risk and uncertainty.
CRITERION 1-2 Measurable <i>in situ</i> conservation outcomes that are reasonably expected to result in no net loss or a net gain are defined.
INDICATOR 1-2-1 The baseline condition of biodiversity to be affected by the development project has been identified, characterised and documented prior to any impacts associated with the development project.

² While biodiversity offsets are defined here in terms of specific development projects (such as a road or a mine), they could also be used to compensate for the broader effects of programmes and plans.

³ While the term used here is ‘project’ (suggesting a specific development such as a road or a mine), biodiversity offsets can also be used to address the broader effects of programmes, plans, policies and schemes that have larger-scale, on-the-ground impacts on biodiversity. A regional development plan, SEA or national offset scheme could be examples.

<p>INDICATOR 1-2-2 Conservation outcomes intended to result from the offset, especially for key biodiversity components, are explicitly described in the Biodiversity Offset Management Plan.</p>
<p>CRITERION 1-3 Implementation milestones for achieving the offset’s conservation outcomes are specified, and adaptive management is in place to ensure that conservation outcomes are achieved.</p>
<p>INDICATOR 1-3-1 Milestones shall be developed to track progress towards achieving the offset’s measurable conservation outcomes.</p>
<p>INDICATOR 1-3-2 Procedures shall be documented on how the offset management plan will be adapted in the event of changing or unpredictable circumstances likely to affect the ability of the offset to meet the conservation outcomes.</p>
<p style="text-align: center;">PRINCIPLE 2</p> <p>Additional conservation outcomes: A biodiversity offset should achieve conservation outcomes above and beyond results that would have occurred if the offset had not taken place. Offset design and implementation should avoid displacing activities harmful to biodiversity to other locations.</p>
<p>CRITERION 2-1 The biodiversity offset shall demonstrate ‘additionality’.</p>
<p>INDICATOR 2-1-1 Conservation gains at the offset site(s) shall be predicted for a specified, long-term period, and are defined as the difference between the conservation outcome with and without the proposed offset activities.</p>
<p>CRITERION 2-2 The offset shall avoid leakage.</p>
<p>INDICATOR 2-2-1 An assessment should be undertaken to determine the most likely potential negative and positive impacts (direct and indirect) on biodiversity (including communities’ socioeconomic and cultural uses of biodiversity) of the offset activities at all offset sites.</p>
<p>INDICATOR 2-2-2 It should be demonstrated that the offset activities will not, or are highly unlikely to, shift the causes of biodiversity loss at the offset site to another location.</p>
<p>INDICATOR 2-2-3 It should be demonstrated how any potential displacement impacts and leakage would be prevented or managed.</p>
<p style="text-align: center;">PRINCIPLE 3</p> <p>Adherence to the mitigation hierarchy: A biodiversity offset is a commitment to compensate for significant residual adverse impacts on biodiversity identified after appropriate avoidance, minimization and on-site rehabilitation measures have been taken according to the mitigation hierarchy.</p>
<p>CRITERION 3-1 Impact avoidance, minimisation and on-site rehabilitation/restoration measures that are appropriate for the direct, indirect and cumulative negative impacts of the development project shall be identified and implemented by the developer.</p>
<p>INDICATOR 3-1-1 A process that includes stakeholder participation shall be undertaken to assess the project’s impacts on biodiversity.</p>
<p>INDICATOR 3-1-2 The Biodiversity Offset Management Plan shall be developed to address impacts to biodiversity, and to identify, manage, and monitor measures for avoiding and minimising the development project’s impacts on biodiversity, and undertaking on-site rehabilitation.</p>
<p>INDICATOR 3-1-3 Measures defined in the Biodiversity Offset Management Plan shall be implemented, monitored and adaptively managed.</p>
<p>CRITERION 3-2 The biodiversity offset shall only address the residual impacts of the development project, namely those impacts left after all the appropriate avoidance, minimisation and rehabilitation/restoration actions have been identified.</p>

