Eco-Markets.

Australasian Biodiversity Improvement (ABIS)

Guide

Version 1.1

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Nature. Valued.

Contents

Version Control

The Australasian Biodiversity Improvement Guide Version 1.1

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Contact

Eco-Markets (EMA), Australasian Biodiversity Improvement Scheme administrator www.eco-markets.org.au

Acknowledgements

Eco-Markets acknowledges the Traditional Owners of Country and acknowledges their continuing connection to land, biodiversity and community. We pay respect to Country, the people, the cultures and the Elders past and present.

The development of the Australasian Biodiversity Improvement Standard (ABIS) has been built on the foundations of Eco-Markets' Australasian Catchment Water Improvement Standard (ACWIS); the Cassowary Credit Scheme, with full acknowledgment of Terrain Natural Resource Management and all parties who contributed to the development of that Scheme; and the Reef Credit Scheme, with full acknowledgment of the Queensland Government Office of the Great Barrier Reef, Terrain Natural Resource Management, North Queensland Dry Tropics Natural Resource Management, GreenCollar and all parties who contributed to the development of that Scheme.

Eco-Markets acknowledges the respondents to the Call for Public Comment and the peer reviewers for their generous, constructive advice and insights provided during the development of the Standard.

This document accompanies the ABIS and may be cited as the Australasian Biodiversity Improvement Guide Version 1.0. (the Guide).

Purpose of the Australasian Biodiversity Improvement Guide

The Australasian Biodiversity Improvement Guide (the Guide) establishes the rationale and principles of the ENVOMARK Australasian biodiversity improvement Scheme delivered through the Australasian Biodiversity Improvement Standard (ABIS) and Methodologies approved through the Value Nature Framework.

Versions and review

The Guide and all accompanying documents may be updated periodically by the Secretariat.

The Secretariat may issue minor errata corrections or revisions to the Guide or requirement documents, which will be published on the Eco-Markets website. Significant revisions to the Guide will be subject to a 30-day public consultation period.

Rationale for the Australasian Biodiversity Improvement Credit Scheme

Biodiversity loss across Australasia's landscapes, waterways and seascapes is a growing concern, threatening ecosystems, species, communities and industries. Land clearing, habitat fragmentation, invasive species and climate change continue to place pressure on threatened species and ecological communities. These challenges demand innovative, scalable solutions that go beyond traditional regulation and public funding models.

The Australasian biodiversity improvement Scheme, delivered through the Australasian Biodiversity Improvement Standard (ABIS) and developed by Eco-Markets Australia (EMA), responds to this need by introducing a market-based mechanism to incentivise the restoration, protection and enhancement of biodiversity assets across freshwater, terrestrial, coastal and marine settings. The ABIS builds on the foundations of Eco-Markets' suite of integrated ENVOMARK Standards, including the Australasian Catchment Water Improvement Standard (ACWIS), the Cassowary Credits Standard, and the Reef Credit Standard, drawing on years of experience administering credible, verified environmental markets.

The Scheme enables the generation of biodiversity improvement Credits, which represent verified, additional improvements in the condition of biodiversity assets, quantified in units of condition improvement using metrics appropriate to the benefited asset. These improvements are quantified, attributed and converted to Credits using Methodologies approved and assured through the ENVOMARK Value Nature Framework and are independently verified and tracked via a secure blockchain Registry. This structure ensures transparency, integrity and scalability, making the Scheme suitable for both voluntary and compliance markets.

Credits generated under the ABIS are named to reflect the identity of the defined biodiversity setting or iconic species or ecological community for which the improvement is delivered — for example, Cassowary Credits. Credit naming conventions are determined by the Secretariat to manage market administration and investor demand for credit characterisation for benefit claiming purposes.

The ABIS is intended to directly reward the achieved and maintained improved condition of target biodiversity assets that is attributable to Project Activities, compared to the trend in condition that would otherwise have occurred. At the end of each Monitoring Period, the difference between the current condition and the adjusted condition trend attracts a specified number of Credits per unit of condition improved and/or maintained, as set out in the applicable Methodology.

The development of the ABIS aligns with national and sub-national conservation frameworks, including species and ecological community listings under the Environment Protection and Biodiversity Conservation Act 1999 (Cth) and comparable state, territory and international instruments such as the International Union for the Conservation of Nature (IUCN) Red List, as well as published biodiversity conservation plans and comparable strategies. It supports delivery of quantifiable biodiversity outcomes while also contributing to broader sustainability goals, including the UN Sustainable Development Goals (SDGs).

