Government Planning for Biodiversity Net Gain: A Roadmap





















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About this Document

This roadmap for government has been prepared by the Business and Biodiversity Offsets Programme (BBOP)¹. BBOP ran from 2004-2018 to help developers, conservation groups, communities, governments and financial institutions develop and apply best practice towards achieving no net loss and preferably a net gain of biodiversity through the thorough application of the mitigation hierarchy (avoid, minimise, rehabilitate/restore, offset). The Principles, Standard and Handbooks published by BBOP were developed and tested by members of the BBOP Secretariat and Advisory Group and all the BBOP documents have benefited from contributions and suggestions from many people who registered on the BBOP consultation website and numerous others who joined us for discussions in meetings and webinars.

All BBOP Advisory Group members support the Principles, and many companies and governments have integrated them into their own commitments and also use the Standard and other tools. We commend the full set of BBOP materials to readers as a source of guidance on which to draw when considering, designing and implementing projects as well as policies that aim for the best outcomes for biodiversity in the context of development.

BBOP has now concluded its work but best practice in this area is still developing. We hope the legacy of BBOP is that its materials continue to be used and the concepts and methodologies presented here are refined over time based on practical experience, research and broad debate within society. All those involved in BBOP are grateful to the companies who volunteered pilot projects, the members that developed and applied draft versions of the Standard and other tools as they were developed.

To learn more, see: https://www.forest-trends.org/bbop/

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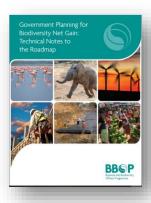
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Technical Note 3:	Net Gain, the Sustainable Development Goals and the Aichi
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	associated Equator Principles commitments
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Government Planning for Biodiversity Net Gain: a Roadmap

Purpose and contents

A roadmap helps users decide whether they wish to undertake a trip, and they can follow the roadmap to guide them to their destination. This Government Roadmap enables a government to decide whether it wishes to make the transition to activities that deliver a Net Gain of biodiversity, No Net Loss or some other defined outcome for biodiversity and, if so, offering guiding steps on how to get there, focussing on the mitigation of impacts on biodiversity by development projects. It does not strive to give detailed route directions, but provides pointers. Links in appendices show where users can find additional practical advice, including a 'Benchmark', which is a tool to assess the quality of government policy on the mitigation of impacts on biodiversity, by comparing different countries' approaches or reviewing the development over time of policy by an individual country.

Part 1 of the Government Roadmap is an aid to understanding what's involved in planning by governments for Biodiversity Net Gain ('BNG'), No Net Loss ('NNL') or an alternative outcome for biodiversity which may entail a net loss, such as 'Managed Retention', and the opportunities and risks of doing so. It does not seek to be prescriptive, recognising that countries' legal, policy, governance and social contexts differ. Part 2 is an operational tool that governments can use to create their own plan for establishing and operating a system designed to achieve a Net Gain, No Net Loss or an alternative defined outcome for biodiversity.

A separate document provides supplementary information in **FECHNICAL NOTES** referred to throughout this document. **FECHNICAL NOTE 1** provides definitions of key terms.

Part 1: Why should my government plan for Biodiversity Net Gain, and what's at stake?

 What is a national (or regional) system for 'Net Gain of biodiversity' and why can it help?

Simply stated, Biodiversity Net Gain (BNG), also described as Net Positive Impact (NPI), means leaving biodiversity better off following development activity, compared with a clear reference scenario.² By setting an explicit policy goal to this effect and establishing a system to deliver it, governments can move from today's significant, cumulative loss of biodiversity to No Net Loss (NNL)³ and beyond that, to demonstrate an overall benefit (Net Gain) for biodiversity in the landscape. (See TECHNICAL NOTE 1) for definitions of the main terms.) An overall BNG/NNL policy would seek to avoid and address the full range of impacts on biodiversity (including, for instance, due to climate change, invasive alien species and poaching). Within such a comprehensive goal, the policy can tackle a specific set of impacts caused by development projects such as infrastructure, extractive and

² Biodiversity Net Gain is a goal for a development project, policy, plan or activity in which the impacts on biodiversity it causes are outweighed by measures taken to avoid and minimise the impacts, to restore affected areas and finally to offset the residual impacts, to the extent that the gain exceeds the loss. BNG must be defined relative to an appropriate reference scenario ('net gain of what compared with what?'). For governments, this goal may be set at a national, regional or local level.