<p>INDICATOR 3-2-1 Any residual losses of biodiversity that may exist following avoidance, minimisation and rehabilitation/restoration shall be identified and described in the Biodiversity Offset Management Plan.</p>
<p>PRINCIPLE 4</p>
<p>Limits to what can be offset: There are situations where residual impacts cannot be fully compensated for by a biodiversity offset because of the irreplaceability or vulnerability of the biodiversity affected.</p>
<p>(NEW) CRITERION 4-1 The risk of non-offsetable project impacts on biodiversity shall be assessed and measures taken to minimise this risk.</p>
<p>INDICATOR 4-1-1 An assessment shall be undertaken to determine whether, and if so which, highly vulnerable and irreplaceable biodiversity components are predicted to be affected by the development project.</p>
<p>INDICATOR 4-1-2 Where national/regional/international thresholds are applicable the assessment shall: (a) Identify and highlight where there is a risk that the project's impacts will cross these thresholds, and (b) Contain measures and commitments from the project developers to ensure these thresholds will not be crossed, and thus allow the delivery of a biodiversity offset. In the absence of applicable national or international guidance, provide evidence showing that impacts can be offset.</p>
<p>INDICATOR 4-1-3 The vulnerability and irreplaceability assessment shall demonstrate how the project's residual impacts can be offset through specific measures and commitments, taking into account the level of risk associated with: a) The specific ecological context and the ecological processes, such that the offset substitutes these effectively b) The reliability and proven success of the proposed offset techniques c) Any insurmountable impediments, that prevent access to suitable offset sites d) The implications for biodiversity persistence of any temporal residual losses of biodiversity</p>
<p>CRITERION 4-2 Measures to address residual impacts on biodiversity that cannot be fully compensated by a biodiversity offset shall not be termed a 'biodiversity offset'</p>
<p>INDICATOR 4-2-1 If there are significant residual impacts on biodiversity that have been assessed under this principle as not capable of being offset, the project developer acknowledges this and shall not refer to any measures to address them as a 'biodiversity offset'.</p>
<p>PRINCIPLE 5</p>
<p>Landscape context: A biodiversity offset should be designed and implemented in a landscape context to achieve the expected measurable conservation outcomes taking into account available information on the full range of biological, social and cultural values of biodiversity and supporting an ecosystem approach.</p>
<p>CRITERION 5-1 The biodiversity offset shall be designed and implemented to contribute to biodiversity conservation priorities [and complement other land uses (current and proposed)] at the landscape¹, eco-regional and national levels.</p>
<p>INDICATOR 5-1-1 The identification of potential offset locations shall be undertaken in the context of a landscape level analysis, and the ecosystem approach used to plan the offset.</p>
<p>INDICATOR 5-1-2 The offset gains and conservation outcomes contribute to regional and national conservation goals, where these exist.</p>
<p>CRITERION 5-2 The biodiversity offset shall be designed and implemented to succeed in the long term taking into consideration other likely developments (e.g. competing land use pressures) within the landscape.</p>

<p>INDICATOR 5-2-1 The biodiversity offset planning process shall consider reasonably foreseeable developments proposed by third parties when specifying the offset design</p>
<p>INDICATOR 5-2-2 The biodiversity offset shall be incorporated, where possible, into local, regional and national government landuse plans or other appropriate planning processes.</p>
<p>PRINCIPLE 6</p> <p>Stakeholder participation: In areas affected by the development project and by the biodiversity offset, the effective participation of stakeholders should be ensured in decision-making about biodiversity offsets, including their evaluation, selection, design, implementation and monitoring.</p>
<p>CRITERION 6-1 Consultation and participation of relevant stakeholders shall be integrated into the decision-making process for offset design and implementation, and documented in the Biodiversity Offset Management Plan.</p>
<p>INDICATOR 6-1-1 Relevant stakeholders shall be identified, informed, and consulted about both project and offset design and implementation, and invited to participate in public forums and decision-making processes so their understanding of, and agreement with, the offset can be confirmed.</p>
<p>INDICATOR 6-1-2 The process of stakeholder engagement shall be documented to demonstrate that the offset design reflects stakeholder participation and addresses concerns related to the impacts of the project and offset.</p>
<p>INDICATOR 6-1-3 Participation and roles of stakeholders in the implementation of the Biodiversity Offset Management Plan, including required monitoring, shall be clearly defined and established.</p>
<p>CRITERION 6-2 A clear process shall be in place for handling conflicts and grievances that arise during project planning and implementation.</p>
<p>INDICATOR 6-2-1 A conflict resolution process for hearing, responding to and resolving stakeholder conflict and grievances, is in place.</p>
<p>PRINCIPLE 7</p> <p>Equity: A biodiversity offset should be designed and implemented in an equitable manner, which means the sharing among stakeholders of the rights and responsibilities, risks and rewards associated with a development project and offset in a fair and balanced way, respecting legal and customary arrangements. Special consideration should be given to respecting both internationally and nationally recognised rights of indigenous peoples and local communities.</p>
<p>CRITERION 7-1 Rights, responsibilities, risks and rewards shall be clearly identified and mechanisms to share these fairly amongst stakeholders shall be included in the Biodiversity Offset Management Plan.</p>
<p>INDICATOR 7-1-1 The Biodiversity Offset Management Plan shall document the manner in which rights, responsibilities, risks, and rewards have been defined and agreed amongst relevant stakeholders, for the biodiversity impacts of the development project and of the offset.</p>
<p>INDICATOR 7-1-2 At a minimum, all stakeholder agreements associated with the biodiversity offset comply with any relevant regulatory and policy requirements.</p>
<p>INDICATOR 7-1-3 Agreements regarding offset design and implementation address internationally and nationally recognized rights of indigenous peoples and local communities and respect both legal and customary arrangements.</p>
<p>INDICATOR 7-1-4 A transparent and documented decision-making process that recognizes the rights of indigenous peoples and local communities, shall be established for both design and implementation of the offset</p>