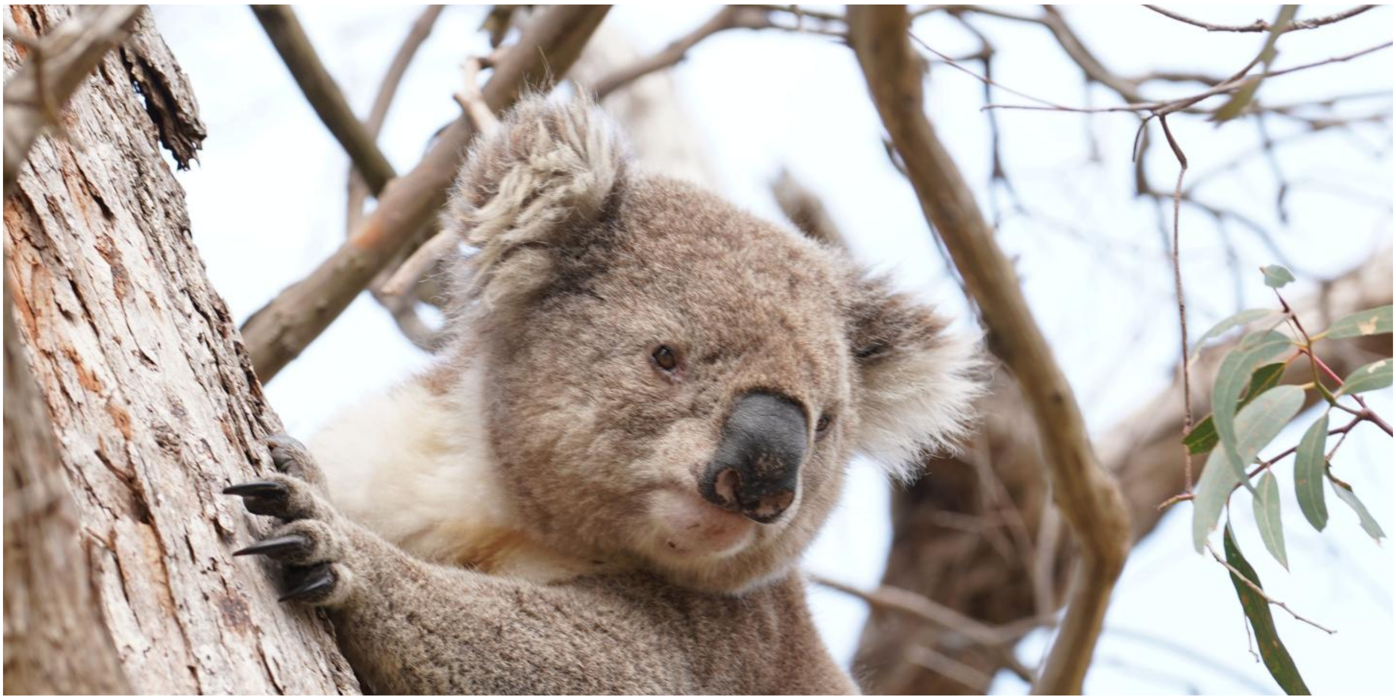
Importantly, the Scheme addresses a critical global challenge in funding nature repair, as identified by the Kunming-Montreal Global Biodiversity Framework. By creating a credible, standardised mechanism for investing in nature-based solutions, the Scheme helps mobilise private, public and philanthropic finance toward biodiversity restoration and protection. It supports the Framework's goals to reduce harmful subsidies, align financial flows with biodiversity outcomes, and scale up investment in ecological health.

High-integrity, third party verified ENVOMARK Credits issued through the Scheme are suitable for both ESG and Compliance purposes. On approval by the relevant authority, ENVOMARK Credits are the preferred offset, representing environmental outcomes already achieved.

Eco-Markets' governance model ensures robust oversight, with strategic direction from a Board of Directors, scientific, conceptual and practical input from a Technical Advisory Committee, and operational management by a Secretariat. Eco-Markets' consultation process, including stakeholder engagement on the ABIS, reflects its commitment to transparency and continuous improvement.

Benefits of the Scheme include income diversification for Project Proponents and rightsholders, enhanced investment opportunities, and landscape-level beneficial impact for threatened species and ecological communities. It empowers Project Proponents to implement validated interventions, while enabling buyers — governments, corporations and philanthropists — to acquire verified outcomes.

In summary, the ABIS represents a transformative approach to biodiversity conservation and natural capital investment in the face of habitat loss and climate change in Australasia. The Scheme offers a credible, scalable and transparent framework for delivering environmental outcomes, attracting investment, and contributing to national and global sustainability goals.



Benefits of the ABIS

The Australasian Biodiversity Improvement Credit Scheme:

- Provides an economically efficient, verifiable pathway and a scalable mechanism for delivering species level and landscape level change to contribute to quantifiable biodiversity outcomes set within biodiversity conservation plans or comparable strategies, relevant to the defined biodiversity setting.
- Delivers consistent measurement and monitoring according to ENVOMARK Assured Methods, approved under the ABIS, to track progress toward quantifiable biodiversity outcomes described in the relevant biodiversity conservation plan or comparable strategy.
- Links research and knowledge to on-ground practice through peer reviewed Methodologies designed to suit relevant biodiversity assets and settings.
- Encourages the inclusion of First Nations peoples in the design and implementation of biodiversity improvement methodologies and projects, incorporating perspectives, cultural responsibilities and knowledge systems.
- Funds projects designed to suit local conditions, contribute to regional conservation targets and where possible, aligned to the Sustainable Development Goals (SDGs).
- Enables Credit purchasers to buy the right to exclusively claim verified biodiversity improvement outcomes that have been delivered and third-party verified, suitable for both ESG and Compliance purposes.
- Provides a pathway for like-for-like or reasonably equivalent biodiversity offsets, subject to the policy and regulatory requirements of the relevant offset scheme.
- Specifies clear and robust rules to ensure biodiversity improvements credited are real, additional and permanent.
- Provides a mechanism to drive private investment into nature repair and contribute to Australia's Nature Positive Plan.
- Complements other key services such as extension, agribusiness, catchment management, natural capital, natural solutions and other ecosystem services initiatives, fostering holistic and coordinated approaches to landscape-scale biodiversity improvement.
- Enables Project Proponents and rightsholders to earn diversified and regular income by participating in the Scheme.
- Offers attractive investment pathways, providing market confidence, for government, corporate and philanthropic purposes.
- Provides transparent oversight to ensure that landholders, rightsholders, participants, investors, community and the market recognise the biodiversity improvement Credit as being real, additional and permanent.
- Provides a single administrative platform with independent, transparent and accountable governance oversight to achieve biodiversity outcomes and bring to market, assure and safeguard the exclusive right to claim those benefits.
- Contributes to Eco-Markets suite of integrated ENVOMARK Standards which provide a similar framework and machinery to enable methodologies to deliver multiple benefits (water, biodiversity, carbon etc) from the same Project site, meeting eligibility requirements of all applicable Standards, and optionality to stack with Australian Carbon Credit Units (ACCUs) upon approval by the Clean Energy Regulator.
- Aligns with the Biodiversity Credit Alliance High Level Principles for Biodiversity Credits, and Marine Biodiversity Credits.