 $^{^3}$ Some governments and companies have a goal of Zero Net Deforestation (ZND), which is a subset of NNL.

agricultural activities by applying the mitigation hierarchy (sequentially avoiding, minimising and repairing impacts on biodiversity, and offsetting remaining negative impacts). The component of Biodiversity Net Gain that can be contributed by mitigating the impacts of specific development projects is the main focus of this roadmap.⁴ BNG/NNL policy can make an important contribution towards achieving the Sustainable Development Goals, the Aichi targets (to 2020) and their successors. It can help to reconcile national strategies for economic development and poverty alleviation with agreed targets for the retention, protection and restoration of biodiversity, while providing livelihood options for local communities and improving land-use planning and mitigation and adaptation to climate change.

A number of governments have established policies for achieving a Net Gain (or No Net Loss) of biodiversity, marking a transition from intending to do less harm to doing overall good for biodiversity. These policies, developed over a period of years, are often accompanied by supporting regulations and guidelines which encourage or require developers to plan their own projects for BNG/NNL of biodiversity, or achieve it through third parties, contributing to a national (or state-level) policy goal (FECHNICAL NOTE 2).

What if 'Net Gain of biodiversity' from mitigation of impacts is unrealistic or not the chosen path?

BNG/NNL as a policy goal takes years to put in place and accomplish. It can be incompatible with some development trajectories. For instance, it may not be possible to find the land, willing land-owners and investment needed for conservation outcomes to balance the losses of biodiversity expected over the decades from the country's chosen development path. In this case, the government faces a choice: either alter the economic activities (extraction, infrastructure, agriculture, forestry, consumption patterns) currently foreseen in development plans to reduce the anticipated impacts on biodiversity, or set a more realistic goal than BNG. Consequently, this Roadmap considers other, less demanding goals (such as Managed Retention) that can still achieve better outcomes for biodiversity than the status quo and can either be planned as a milestone towards BNG/NNL or set in their own right where the government concerned feels they are more realistic than BNG/NNL and reflect the best development path for the country. In any event, BNG/NNL is something to be considered carefully. It is more transparent and credible to set a lesser target than BNG/NNL than it is to claim but not achieve BNG/NNL.

• What are the principal elements of a system for Biodiversity Net Gain?

A system for BNG/NNL can be established at the national, state level or even local level. To achieve BNG/NNL, government will need to work on multiple fronts, using a combination of policy instruments. Addressing the impacts from development following the mitigation hierarchy (avoid, minimise, restore, offset) will need to be complemented by other approaches such as Payments for Ecosystem Services (PES), Reduced Emissions from Deforestation and Degradation (REDD and REDD+), Protected Areas expansion and environmental levies. The mitigation part of the system for BNG/NNL can be integrated with social and environmental impact assessment, with systems of permits and licenses, and with major development projects and land-use decisions. The system can be voluntary or mandatory. Governments with BNG/NNL policies will have policy statements related to this goal, and systems to deliver it using reliable, appropriate and transparent measures; e.g. by integrating it into planning procedures, environmental and social impact assessments (ESIAs), staff responsibilities, monitoring and reporting protocols, and budgets.

⁴ Applying the mitigation hierarchy to development projects is highly unlikely to achieve Biodiversity Net Gain at a national level on its own, because mitigation only happens when there are losses, some mitigation measures may fail, and biodiversity is lost for many reasons other than habitat loss caused directly by development (e.g. climate change, invasive alien species and poaching).