<p>INDICATOR 7-1-5 An agreed and documented protocol is in place for determining the level of compensation for impacts on peoples' biodiversity uses and values resulting from the biodiversity impacts of the development project and offset.</p>
<p>PRINCIPLE 8</p> <p>Long-term outcomes: The design and implementation of a biodiversity offset should be based on an adaptive management approach, incorporating monitoring and evaluation, with the objective of securing outcomes that last at least as long as the development project's impacts and preferably in perpetuity.</p>
<p>CRITERION 8-1 Mechanisms shall be in place to ensure that the measurable conservation outcomes from the offset will last at least as long as the development project's impacts, and preferably in perpetuity.</p>
<p>INDICATOR 8-1-1 A biodiversity offset management plan has been agreed by all relevant stakeholders, which clearly sets out roles, responsibilities and milestones for implementation and includes a financial plan for the duration of the offset activities.</p>
<p>INDICATOR 8-1-2 The Biodiversity Offset Management Plan includes a risk register that identifies associated anticipated risks and sets out responses to mitigate the risks.</p>
<p>INDICATOR 8-1-3 Legal and institutional arrangements, and adequate capacity exist to ensure the effective management of the offset for at least as long as the project's impacts will last.</p>
<p>CRITERION 8-2 Adaptive monitoring and evaluation approaches shall be integrated into the Biodiversity Offset Management Plan to ensure regular feedback and allow management to adapt to changing conditions and achieve conservation outcomes on the ground.</p>
<p>INDICATOR 8-2-1 A risk-monitoring protocol is in place and followed to identify any risks (such as climate change, population pressure, land-use change) that could affect achievement of proposed conservation outcomes</p>
<p>INDICATOR 8-2-2 Offset conservation outcomes and milestones are independently audited and project responds to audit recommendations in a timely manner.</p>
<p>INDICATOR 8-2-3 Monitoring and evaluation protocols provide regular feedback on implementation progress and results and are used to document, correct and learn from problems (e.g. adaptive management).</p>
<p>PRINCIPLE 9</p> <p>Transparency: The design and implementation of a biodiversity offset, and communication of its results to the public, should be undertaken in a transparent and timely manner.</p>
<p>CRITERION 9-1 The developer responsible for designing and implementing the biodiversity offset shall ensure that clear, up to date, and easily accessible information is provided to stakeholders and the public on the offset design and implementation, including outcomes to date.</p>
<p>INDICATOR 9-1-1 Information on baseline findings, impact assessment as well as offset design and implementation shall be reported to stakeholders and the public in appropriate media on the offset design and implementation.</p>
<p>INDICATOR 9-1-2 An independent review panel / steering committee should be established and work transparently to oversee the offset design and implementation process and report regularly to the public on their assessment of progress.</p>

<p style="text-align: center;">PRINCIPLE 10</p> <p>Science and traditional knowledge: The design and implementation of a biodiversity offset shall be a documented process informed by sound science, including an appropriate consideration of traditional knowledge.</p>
<p>CRITERION 10-1</p> <p>Scientific information, and, where applicable, traditional knowledge, shall be utilised when designing and implementing the offset.</p>
<p>INDICATOR 10-1-1</p> <p>The Biodiversity Offset Management Plan shall describe how the best available scientific knowledge and methods have been used in offset design and implementation, providing evidence of consultation with scientific experts</p>
<p>INDICATOR 10-1-2</p> <p>The Biodiversity Offset Management Plan shall describe how relevant traditional knowledge has been used in offset design and implementation, with the involvement of local communities and indigenous peoples, as appropriate and with their prior approval, and of relevant experts</p>