Components of the Scheme

Component	Purpose
Australasian Biodiversity Improvement Guide	The overview of the scheme, its purpose, governance arrangements, and operating principles.
Australasian Biodiversity Improvement Standard	Rules and requirements to develop biodiversity improvement Methodologies and Projects; validate, register, monitor and verify Projects; and issue, track and transfer Credits following third-party verification.
Registry	Digital Platform that tracks ENVOMARK Credit issuance, transactions, ownership and retirement on secure blockchain.
Biodiversity improvement Methodology(ies)	Approved methods used to quantify, attribute and verify biodiversity condition improvement and conversion to Credits
Biodiversity improvement Project(s)	On-ground activities implemented by Proponents and landholders/rightsholders in accordance with approved Methodologies and the ABIS requirements
Eco-Markets Australia (EMA)	Independent market administrator providing registry services and oversight of the Scheme, Standard, Methodologies, Project validation, benefit verification and Credit issuance, tracking and retirement, ensuring integrity and market confidence.

The ABIS

1. Improves the condition of biodiversity assets in Defined Biodiversity Settings across Terrestrial, Freshwater, Coastal and Marine contexts
2. Contributes to the delivery of quantifiable biodiversity outcomes described in relevant biodiversity conservation plans or comparable strategies for Defined Biodiversity Settings, including any subsequent revisions to those outcomes,
3. Creates a market mechanism to incentivise projects that achieve biodiversity improvement outcomes.
4. Delivers high-integrity, third-party verified ENVOMARK Credits suitable for both ESG and Compliance purposes aligned with National and International biodiversity policy frameworks.

Governance

Governance structure

Eco-Markets, an independent not-for-profit company, administers the ABIS and the Australasian biodiversity improvement Scheme. The company is governed by a skills-based Board of Directors (the Board), with the day-to-day administration of the Scheme delegated to the Secretariat.

Board of Directors

The role of the Board is to provide strategic, risk, compliance and financial oversight to the Scheme, manage the development and ongoing maintenance of the ABIS and supporting documentation, and provide supervision of the Secretariat.

Secretariat

The Secretariat, overseen by the Board, administers the Australasian biodiversity improvement Scheme. The Secretariat's role and responsibilities include:

- Managing or overseeing all Scheme processes and procedures
- Managing the review and approval of biodiversity improvement Projects, including validation, registration and verification
- Managing the review and approval of biodiversity improvement Methodologies approved under the ABIS
- Managing the review, maintenance and approval of updates to the ABIS
- Issuing, approving and/or updating all biodiversity improvement Credit documentation
- Issuing guidance and interpretation related to the ABIS and Scheme
- Maintenance of the Registry, including issuance, transfer, and retirement of Credits
- Ensuring the integrity of the Scheme, including conducting reviews of stakeholder disputes or grievances
- Making decisions regarding the administration or operation of the Scheme, which may include input from the Technical Advisory Committee

Technical Advisory Committee

The Technical Advisory Committee (TAC) is composed of specialists that complement the skills of the Board and the Secretariat and advises on technical aspects of the ABIS and Methodologies. The TAC provides independent expertise on the Methodology application and revision process, selection of peer reviewers, compliance matters and related issues.

Dispute resolution and grievance procedure

The Dispute Resolution Procedure provides a process for the review of decisions made by the Secretariat.

The Grievance Procedure provides a process to review and respond to grievances by stakeholders, including any actual or anticipated Non-compliance with the ABIS.

The Secretariat maintains a Dispute Resolution Log and Grievance Log, to review and respond to disputes and grievances in a timely and transparent manner.

The Dispute Resolution Procedure and Grievance Procedure are available on the Eco-Markets website, www.eco-markets.org.au.

Scope and Application

Scope

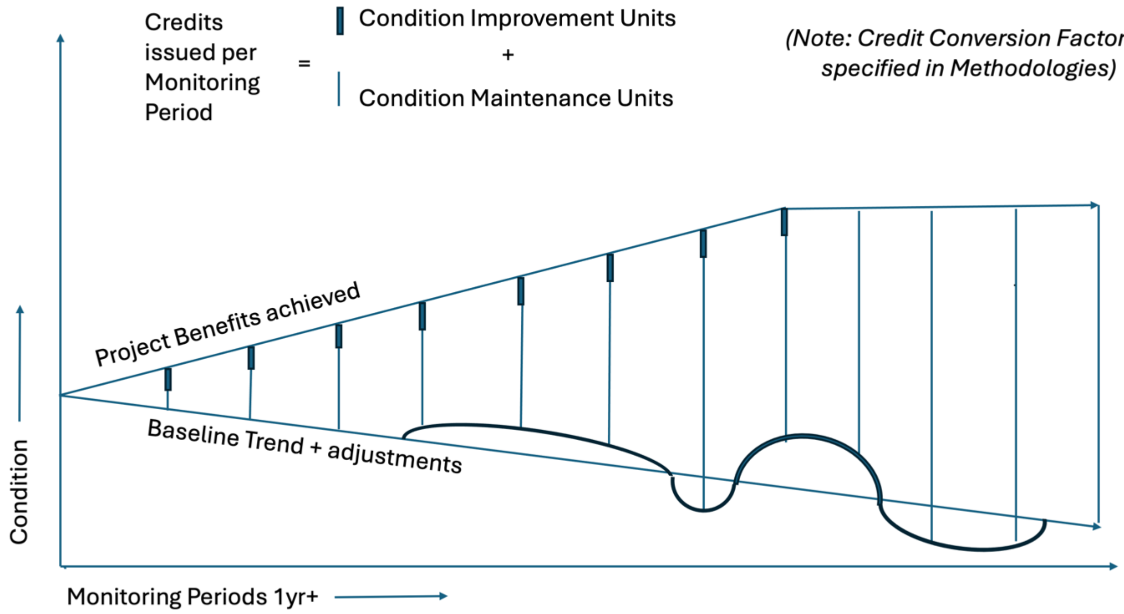
The scope of the Scheme covers Projects that deliver benefits for biodiversity in Defined Biodiversity Settings arising from:

1. restoration, reinstatement or augmentation of habitat for species listed under national or sub-national legislation as being of conservation concern (threatened, vulnerable, endangered or the like);
2. restoration, reinstatement or augmentation of areas of Threatened Ecological Communities listed under Commonwealth legislation, or comparable listings under the legislation of the relevant national government for the relevant defined biodiversity setting;
3. mitigation of threats to species or ecological communities listed under national or sub-national legislation as being of conservation concern;
4. regeneration of biodiversity condition and outcomes attributable to First Nations customary custodial responsibility;
5. establishment of new functional habitat for biodiversity in areas of ecological degradation or absence; or
6. on-going management under legal protection of biodiversity from future impacts.

All Projects must be conducted using an approved biodiversity improvement Methodology.

Biodiversity improvement Credit metrics and conversion factors

A Biodiversity Condition Improvement Unit represents a quantified and verified benefit to biodiversity from a Project, conducted in accordance with an approved Methodology. As a default setting, Conversion Factors in approved Methodologies must reflect the relative value of the target biodiversity asset according to the relevant level of conservation concern listed in a national or international statutory or policy instrument (for example, the EPBC Act 1999 (Cth) or the IUCN Red List), where such a listing exists. In the absence of a formal listing, Conversion Factors must reflect a published authoritative source to support a determination of reasonable equivalence of benefit value.



The quantified and verified benefit to biodiversity from a Project is converted into biodiversity improvement Credits by applying the relevant Conversion Factor, as specified in the applicable Methodology. Conversion Factors must be relative and appropriate to the activities and outcomes of the Methodology, may differentiate between condition maintenance and condition improvement outcomes, and should reflect the value of the achieved and/or maintained biodiversity benefit rather than the cost of achieving it.

Conversion Factors may be specific to Defined Biodiversity Settings and are digitally traced and tracked Credits and tagged against the relevant setting (provenance) so that claims attach to the biodiversity improvement benefits achieved for specific species, ecological communities and/or ecological functions. Credits are not universally fungible, as each biodiversity improvement Credit carries the unique attributes that underpin the specific benefit claim available upon retirement. However, for offsetting purposes, and subject to the policy and regulatory requirements of the relevant offset scheme, Credits may provide reasonable equivalence where like-for-like cannot be achieved, provided the Credit is attributable to a biodiversity asset of equal or lower conservation concern than that of the biodiversity asset for which the Credit is applied as an offset.

In establishing and adjusting Conversion Factors, the ABIS applies a principle of reasonably equivalent benefit that:

- reflects the biodiversity conservation objectives or targets in the relevant conservation plan or strategy,
- relevant indicator thresholds specified under national or sub-national legislation and policy instruments, and,
- as a reference value, the credit value of one Cassowary Credit — established as being equal to the achievement of one Condition Improvement Unit of restoration (from cleared site condition at project commencement) over 1,000m² (one tenth of a hectare) of original rainforest habitat under the Cassowary Credit Scheme.

Methodologies

Projects operating under the ABIS must use an approved biodiversity improvement Methodology to quantify condition improvement, attribute improvement to project activities, and convert improvement to Credits. Methodologies may be developed based on a theory of change for any practice change or ecosystem repair activity that is within scope. Activities within scope for a Defined Biodiversity Setting are those specified or otherwise reasonably included in the biodiversity conservation plan or comparable strategy for that setting. Methodologies must comply with all ABIS requirements.

Without limitation, the Scheme excludes activities that involve planting species not endemic to the bioregion (unless already widely accepted in the surrounding geographic area), that degrade the condition of native ecosystems, that manipulate the baseline condition and trend to inflate Project benefits, or that pose significant risks to native flora, fauna or regional ecosystems.

Other forms of environmental credits

Where a benefit to biodiversity has occurred in a Project Area as a result of participation in a different scheme or program, a Project may still be undertaken either concurrently or subsequently, provided all Additionality requirements are met. In such cases, Credits may only be issued for biodiversity benefits that go beyond those already delivered, or likely to be delivered, under the other scheme or program.

The intent of the ABIS as part of Eco-Markets' suite of integrated ENVOMARK Standards is to provide a similar framework and machinery to enable methodologies that deliver multiple benefits (water, biodiversity, carbon, etc) from the same site, meeting eligibility requirements of all applicable ENVOMARK Standards, and optionality to stack with Australian Carbon Credit Units (ACCUs) where approval has been sought by the Clean Energy Regulator.

Voluntary and compliance markets

Biodiversity improvement Credits may be used to meet biodiversity improvement commitments in a voluntary or compliance market. In a compliance market, the relevant regulatory agency may accept biodiversity improvement Credits to satisfy a compliance obligation according to the eligibility requirements of the relevant compliance policy. Where managers of offset funds seek to acquit accumulated offset deposits, biodiversity improvement Credits may be purchased and retired for immediate acquittal, or Projects may be funded under off-take agreements for progressive acquittal.

In the voluntary market context, the Scheme provides a mechanism to consistently measure benefits generated by land management and conservation actions. In the compliance market context, it provides a mechanism for mitigation or trading under regulatory requirements.

Working with First Nations People

Projects must meet all requirements under applicable cultural heritage legislation. Where First Nations People are not the Proponent but have recognised ownership or management responsibility for the land or sea Country where Project Activities are proposed, they must have the right to be active partners, Proponents, stakeholders, decision makers and/or shareholders in the Project. Where Traditional Ecological Knowledge is accessed for a Project, consent must be provided by the appropriate knowledge holders, and full and fair payment must be provided for the use of that knowledge.