The main elements of a system for BNG/NNL (or aimed at achieving alternative policy goal) are the following:

- Law & policy: this element covers national policy, and necessary rules and regulations to give this effect. It establishes the principles that underpin BNG/NNL; the statement of policy itself, including whether this is mandatory or voluntary, how the intended outcome for biodiversity fits with existing biodiversity targets and how it is established (e.g. through a legal requirement supplemented by guidelines); the scope and limits of the policy; the principal components of the system such as strengthening the mitigation hierarchy, especially avoidance measures, and establishing exchange rules, metrics and methods for implementation which will be elaborated in guidelines (see below).
- Supporting measures: this part of the roadmap covers the development of the <u>guidelines</u> that spell out the policy and any associated regulations, the underlying <u>information</u> needed to apply them, together with the <u>standards</u>, <u>agreements</u> and <u>management plans</u> and the <u>financial arrangements</u> used to do so.
 - The guidelines typically cover: the exchange rules governing which impacts can be offset by what type of gains (i.e. defining 'like for like or better'); the metrics for measuring loss and gain; land-use and landscape level planning and the location of mitigation measures (particularly, areas to be avoided and areas suitable for offset activities); methods for applying them (including assessment methods for sites including calculation of gains); identification of the set of activities which can deliver the secure and additional long-term gains needed to offset residual impacts; and clarification of which organizations can undertake the offsetting activities and explanation of the standards by which they should abide.
 - The information component (biodiversity & development data and maps) serves as the basis for landscape-level planning (including where avoidance is of paramount importance, setting and tracking biodiversity goals, deciding where offsets are best located and where infrastructure and economic development is planned or likely), creating reference scenarios and baselines, applying the exchange rules and setting the benchmarks and attributes for metrics to calculate residual losses and offsets' gains.
 - The standards, agreements (e.g. performance-based conservation management contracts) and management plans (e.g. Biodiversity Offset Management Plans) that establish expectations of developers and those undertaking conservation activities for offsets.
 - The financial arrangements to secure long-term mitigation measures, for example, trust funds.
- Governance & planning: this covers how the system for delivering BNG/NNL will be governed, coordination between different branches of government; how BNG/NNL will be integrated into land-use (& marine) planning & other policies; which institutions will play a role in assessment; oversight and how commitments on avoidance, minimization, restoration and offsetting are to be monitored and enforced.
- Capacity building & partnerships (including pilot projects): this entails training and building the capacity of governments to design, implement and continuously improve a system for BNG/NNL; consultants and NGOs to undertake conservation plans, baseline studies and impact assessments, risk assessments for non-offsetability (i.e. impacts which cannot be offset), loss gain calculations and design of feasible offset activities and management plans; companies and investors to commission baseline and mitigation design work early enough and to an adequate standard; and offset providers and brokers to generate and maintain long-term gains in biodiversity to mitigate the impacts of developers.

For a roadmap on how to plan and put these elements into operation, see section 2, below.

How does Biodiversity Net Gain planning relate to sustainable development goals?

The need for a net positive outcome for biodiversity is expressed in the United Nations 2030 Sustainable Development Agenda and associated Sustainable Development Goals, as well as in the Aichi targets of the Convention on Biological Diversity (TECHNICAL NOTE 3) and the IUCN policy on biodiversity offsets (TECHNICAL NOTE 4). Thus many of the management objectives and procedures for BNG/NNL of biodiversity are shared with broader ones related to environment and development.

Governments are likely already to be taking some of the steps needed for BNG/NNL and can integrate any additional steps needed with existing initiatives to have a streamlined and consistent approach. A BNG policy could be included in planning permission, licensing and permitting systems, regional and sectoral development plans, National Adaptation Programmes of Action (for climate change), and Poverty Reduction Strategies. In addition to complying with government policy, some companies and projects are already working towards BNG/NNL on projects in response to their own corporate commitments or to meet performance standards set by lenders and international groups (e.g. the World Bank's Environmental and Social Safeguard Policies, the International Finance Corporation Performance Standard 6 (TECHNICAL NOTE 5), the BBOP Standard (TECHNICAL NOTE 6). Governments developing BNG policies may wish to harmonise their approaches with these best practices in order to offer developers an efficient approach to complying with national policy and the requirements of lenders.

What are the opportunities and risks in planning for Biodiversity Net Gain?

