



Project planning: What is offsetting and how to prepare an offsetting plan

Fisheries and Oceans Canada (DFO) is responsible for protecting oceans, freshwater and aquatic ecosystems and species from the negative impacts of human activity, while advancing reconciliation with Indigenous peoples and supporting sustainable development.

DFO administers the fish and fish habitat protection provisions of the *Fisheries Act* and relevant provisions of the *Species at Risk Act*.

A *Fisheries Act* authorization is required when a project is likely to cause death of fish or harmful alteration, disruption or destruction of fish habitat.

An offsetting plan is required as part of an application for an authorization.

What is Offsetting?

Offsetting measures are the actions taken by a proponent to counterbalance the residual effects to fish and fish habitat that are caused by their project after avoidance and mitigation measures have been applied.

Offsetting measures can include:

- **restoring degraded fish habitat to improve conditions for fish (DFO's preferred approach)**
- **enhancing degraded fish habitat, or constructing productive and sustainable fish habitat where none existed before**

In some circumstances (such as when measures identified above are not possible), the following offsetting measures could be considered individually or in combination with other measures:

- **artificial augmentation (stocking) of fish in specific circumstances**
- **chemical or biological manipulations to re-establish ecological equilibrium in certain circumstances, for example, raising pH or controlling invasive species**
- **scientific research related to maintaining or enhancing the conservation and protection of fish and fish habitat in specific circumstances when the options above are limited**

The department strives to balance unavoidable habitat losses with habitat replacement on a project-by-project basis so that further reductions to Canada's fish and fish habitat due to habitat loss or damage may be prevented.

Offsetting principles

Keep in mind the following principles when choosing offsetting measures:

- **All measures to avoid and mitigate impacts to fish and fish habitat must be taken first. Offsetting counterbalances what cannot be avoided or mitigated.**



- There are limits to what can be offset. Some types of fish habitat are rare, sensitive or of exceptional ecological or cultural value and cannot be replaced. If this is the case, the authorization may not be issued.
- The benefits from offsetting measures counterbalance the harmful impacts, including time lags and uncertainties. This can mean restoring more habitat than is impacted to ensure there is no net loss of fish and fish habitat.
- Indigenous peoples are involved in the planning, design, implementation and monitoring of measures to offset. Proponents are expected to engage impacted groups early in the development of an offsetting plan.
- Offsetting is in addition to what a proponent already has to do as part of their business practices or to comply with a law, regulation or a program.
- Offsetting measures are located to optimize ecological outcomes taking the needs of Indigenous rights holders and resource users into account.
- Time lags should be avoided or minimized between when the impact of the project occurs and when benefit of the offsetting measure become effective (this means it is best to build an offset before the harm to the ecosystem is incurred). When such a time lag is unavoidable, more offsetting measures will be needed to make up for the impacts that occur after the project proceeds and before the offsetting measures become fully functional.
- Offsetting measures generate benefits that last at least as long as the harmful impacts of the project being authorized. Offsetting measures should be self-sustaining if losses are permanent.

Steps to prepare an offsetting plan

The following are the key steps in preparing an offsetting plan:

1. Identify and engage with potentially affected Indigenous groups.
2. Describe the anticipated harmful impacts to fish habitat from the proposed project.
3. Select the offsetting measures. Consult DFO's [Framework to Identify Fish Habitat Restoration Priorities](#) or recovery strategies or action plans for aquatic species at risk for ideas.
4. Determine the amount of offsetting required. Be sure to account for uncertainty and time lags. Include contingency measures in case the offsetting measures do not work as planned.
5. Establish the monitoring and reporting plan.
6. Submit the offsetting plan to DFO as part of an application for authorization.

A financial guarantee, based on the cost of implementing the offsetting plan, must also be submitted as part of the [application for authorization](#). The guarantee is held by DFO in case the project proponent is unable to complete the offsetting plan.



Tips to avoid delays in getting a *Fisheries Act* authorization

The following tips on submitting an offsetting plan will help you receive an authorization in a timely manner.

Tip 1: Engage Indigenous groups early

Early engagement will help identify suitable offsetting sites and measures that align with the rights of Indigenous peoples.

DFO has a duty to consult and accommodate Indigenous groups if potential or established Aboriginal or treaty rights could be adversely affected by the project being authorized. Early engagement with Indigenous groups by project proponents is likely to help DFO's consultations go faster and smoother.

Tip 2: Ensure sufficient details

It is important to develop a complete and comprehensive offsetting plan as part of planning a project. Giving DFO all of the information necessary for assessing the offsetting plan up front will better protect fish and their habitat, and reduce delays in getting a *Fisheries Act* authorization.

For example, if a project will affect an aquatic species at risk, the offsetting plan will need to set out how the offsetting measures will benefit the recovery of that species.

Tip 3: Contact us

If you are unsure about whether your offsetting plan will meet DFO's requirements, we encourage you to [connect with us](#) early in your planning process to avoid investing resources and time in the wrong offsetting plan.

Where can I get more information?

The [Policy for Applying Measures to Offset Harmful Impacts to Fish and Fish Habitat](#) provides guidance to proponents on measures to offset and on the development of offsetting plans. You can find more information on applying for a project review on the [Projects Near Water webpage](#).