Land Tenure and Relevant Approvals

Before a biodiversity improvement Project can be validated, market participants need to be clear about who holds the underlying rights to the land or sea Country involved, and what approvals attach to that tenure. The Project Proponent does not need to be the tenure holder but must always be able to demonstrate a lawful right to carry out the Project and to be issued any resulting Credits. This might arise from freehold ownership, a lease, a licence, a conservation covenant, or a formal agreement with the tenure holder. Where the Proponent is not the tenure holder, a written agreement covering the Proponent's right to operate and a fair, equitable share of Credit revenue must be in place before the Project is submitted for Validation.

Tenure alone is not the full picture: participants must separately consider whether native title, joint management arrangements, Indigenous Protected Areas or other First Nations interests apply to the Project Area or to land and sea Country connected to it, since free, prior and informed consent from the relevant First Nations People is a distinct requirement that can be triggered even where Project Activities occur off that Country. Layered over both of these are the ordinary regulatory approvals and permits - environmental, planning, cultural heritage or otherwise - that may be needed to lawfully undertake the Project Activities. Because all of these rights and approvals must remain valid for as long as Credits are being generated, participants should build in a process for monitoring their status, and notify the Secretariat promptly if any of these matters lapse, since this can affect a Project's ability to continue generating Credits.

In a marine context, tenure works quite differently to a terrestrial or freshwater Project. For example, in Australia, the seabed, tidal lands and coastal waters are typically Crown land, held and administered by the relevant State or Territory Government (or, beyond the state waters limit, by the Commonwealth), rather than owned by a private landholder. This means a Project Proponent will generally not be dealing with a single landholder consent, but instead with one or more government agencies responsible for marine estate, fisheries, ports or environment portfolios. Carrying out Project Activities such as, seagrass or shellfish reef restoration, mangrove and saltmarsh reconnection works, or exclusion of damaging activities from a site — will usually require a lease, licence or permit over Crown land or Crown waters, issued under the applicable marine or coastal management legislation, and the Proponent must demonstrate this authorisation confers a sufficient legal right to run the Project and to be issued Credits. Because Crown land is publicly held, market participants should expect additional layers of approval that are less common on private land: consistency with the relevant marine park zoning plan or comparable strategy, sign-off from fisheries management where activities could affect fish habitat or stocks, navigation and shipping clearances where the site intersects a shipping channel or anchorage, and any conditions attached to co-existing aquaculture, dredging or infrastructure leases in the same waters.

First Nations Sea Country interests are important to check early in a marine Project, since native title, sea claims, Indigenous Land Use Agreements and traditional hunting and fishing or cultural rights frequently extend across Crown waters even where there is no equivalent freehold interest to negotiate with - free, prior and informed consent may therefore be required even though the Proponent's only formal tenure relationship is with government. Because Crown leases and permits are often issued for fixed terms and can carry conditions or renewal risk, Proponents should confirm the authorisation will remain valid for the full Crediting Period and Permanence Period of the Project through a 'letter of intent' and build in a process to notify the Secretariat if a lease lapses, is varied, or is not renewed.

ABIS documentation

The rules and requirements for the Scheme are described in the Scheme documentation. Biodiversity improvement Projects and Methodologies need to comply with all applicable rules and requirements described in these documents.

The Guide is the overarching explanatory document that details the rationale for the Scheme, the core principles, the participants, governance of the Scheme, and the framework to generate, register, and issue biodiversity improvement Credits from a biodiversity improvement Project.

Document	Purpose
Australasian Biodiversity Improvement Standard (ABIS)	Sets out the rules and requirements to develop Projects and Methodologies, and the validation, registration, monitoring, verification, crediting, issuance and transaction requirements.
Australasian Biodiversity Improvement Definitions	Defines terms used throughout the Scheme documentation; applies to all Scheme documents.
ENVOMARK Project Application and Crediting Procedure	Describes in detail the procedure to follow when a biodiversity improvement Project is submitted for approval and crediting under the ABIS.
ENVOMARK Methodology Application and Review Procedure	Describes in detail the procedure to follow when a Methodology is submitted for approval or revision.
Additionality Tool	Used for the demonstration and assessment of Additionality in biodiversity improvement Projects.
Eco-Markets Verifier Application Procedure	Sets out the requirements and process for approval of Verifiers under the Scheme.
Eco-Markets Fee Schedule	Sets out applicable Scheme fees.
Eco-Markets Claims Guidance	Provides guidance on making claims in relation to retired biodiversity improvement Credits.
Eco-Markets Pipeline Listing Procedure	Sets out the process for listing prospective Projects on the pipeline.
Eco-Markets Grievance and Dispute Resolution Procedures	Provides a process to review and respond to stakeholder grievances.
Methodologies	Provide the specific eligibility requirements and accounting rules for different types of biodiversity improvement Projects. All Projects must use an approved Methodology.
Forms and templates	Procedural document forms and templates referred to in the Guide and ABIS.
Supporting documents	Provide additional information to Scheme stakeholders. Supporting documents do not contain new or additional requirements but explain how to interpret or apply the requirement documents, or provide information on Scheme administration. Developed as needed.

All documents and general communication materials are available on the Eco-Markets website.

Registry

The Registry is administered by the Secretariat and provides Project Proponents and other eligible Persons with the ability to list and register Projects, and issue, transfer and retire Credits. The secure digital blockchain platform ensures transparency, traceability and integrity for all biodiversity improvement Credits.

The Secretariat is responsible for registration of biodiversity improvement Projects; issuance of biodiversity improvement Credits in accordance with the ABIS; holding, transferring and retiring Credits; recording transaction prices and periodically making summary information available to the public to support market transparency; and maintaining records of biodiversity improvement Credit legal ownership.