It is helpful for governments to consider the implications of planning for BNG/NNL, including risks and opportunities involved in adopting policy on the topic (see table below). Support at the most senior levels of government, including from several different ministries (for instance, environment, mining, energy, agriculture, communities, justice) is important and often not achieved. Perceptions of risks and opportunities vary according to the stakeholders concerned, highlighting the importance of good consultative and participatory processes for developing and administering policy. It is important to consider the social and cultural aspects of BNG, to ensure that people affected by development projects and their mitigation measures, including offsets, will benefit from them. (See TECHNICAL NOTE 7) The main drivers of opportunity and risk for planning for BNG/NNL of biodiversity are given in TECHNICAL NOTE 7 and can be summarised as follows: The principal opportunities are more and better conservation of biodiversity and associated ecosystem services, improved land-use planning and decision-making, and livelihood and job opportunities. Another opportunity lies in linking the planning for BNG/NNL to Natural Capital Accounting, which is discussed in TECHNICAL NOTE 8. The main risks are lack of consistency with other policies and decisions that undermine BNG/NNL; the use of unrealistic mitigation commitments to allow inappropriate projects to proceed; and failure to achieve BNG/NNL as a result of unclear and inadequate rules and methodologies and the lack of enforcement.

Governments and their stakeholders now have access to a wealth of biodiversity data and powerful technologies (e.g. remote sensing, GIS and modelling tools) to enable them to pursue BNG/NNL goals and to design, build and administer the systems needed to achieve them.

Why a roadmap?

Experience in many countries is that governments often start with a basic approach to establishing the essential elements of a BNG/NNL system, and then develop and improve it over time. These systems involve law, policy, scientific and technical guidelines and data, relationships with a variety of stakeholders, and coordination and capacity building in government. The system will need institutions and tools to help developers apply the mitigation hierarchy, concentrate on effective avoidance measures and find and secure for the long term any

biodiversity offsets they may need. The system can build on suitable elements that may already exist in the country concerned, but where there are gaps, mechanisms will need to be established, and this will take a period of years.

A 'roadmap' is a plan with key milestones typically over a 5-10 year period to enable an effective BNG/NNL programme to be put into practice in a sequential and orderly manner. The roadmap can guide the development of key parts of the BNG/NNL system, such as rules and guidelines, data gathering and capacity building, pilot approaches and (if desired) market mechanisms. Adaptive learning, based on monitoring of experience, is recommended to help with the evolution of policy and implementation. Governments have a wide range of different capacities and are at different stages in their development of approaches to mitigation. Each government can adapt the ideas presented in this document to create its own roadmap with the scope, content and timelines to suit its individual circumstances.

Part 2: How can we develop policy for achieving Biodiversity Net Gain and put it into practice in our country?

This part of the document describes how a country can develop a system for BNG/NNL. It covers:

- Typical stages in the planning and implementing a BNG/NNL system, and principal elements of a national system
- Lessons learned from past experience
- Roadmap

1. Phases of planning for BNG/NNL & principal elements of a national system

There are many ways to plan for BNG/NNL, but typically the process is characterised by the following four stages, as illustrated in the figure below:

"SWOT⁵" analysis and options and gap analysis

Establish the risks and opportunities of planning for BNG/NNL, identify options for the scope and governance of the system, undertake a comparative review of the advantages, disadvantages and needs (including data and capacity requirements) for each option, and analyse any policy, regulatory and capacity gaps that would need to be filled for each option to work in practice (including integration with other policies). Undertake loss-gain analysis to establish



- "SWOT", options and gaps
- Establish risks & opportunities, strengths & weaknesses; identify policy options with their advantages, disadvantages and needs; analyse gaps; involve stakeholders; select preferred policy option



- Framework with data, capacity and supply of offsets
- Put in place the policy framework, gather data, build information systems and capacity for the initial BNG/NNL system
- Line up supply of offsets ready for launch.
- Start any pilot projects.

Launch • Gove

- System in operation
- Government administers the system, monitoring and evaluating individual projects and their cumulative progress in achieving the overall policy goals.
- Developers must comply with any requirements.

Evolution

- Adapting the system
- Broader scope
- Build capacity and data
- Adaptive management based on monitoring & evaluation against policy goals.

the feasibility of BNG/NNL at the national, state or local levels and refine development plans, if necessary. (See

⁵ Strengths, Weaknesses, Opportunities, Threats.

TECHNICAL NOTE 10). Involve stakeholders throughout. Select the preferred option. (See TECHNICAL NOTE 7). For information on scope for the gap analyses, see TECHNICAL NOTE 12.

Building blocks

Working with stakeholders, and drawing on national and international experience, design and put in place the policy framework (policy, guidelines and any necessary regulatory changes), collate the required data and plans and build the information systems and capacity to establish and run the initial BNG/NNL system based on the preferred option, as well as lining up potential supply of offsets ready for the launch of the system. Start any pilot projects.

Launch

Launch the BNG/NNL system: From this point, developers must comply with any requirements and governance mechanisms and guidelines. Government administers the system and monitors and evaluates individual projects and their cumulative progress in achieving the overall policy goals.

Evolution

Most governments take a phased approach to introducing a national system, building capacity and data, introducing new approaches to implementation and governance (e.g. market based instruments and provision of biodiversity offsets by third parties), broadening scope (e.g. from terrestrial to marine). Adaptive management and building of the system over time, based on monitoring & evaluation against policy goals. For examples of how systems have evolved over time, see TECHNICAL NOTE 9.

2. Benefitting from lessons from the past

In following a roadmap for BNG/NNL, governments can benefit from lessons learned from successes and failures in other countries, including the following. For success with mitigation of impacts:

- Set out clear goals and targets for the desired biodiversity outcomes. Base this on national biodiversity targets and also on a loss-gain analysis that establishes the feasibility of BNG/NNL at the national, state or local levels.
- Ensure that measures are in place to improve the application of the entire mitigation hierarchy, and not simply to plan offsets, which should be the last step.
- Make available clear, consistent guidance, for certainty and to avoid delays. Remove perverse and conflicting
 policy signals. Establish clear roles for national, state and local government and ensure good coordination
 between government departments.
- Undertake adequate monitoring of performance and enforce commitments. Ensure there are good governance mechanisms and adequate budgetary provision to do so.
- Put in place clear principles and standards for mitigation measures (including offsets).
- Check that the legal and financial instruments needed to secure long-term implementation are available.
- Plan proportionate approaches, allowing for the possibility of streamlined procedures and simple baseline studies and metrics for the least significant impacts on biodiversity, with full assessments and more sophisticated metrics for more significant impacts.
- Develop and apply a realistic roadmap to develop the BNG/NNL system (see the four steps above). Prepare for implementation of the system (including checking there will be adequate supply of offsets) during the policy development phase.

- Establish and make available good baseline data, mapping and landscape level planning.
- Select good methods and avoid those that don't deliver (e.g. poor metrics).
- Support flexibility by allowing several options for implementation of mitigation, provided the same standards are met.
- Help parties who need to find each other (e.g. those who need offsets and potential providers of offsets).

3. Elements of a roadmap

A useful roadmap for governments to plan towards BNG/NNL will cover the phases described above (SWOT analysis and options and gap analysis; Building blocks; Launch; and Evolution), and it will cover the main elements of a system for BNG/NNL, also as above (Law & Policy; Governance & Planning; Supporting Measures (guidelines, information, standards, agreements, plans and finance); and Capacity Building & Partnerships, including pilot projects). Typical, illustrative steps that could be included in the roadmap are set out in the Table below. These would need to be reviewed and customised for its own purposes by any government embarking on the roadmap. In some circumstances, the work described may happen in earlier or later phases than described here.

Indicative outline of a Roadmap for Governments to Plan towards Biodiversity Net Gain

Stage 1: SWOT analysis, gap analysis, options analysis (Typically: two years)

Establish the risks and opportunities of planning for BNG/NNL, identify options for the scope and governance of the system, undertake a comparative review of the advantages, disadvantages and needs (including data and capacity) for each option, and analyse any policy, regulatory and capacity gaps that would need to be filled for each option to work in practice. Involve stakeholders throughout. Select the preferred option