Project Proponents must apply to open a Registry Account with the Registry. Any other Person may open a Registry Account provided they comply with all applicable legislation, regulation, codes of conduct or best practice guidance issued by the Secretariat, pass the fit and proper person test, and fulfil the eligibility requirements for an Eco-Markets registry account holder.

Biodiversity improvement Project information is available on the Registry on the Eco-Markets website, subject to commercial-in-confidence and sensitivity considerations determined at the Secretariat's discretion.

Biodiversity improvement Credit Principles

All biodiversity improvement Projects must meet the requirements set out in this document and the ABIS. Biodiversity condition improvements verified under this Scheme and issued with biodiversity improvement Credits must meet the following core principles:

Real

All biodiversity improvement Credits must be the result of registered and validated Projects under the ABIS that yield quantifiable and verifiable improvements in the condition of biodiversity assets.

Measurable

All biodiversity improvement Credits and the underlying condition improvements must be quantified using a credible baseline condition and trend, established in biodiversity improvement Methodologies approved by the Secretariat.

Permanent

All Projects are subject to a Permanence Period specified in the Methodology. Where a Methodology requires permanent protection of a Project Area, a legally enforceable instrument must be used that applies to current and future rightsholders and prohibits clearing or other activities that could result in a decline in the condition or extent of biodiversity. Proponents must provide the Secretariat with a Permanence Plan identifying potential risks to permanence and the actions taken to ensure Project outcomes are maintained for the duration of the Permanence Period.

Additional

All biodiversity improvement Credit generated condition improvements must be over and above:

1. legal requirements (for example, a regulatory compliance threshold, or activities required by a conservation covenant);
2. improvements that would have occurred without the biodiversity improvement Project (the Counterfactual); and
3. any biodiversity benefits already delivered, or likely to be delivered, under other schemes or programs.

Independently audited

Biodiversity improvement Credits must be verified by an independent, third-party Verifier approved by the Secretariat.

Unique

Each biodiversity improvement Credit must be unique and only associated with a single biodiversity improvement Project.

Transparent

There must be sufficient and adequate public disclosure of information to ensure biodiversity improvement Credits are trusted by Project Proponents and Participants, investors, partners, Stakeholders, governments and the general public.

Conservative

Accurate or conservative assumptions, values and procedures must be used to ensure biodiversity improvement Credit condition improvements are not over-estimated. This includes a requirement that the Project Proponent identify, assess and mitigate Leakage in accordance with the ABIS and the relevant approved Methodology.

Leakage is the displacement of activities that harm biodiversity from within the Project Area to a location outside the Project Area — for example, where protecting habitat within a Project Area causes clearing or degradation to shift to adjacent land. Leakage results in a lower provision of biodiversity improvement services being attributable to the Project. Project Proponents must deduct Leakage that reduces the condition improvement benefit of a Project in excess of any applicable threshold specified in the Methodology.

Safeguards

Proponents must identify any potential negative environmental and social impacts arising from a proposed Project and take reasonable steps to mitigate them, in accordance with the principle of do no significant harm. As a minimum, this includes consideration of the rights and interests of First Nations People, and unintended adverse environmental or social impacts within or outside the Project Area. Proponents must comply with the principles of free, prior and informed consent, and must ensure anyone involved in Project design and delivery has the necessary skills, knowledge, systems, experience and insurances to fulfil their role.

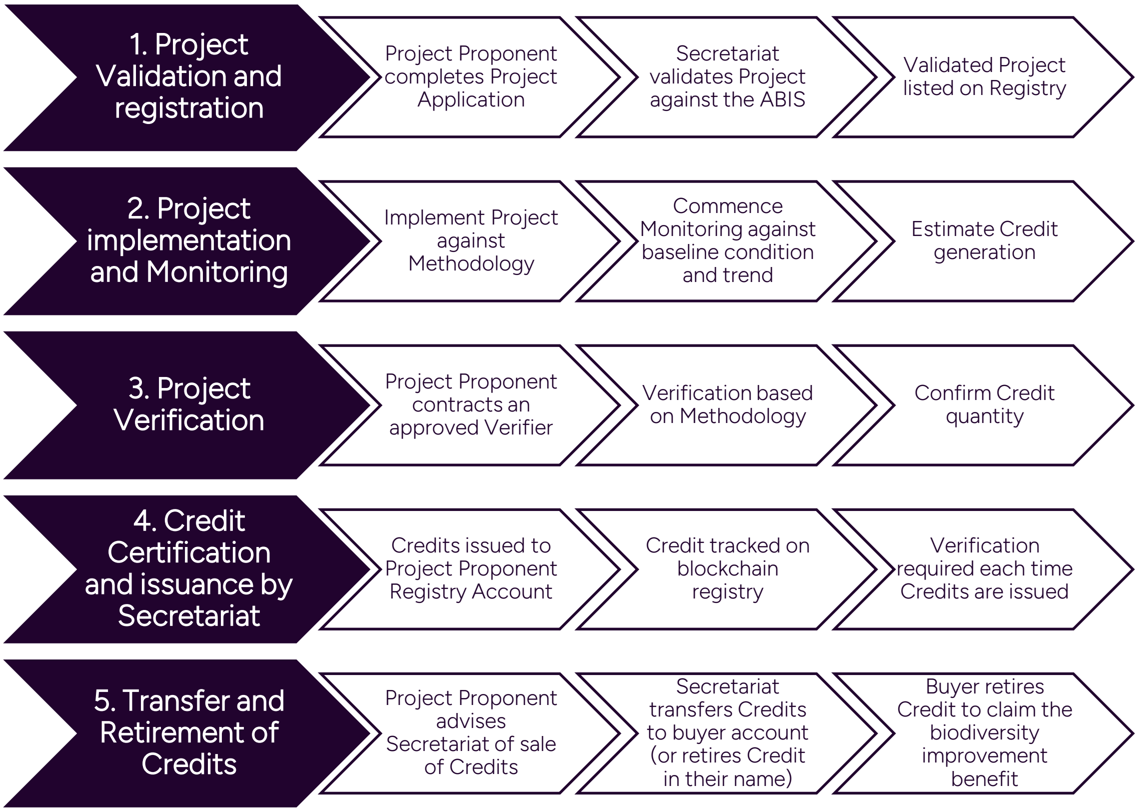
ABIS Participants

Participation in the Scheme is voluntary and based on satisfying the ABIS and Methodologies approved under the ABIS. Participation is open to anyone that can meet these requirements. The various Participants in the Scheme are set out in the table below and may be further described in the Australasian Biodiversity Improvement Definitions.