practice. Involve staken	nolders throughout. Select the preferred option.		
Law & Policy	Governance & Planning	Supporting Measures (guidelines, information, standards, agreements, management plans and financial arrangements)	Capacity Building & Partnerships (including pilot projects)
 SWOT analysis with stakeholders Gap analysis of law, policy, regulations, governance, planning and finance 		 Gap analysis of the data and maps on biodiversity and development needed to define and apply the BNG/NNL system. Feasibility study on losses and gains: review of development policies and likely impact on biodiversity of sectoral growth (extractives, infrastructure, agriculture, etc.) as well as location and quantity of potential gains through additional conservation outcomes. Recommendation of changes in policy and development plans needed for BNG/NNL to feasible. 	 Gap analysis of the capacity and experience on biodiversity and development needed to define and apply the BNG/NNL system. Consider possibility of linking BNG/NNL planning to Natural Capital Accounting, whether at the level of national Natural Capital Accounts, or Corporate Natural Capital Accounts.
 Describe clear options for law, policy and regulations. Cover the principal variables affecting the range of options available: choice of regulatory framework - purely voluntary to a regulatory system, and consider third party offsets and market-based approaches; timeline for rolling out the system; scope of the system (inclusions, exclusions, baselines, frames of reference); & level of technical detail involved Review the feasibility and pros and cons of different policy goals, such as Biodiversity Net Gain, No Net Loss and Managed Retention: 		 Describe the needs for biodiversity and development data and maps for the options, to address, amongst other things: Goals and targets relating to biodiversity outcomes and data on biodiversity status Landscape level planning, incl. avoidance, 'No Go' decisions & offset site selection Biodiversity surrogates and measures Counterfactuals/ baselines Exchange rules: 'like for like or better' Metrics: measuring loss and gain of habitat condition and area, and species' populations Identify methods for securing improved biodiversity outcomes, monitoring & evaluation. 	Describe the needs for human and institutional capacity to implement the options, including: Government coordination EIA, SEA, FPIC Biodiversity policy, land-use (and marine) planning Administration & enforcement Information technology Field assessments Registries and markets (if desired)

each, taking into considera o effectiveness of the o the objective of NG o human and institutio required for the opti o level of political will for policy goals (e.g. Managed Retention)	option ecologically (i.e. its ability to achieve of biodiversity) and economically; nal capacity and level of investment on to work; needed and the acceptability of the options Biodiversity Net Gain, No Net Loss and	Comment on the feasibility of obtaining the data and maps needed for each option.	Comment on the feasibility of building the capacity (human and institutional) needed for each option.
Select and describe the property of the p	eferred option (including scope)	 Prepare the guidelines for how to implement the preferred policy option. Describe the data sets and needs for this preferred option. 	Describe the needs for capacity-building and training and pilot experiences for the preferred policy option.
	Stage 2:	Building blocks (Typically: 2-3 years)	
			uild the data and capacity to establish the initial BNG/NNL
		ng up potential supply of offsets ready for the launch o	
Law & Policy	Governance & Planning	Supporting Measures	Capacity Building & Partnerships
 Develop key elements of the Net Gain Policy (or alternative policy such as No Net Loss or Managed Retention), and an outline of supporting guidelines that would be needed for the Policy: Policy (interim, if necessary) on key features established. Should address: landscape level planning (including avoidance, limits & site selection) additionality & gain exchange rules & metrics 	 Net Gain Working Group (or (or similar Working Group) established across different government departments. Can include non-governmental stakeholders. Proposed governance model for system of mitigation of impacts on biodiversity defined. Any necessary bodies established. Mandates and terms of reference for institutions established. Processes and mechanisms for establishing and managing offsets, including FPIC with traditional owners and other relevant stakeholders. 	 Guidelines should set out how to deal with non-offsetable impacts, landscape level planning (including avoidance and non-offsetable impacts), exchange rules and metrics Assemble available data and information (including maps) on biodiversity and land uses and collate into formats required to support the law and policy. Define a suitable frame of reference (time, scale and extent, counterfactual/baseline, etc.) as basis for establishing losses and gains. Develop and define (provisional) metrics for quantifying the extent and quality of biodiversity, and exchange rules for offsetting. Develop (provisional) additionality requirements, protection levels, management actions and gain rules in order to calculate gains resulting from 	 Capacity building & training (CB&T): Describe needs for CB&T and pilot experiences for preferred option. Write fact sheets to inform users of the system. Training sessions with key government officers & stakeholders on roles & responsibilities under the Net Gain system so they are ready to take policy decisions, then implement and administer the country's Net Gain policy. Training on Net Gain of biodiversity integrated into separate (broader) EIA/SEA courses. Partnerships: Partnerships and contracts established with any organisations that will play key roles in the NG system (e.g. registries, brokers, suppliers of offsets) Pilot projects and studies: to try out proposed methods & approaches, establish whether NNL/NG can be achieved under proposed policy, adjust policy and guidelines before they are introduced.

	or other) system: From this point, develor		 With company(ies) preparing EIA to test exchange rules, metrics, FPIC / implementation. With regions of government where clustered economic impacts are foreseen, to test the system. Project to generate information on the biodiversity losses and gains anticipated within a defined area within the country. Build skills and experience of applying initial versions of exchange rules, metrics and other biodiversity impact mitigation tools and assess feasibility of proposed system. Land use and scoping study: establish quantitatively the likely area & condition of losses anticipated in the longer term in the country & areas available for generating offsets, to support sound decisions on the scope of the policy.
administers the system	and monitors and evaluates individual pr	ojects and their cumulative progress in achieving system over time.	the overall policy goals, building and adapting the
Law & Policy	Governance & Planning	Supporting Measures	Capacity Building & Partnerships
Policy and any new law/regulations put into effect.	 Net Gain (or similar) Group meets periodically. Coordination among participating departments and levels of government promoted. Governance mechanisms (oversight committees, broker(s), offset registries) established and running. Monitoring, evaluation, enforcement underway. 	 Guidelines promulgated. Data sets and maps available to participants in system. New data collected and created by developers and others in the system (e.g. offset providers) integrated into the system. Tools in place for good governance (e.g. conservation trust funds, conservation covenants, conservation management agreements, Biodiversity Offset Management Plan outline) 	 Any ongoing pilot projects and studies report their learning to the system. Capacity-building and training continue for two sets of target groups: Government staff involved in administering, monitoring, evaluating and enforcing the system. Stakeholders (including developers who must apply the mitigation hierarchy and those supplying offsets to the system (e.g. communities, NGOs, landowners, government agencies).

Stage 4: Evolution (Typically: 5+ years)

Most governments take a phased approach to introducing a national system, building capacity and data, introducing new approaches to implementation and governance (e.g. market based instruments and provision of biodiversity offsets by third parties), broadening scope (e.g. from terrestrial to marine). Adaptive management based on monitoring and evaluation against policy goals.

management based on monitoring and evaluation against policy goals.			
Law & Policy Go	overnance & Planning	Supporting Measures	Capacity Building & Partnerships
policy and regulation and the level of ambition of the policy goal (Biodiversity Net Gain, No Net Loss or Managed Retention, etc.) taking into consideration experience to date, update of the scoping study, stakeholder input and any revised sectoral and national sustainable development plans Law and policy associated with conservation banking established, and properly monitored and enforced.	Improved and coordinated policy and governance established (particularly if policy was initially introduced on an interim basis). Improved land-use planning involving relevant departments of government for land-use and spatial planning, integrating the mitigation hierarchy. National (or at least regional) system of community-led conservation banks identified and some established if feasible. Revise mechanisms to promote effectiveness. E.g.: consider provision of credits and 'Over The Counter' supply of offsets for small projects. Evaluation of effectiveness of system so far: has it achieved BNG (or its other stated goal) against the agreed baseline/counterfactual? Is it an economically efficient way of securing these conservation outcomes (compared with alternative approaches, such as an expanded protected area system, higher environmental taxes, etc.); Is it fair and equitable for those who have benefited and been disadvantaged by the system? Can it be improved based on experiences to date?	 Refined and updated guidelines. Improved guidance and methodologies on implementation and governance of national system on mitigation of biodiversity, with a focus on third party supply and banking (and FPIC improvements). Improved, integrated database with data and metadata available, with clarity on how this data will be improved, updated and maintained over time, and how it can be used for refined exchange rules, metrics, determining non-offsetable impacts and landscape-level planning. 	 Training sessions with key government officers, stakeholders and EIA practitioners on roles & responsibilities under the improved Net Gain system. System of certification and accreditation for various activities under the system allows for greater efficiency and shared high standards or practice nationally.



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