Participant	Role
Project Proponents	Project Proponents are the Person or Persons that have overall control and responsibility to carry out the Project, and to whom biodiversity improvement Credits may be issued.
Rightsholders	Where a rightsholder (for example, a landholder or First Nations custodial group) is not the Project Proponent, they are entitled to fair and equitable benefit-sharing arrangements under an agreement with the Proponent, and, where applicable, the right to be active partners, stakeholders, decision makers and/or shareholders in the Project.
Resource Users	Where a Project is in a locality that has a history of legitimate use by resource users, for example fishing, walking, swimming, sailing or another lawful use, Proponents must not unlawfully curtail or otherwise unreasonably interfere with the lawful use and enjoyment of the locality by those resource users. Where such use is established, it must be included in the determination of the Project's baseline condition and trend.
Buyers	Buyers include any public or private entity that chooses to contribute to, or is required to compensate for, biodiversity improvement by purchasing biodiversity improvement Credits, whether to meet regulatory or offset obligations subject to relevant regulatory agency requirements, or to quantify progress toward environmental goals.
Verifiers	Verifiers are an accredited and independent person or organisation approved by the Secretariat within the requirements of the ABIS and the Verifier Application Procedure. They confirm that biodiversity improvement Credits are calculated accurately and maintained to the appropriate standard throughout the life of the Project.
Eco-Markets and Secretariat	The Scheme is administered by Eco-Markets, governed by a Board of Directors, with the day-to-day administration of the Scheme delegated to the Secretariat. The Secretariat manages validation, registration, verification, and Credit certification and issuance processes.

Overview of the Scheme process

The following steps outline the process that a Project Proponent follows to generate, issue and sell biodiversity improvement Credits from a biodiversity improvement Project registered and validated under the ABIS.



Project Validation and registration

Once a Project Proponent has identified a site to implement a biodiversity improvement Project, selected an appropriate Methodology, and is satisfied that they meet all necessary rules and requirements of the ABIS, they must apply to validate and register the Project with the Secretariat.

The Secretariat will validate the Project against the ABIS and the appropriate Methodology to ensure that the Project Proponent has complied with all relevant rules and requirements. If the Project is compliant, the Secretariat will notify the Project Proponent and register the Project on the Registry. If the Project is not compliant, the Secretariat will notify the Project Proponent that the Project has failed to meet Validation standards. Project Proponents may revise their Project Application and reapply if they are able to subsequently satisfy all necessary rules and requirements of the ABIS and relevant Methodology.

Project implementation and Monitoring

To generate biodiversity improvement Credits, Project Proponents must implement the Project activities and monitor Project outcomes against the approved baseline condition and trend.

Project Proponents must apply the relevant Methodology to determine Monitoring requirements and estimate the number of biodiversity improvement Credits generated. The estimation of Credits may require making several deductions to the amount of condition improvement generated by a Project to take into account uncertainties, potential Leakage and Risk of Reversal, as specified in the Methodology.

Project Verification

To provide assurance that condition improvements are real and correctly estimated, all Projects must undergo independent Verification by Verifiers approved by the Secretariat.

Verification processes may differ depending on the Methodology. This process confirms Project eligibility, baseline condition and trend, and Project condition improvement calculations, Credit quantity, and that the Project was implemented to meet the ABIS.

Credit Certification and issuance by Secretariat

Once a biodiversity improvement Project has been verified, the Secretariat is able to certify and issue biodiversity improvement Credits to the Project Proponent.

Biodiversity improvement Credits are issued into the Project Proponent's Registry Account. Upon issuance, Credits become visible to the public and are tracked with a unique serial number.

Project Verification by independent and accredited Verifiers must be undertaken each time a Project Proponent seeks to have biodiversity improvement Credits issued.

Transfer and Retirement of biodiversity improvement Credits

Biodiversity improvement Credits can be sold and purchased by transferring the Credits between Registry Accounts. This includes sales from Project Proponents to buyers, or between other buyers and sellers that are not implementing biodiversity improvement Projects.

Registry Account holders can retire biodiversity improvement Credits for their own benefit, or on behalf of third parties. Retirement amounts to a party claiming the benefits associated with a biodiversity improvement Credit and results in the Credit being moved to a Retirement Account on the Registry, which removes it from circulation.

Detailed definitions and process

Terms used in this document are defined in the Australasian Biodiversity Improvement Definitions.

Details on the approval of Verifiers, Methodology approval, Leakage, Risk of Reversal, Permanence, Safeguards, Crediting Periods and Retirement are provided in the ABIS, the ENVOMARK Methodology Application and Review Procedure, the Biodiversity Improvement Project Application and Crediting Procedure, and the Eco-Markets Verifier Application Procedure.

Worked Examples

Concept	Context	Worked Example
Measuring Improvement Against a Declining Baseline Scenario	A threatened woodland bird population currently occupies 100 hectares. Without intervention, modelling predicts habitat quality will decline by 20% over the next 5 years due to invasive weeds.	Baseline trend Current condition score = 100 Projected condition score after 5 years without project = 80 Project outcome The Project controls weeds and restores habitat. After 5 years (first monitoring period): Actual condition score = 110 Biodiversity benefit The Project prevented a 20-point decline and achieved a further 10-point improvement. Benefit = 110 – 80 = 30 condition units. Conversation Factors as per the Methodology are applied to calculate the number of Condition Improvement Credits to be issued. After an additional 5 years, the following Monitoring Period, the Project demonstrates an additional 10-point improvement in condition due to canopy cover becoming more established, infill planting increased species diversity with weed control reducing pressures on regrowth of native species. The Project maintained 30 condition units from the previous monitoring period The Project demonstrated an additional 10-points of condition improvement Conversation Factors as per the Methodology are applied to calculate the number of Credits allocated to improved condition and maintained condition. This example helps explain why ABIS credits outcomes relative to the counterfactual trend, not simply changes from the starting condition.

Converting Biodiversity Benefits into Credits	A Methodology determines that a Project generated 40 Biodiversity Condition Improvement Units. The Methodology applies a conversion factor of 2.5 Credits per Condition Improvement Unit because: the asset is nationally endangered; or improvements align with a priority conservation plan.	Credit issuance: 40 condition units × 2.5 = 100 Credits Biodiversity Improvement Credits The issued Credits remain tagged with the biodiversity asset they benefit. For example: 100 Threatened Freshwater Cod Credits 100 Wetland Restoration Credits The credits represent different biodiversity outcomes and are not universally interchangeable.
Risk of Reversal	A project generates 1,000 Credits. The Risk of Reversal Assessment Tool assigns a medium risk rating requiring a 5% buffer.	Result: 950 Credits issued to the Project Proponent. 50 Credits placed in the Scheme Buffer Account If a wildfire occurs during the next monitoring period and causes biodiversity losses not attributable to Non-compliance, Buffer Credits may be used to maintain market integrity. However, where no reversal occurs, the Proponent can request that Credits in the buffer account for the previous monitoring period be released back to the Proponent. This incentivises continuous compliance whilst maintaining a buffer to manage for unforeseen reversals.
Maintaining a Biodiversity Outcome	A Project restores habitat for an endangered mammal. After habitat restoration is completed: weed management continues predator control continues monitoring continues	The biodiversity benefit remains dependent on active management. The Permanence Plan therefore identifies long-term management actions and funding arrangements required to sustain project outcomes.
Applying Free, Prior and Informed Consent	A Project Proponent proposes restoration activities within an area where Traditional Owners hold recognised cultural responsibilities and maintain Traditional Ecological Knowledge relevant to biodiversity management.	Before project design is finalised: – the Traditional Owner group receives information about the project; – adequate and agreed time is provided for consideration and discussion;

		– engagement occurs through agreed appropriate governance structures; – consent is sought before project activities commence and before knowledge is used; and a benefit-sharing agreement is agreed before project registration. The Project proceeds only after these processes are completed and Traditional Ecological Knowledge is used according to the wishes of the relevant knowledge holders.
Biodiversity Improvement Project which generates Credits for both biodiversity condition improvement and biodiversity condition maintenance.	A Project Proponent registers a biodiversity improvement Project covering 200 hectares of fragmented forest habitat that provides habitat for a threatened species. Project activities include: weed control; planting locally endemic forest species; restoration of habitat corridors; feral pig management; and ongoing habitat protection and stewardship.	First Monitoring Period: Step 1 Project Area = 200 hectares of fragmented rainforest habitat. Step 2 Project activities include weed control, planting forest species and feral pig management. Step 3 Baseline modelling predicts habitat condition score at the end of the first Monitoring Period would decline from 70 to 60 without intervention. Step 4 At the end of the first Monitoring Period monitoring shows habitat condition improved to a score of 80. Step 5 Biodiversity benefit = 80 – 60 = 20 condition improvement units (CIUs). Step 6 Conversion Factor (CF) applied as per the Method (for example) = '2'. Step 7 20 condition improvement units (CIUs) x 2 (CF) = 40 Credits generated for the First Monitoring Period. Step 8 5% Risk of Reversal Buffer deduction. Step 9 38 Credits issued to the Project Proponent's Registry Account and tagged with the relevant biodiversity asset and Defined Biodiversity Setting. 2 Credits are held in the Project's

		corresponding Buffer Account. All relevant project information is recorded as 'attribute data' against the Credit on blockchain. Step 10 Credits sold to organisations seeking verified biodiversity outcomes for either ESG or Compliance purposes. Second Monitoring Period: As above, however Step 4 and Step 5 indicate that not only has the project maintained the 20 biodiversity benefit condition points from the First Monitoring Period, but it has also demonstrated an additional improvement score of 15 biodiversity benefit condition points. Step 6 Conversion Factor applied as per the Method (for example) using '2' for condition improvement (CIUs) achieved, and '1.5' for condition maintained (CMUs) since the last monitoring period. Step 7 20 condition maintenance units (CMUs) x 1.5 (CF) = 30 Credits PLUS 15 condition improvement units (CIUs) x 2 (CF) = 30 Credits TOTALLING 60 Credits generated for the Second Monitoring Period. This reflects the principle that achieving a net biodiversity condition improvement may attract a different credit value to maintaining biodiversity condition that may otherwise have declined, as set out in the relevant Methodology in relation to establishing differential Conversion Factors for maintenance and improvement of biodiversity condition if and as appropriate to the Defined Biodiversity Setting and/or the target biodiversity asset. Steps 8-10 as above
A corporate or philanthropic purchaser or Regulator retires the Credits to support a corporate, philanthropic or regulatory offset biodiversity commitment.	Credits on the digital platform registry hold attribute data which provide information relevant to provenance, type, method, standard and project.	When Credits are retired: the owner has the right to claim the verified biodiversity outcomes; the Registry records the retirement; the Credits cannot be reused or resold.

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